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## **SANDS CHINA LTD.**

## **金沙中國有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1928)**

### **CONTINUING CONNECTED TRANSACTIONS RENEWAL OF SHARED SERVICES AGREEMENT**

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

On December 13, 2017, the Company and LVS entered into the Renewal Agreement to renew the Shared Services Agreement for a term of three years commencing on January 1, 2018 and ending on December 31, 2020.

As LVS is a controlling shareholder of the Company and hence a connected person of the Company under the Listing Rules, the transactions under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement) constitute continuing connected transactions of the Company subject to Chapter 14A of the Listing Rules.

The Joint International Marketing and Retail Leasing, Management and Marketing Services under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement) is subject to the reporting, announcement and annual review requirements set out in Chapter 14A of the Listing Rules.

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

As disclosed in the Prospectus and the Company's announcement dated November 10, 2010, the Company and LVS entered into the Shared Services Agreement in respect of the provision of certain products and services by the LVS Group to the Group or by the Group to the LVS Group for a term commencing on the date on which the shares in the Company were listed on the Main Board of the Stock Exchange (being November 30, 2009) and ended on December 31, 2011. The Shared Services Agreement has been amended and renewed from time to time and its current term will expire on December 31, 2017.

On December 13, 2017, the Company and LVS entered into the Renewal Agreement to renew the Shared Services Agreement for a further term of three years commencing on January 1, 2018 and ending on December 31, 2020.

As disclosed in the Prospectus, certain service arrangements with members of the LVS Group will be assimilated to the Shared Services Agreement by means of an implementation agreement. It is also envisaged that from time to time, and as required, an implementation agreement for a particular type of product or service will be entered into between the LVS Group and members of the Group under which the LVS Group provides the relevant products or services to the Group or vice versa. The term of any implementation agreement shall not exceed the current term of the Shared Services Agreement (as renewed pursuant to the Renewal Agreement).

As LVS is a controlling shareholder of the Company and hence a connected person of the Company under the Listing Rules, the transactions under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement) constitute continuing connected transactions of the Company subject to Chapter 14A of the Listing Rules.

## **JOINT INTERNATIONAL MARKETING AND RETAIL LEASING, MANAGEMENT AND MARKETING SERVICES**

Under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement), the LVS Group agreed to provide to the Group joint international marketing services targeting VIP players, premium players and Sands Rewards Club members who wish to patronize our Group's properties in addition to those of the LVS Group, and retail leasing, management and marketing services relating to the retail malls owned or operated by the Group (including hotel, convention, exhibition, meetings and entertainment sales, marketing and public relations services) (the “**Joint International Marketing and Retail Leasing, Management and Marketing Services**”).

The amounts payable by the Group under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement) for the Joint International Marketing and Retail Leasing, Management and Marketing Services are calculated on a cost basis, which means the cost incurred in providing the relevant Joint International Marketing and Retail Leasing, Management and Marketing Services to the Group. Typically, the allocation is done on a fair and equitable basis with reference to the actual salary and benefits, employment-related expenses and statutory costs for the relevant employees and the hours worked by them in providing such services attributable to the Group.

The fees for the provision of the Joint International Marketing and Retail Leasing, Management and Marketing Services will be invoiced by the LVS Group to the Group no earlier than the date incurred and will be paid, in the absence of dispute, within 45 days of receipt of invoice. Invoices shall be provided to the Group together with documentary support of the actual costs incurred by the LVS Group.

Pursuant to the Renewal Agreement, the annual caps set for the Joint International Marketing and Retail Leasing, Management and Marketing Services to be provided by the LVS Group to the Group for each of the three years ending December 31, 2020 are US\$7.7 million, US\$8.5 million and US\$9.3 million respectively.

The annual caps for the Joint International Marketing and Retail Leasing, Management and Marketing Services for each of the three years ending December 31, 2020 are determined by reference to, among others, (a) the historical figures related to such services, (b) the necessary amount to be paid to properly and adequately compensate for the services of the marketing executives, (c) sufficient additional fee capacity to address the expected growth of the Group's business in the next three years (including, but not limited to, the expected growth resulting from The Parisian Macao which opened in September 2016), and (d) the extent and volume of the services the Group expects the LVS Group to provide during such periods.

The historical fees paid by the Group to the LVS Group under the Shared Services Agreement for the Joint International Marketing and Retail Leasing, Management and Marketing Services for the two years ended December 31, 2015 and 2016 and the six months ended June 30, 2017, and the relevant annual caps for each of the three years ending December 31, 2017 are set out as follows:

	<b>For the year ended December 31, 2015 (US\$ million)</b>	<b>For the year ended December 31, 2016 (US\$ million)</b>	<b>For 2017 (US\$ million)</b>
<b>Historical fees paid by the Group to LVS Group</b>	13.3	9.7	2.3 (for the six months ended June 30, 2017)
<b>Annual cap</b>	22.7	25.8	28.3 (for the year ending December 31, 2017)

As, based on the new annual caps, one or more of the relevant percentage ratios in relation to the Joint International Marketing and Retail Leasing, Management and Marketing Services are more than 0.1% but each of them is less than 5%, the Company is required to comply with the reporting, announcement and annual review but is exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules in respect of continuing connected transactions.

## **FULLY EXEMPT TRANSACTIONS**

Under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement), the LVS Group and our Group agreed to provide to each other procurement consultancy services, transportation and related research, logistics and technical services and design, development, construction and pre-opening consultancy services and our Group agreed to provide to the LVS Group the joint international marketing and retail leasing, management and marketing services (the “**De Minimis Transactions**”). The fees to be paid by the Group to the LVS Group and vice versa will be calculated on a cost basis. As the relevant percentage ratios in relation to the services provided under the De Minimis Transactions are less than 0.1%, the Company is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of such services.

Under the Shared Services Agreement (as renewed pursuant to the Renewal Agreement), the LVS Group and our Group also agreed to provide to each other administrative and logistics services such as (but not limited to), corporate, risk management, investigations, legal and regulatory services, human resource services etc. (the “**Administrative and Logistics Services**”). The fees to be paid by the Group to the LVS Group and vice versa will be calculated on a cost basis. Pursuant to rule 14A.98 of the Listing Rules, the Company is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of such Administrative and Logistics Services.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION AND THE VIEWS OF THE DIRECTORS**

The Shared Services Agreement (as renewed pursuant to the Renewal Agreement) regulates the relationship of the Group and the LVS Group with respect to the provision of the shared services between the Group and the LVS Group. The current term of the Shared Services Agreement will expire on December 31, 2017. The reason for and the benefits of entering into the Renewal Agreement is to renew the term of the Shared Services Agreement for a period of three years ending on December 31, 2020 and to expand the scope of the services in line with the growth of the Company's separate business units.

The Directors (including all of the independent non-executive Directors) are of the view that the terms of the Renewal Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and fair and reasonable and in the interests of the Company and its shareholders as a whole. As each of Mr. Sheldon Gary Adelson, Mr. Robert Glen Goldstein and Mr. Charles Daniel Forman are directors and/or officers of LVS, they have each abstained from voting on the relevant Directors' resolutions approving the Renewal Agreement.

## **PRINCIPAL ACTIVITIES OF THE COMPANY**

The principal activity of the Group is the development and operation of integrated resorts in the Macao Special Administrative Region of China, which contain not only gaming areas but also meeting space, convention and exhibition halls, retail and dining areas and entertainment venues.

## **PRINCIPAL ACTIVITIES OF LVS**

LVS is a controlling shareholder of the Company. It is the leading global developer of destination properties (integrated resorts) that feature premium accommodations, world-class gaming and entertainment, convention and exhibition facilities, celebrity chef restaurants, and other amenities.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	means the board of Directors of the Company.
“Company”	means Sands China Ltd., a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange.
“connected person”	has the meaning given to it under the Listing Rules.
“controlling shareholder”	has the meaning given to it under the Listing Rules.
“Director(s)”	means member(s) of the board of directors of the Company.
“Group”	means the Company and its subsidiaries from time to time.

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time).
“LVS”	means Las Vegas Sands Corp., a company incorporated in Nevada, the United States of America in August 2004 and the common stock of which is listed on the New York Stock Exchange.
“LVS Group”	means LVS and its subsidiaries (excluding the Group).
“Prospectus”	means the prospectus of the Company dated November 16, 2009.
“Renewal Agreement”	means the renewal agreement entered into between the Company and LVS dated December 13, 2017.
“Shared Services Agreement”	means the shared services agreement entered into between the Company and LVS dated November 8, 2009 in respect of the provision of certain products and services by the LVS Group to the Group or the Group to the LVS Group (as amended and renewed from time to time).
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“US\$”	means United States dollars, the lawful currency of the United States of America.

By order of the Board  
**SANDS CHINA LTD.**  
**Dylan James Williams**  
*Company Secretary*

Macao, December 13, 2017

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Sheldon Gary Adelson  
Wong Ying Wai

*Non-Executive Directors:*

Robert Glen Goldstein  
Charles Daniel Forman

*Independent Non-Executive Directors:*

Chiang Yun  
Victor Patrick Hoog Antink  
Steven Zygmunt Strasser  
Kenneth Patrick Chung  
Wang Sing

*In case of any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.*