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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 NEW SHARED SERVICES AGREEMENT**

Reference is made to the Company's announcements dated December 10, 2020 and November 22, 2023 in respect of the Company's Shared Services Agreement.

As set out in the Company's announcement dated December 10, 2020, the term of the Shared Services Agreement is due to expire on December 31, 2023.

On November 22, 2023, the Company and LVS entered into an amendment agreement which included amending the annual cap set for the Transportation and Related Research, Logistics and Technical Services provided by the LVS Group to the Group (as set out in the Shared Services Agreement) for the year ending December 31, 2023 from US\$8.8 million to US\$10.8 million. The amendment agreement also broadened the scope of the Transportation and Related Research, Logistics and Technical Services provided by the LVS Group to the Group.

On December 27, 2023, the Company and LVS entered into the New Shared Services Agreement, the effect of which is to enter into the arrangements similar to those contained in the Shared Services Agreement for a term of one year commencing on January 1, 2024 and ending on December 31, 2024.

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 New Shared Services Agreement constitute continuing connected transactions of the Company subject to Chapter 14A of the Listing Rules.

The Marketing Services provided by the LVS Group to the Group, and vice versa; Transportation and Related Services provided by the LVS Group to the Group; and Procurement Services provided by the Group to the LVS Group under the New Shared Services Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A 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, as set out in the Company's announcement dated December 10, 2020, its current term will expire on December 31, 2023.

On November 22, 2023, the Company and LVS entered into an amendment agreement which included amending the annual cap set for the Transportation and Related Research, Logistics and Technical Services provided by the LVS Group to the Group (as set out in the Shared Services Agreement) for the year ending December 31, 2023 from US\$8.8 million to US\$10.8 million. The amendment agreement also broadened the scope of the Transportation and Related Research, Logistics and Technical Services provided by the LVS Group to the Group to include all forms of transportation owned by or available to the LVS Group.

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 and vice versa. The term of any implementation agreement shall not exceed the current term of the Shared Services Agreement.

On December 27, 2023, the Company and LVS entered into the New Shared Services Agreement, the effect of which is enter into the arrangements similar to those contained in the Shared Services Agreement for a term of one year commencing on January 1, 2024 and ending on December 31, 2024.

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 New Shared Services Agreement constitute continuing connected transactions of the Company subject to Chapter 14A of the Listing Rules.

## **THE NEW SHARED SERVICES AGREEMENT**

Key terms of the New Shared Services Agreement are set out below.

### **Date**

December 27, 2023

### **Parties**

- (1) the Company; and
- (2) LVS.

## **Term**

The New Shared Services Agreement is for a term of one year commencing on January 1, 2024 and ending on December 31, 2024.

## **Subject matter**

The New Shared Services Agreement is 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, including (1) Marketing Services; (2) Transportation and Related Services; and (3) Procurement Services. Please refer to below for further details.

## **MARKETING SERVICES**

Under the New Shared Services Agreement, the LVS Group and the Group agreed to provide to each other (1) marketing targeting casino patrons and loyalty card members of the LVS Group who may also wish to patronize our Group's integrated resorts in addition to those of the LVS Group and vice versa, and (2) services related to the marketing, public relations, sales, leasing, and management of the integrated resorts and properties owned or operated by the Group and vice versa (the "**Marketing Services**").

The amounts payable by the Group or the LVS Group under the New Shared Services Agreement for the Marketing Services are calculated on a cost basis. Typically, the allocation is done on a fair and equitable basis with reference to the actual cost incurred in providing the relevant Marketing Services to the Group or the LVS Group (as applicable), including 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 or the LVS Group (as applicable).

The fees for the provision of the Marketing Services will be invoiced by the LVS Group to the Group, and vice versa, no earlier than the date incurred and will be paid, in the absence of dispute, within 90 days of receipt of invoice. Invoices shall be provided to the Group or the LVS Group (as the case may be) together with documentary support of the actual costs incurred by the LVS Group or the Group (as applicable).

Pursuant to the New Shared Services Agreement, the annual cap set for the Marketing Services to be provided by:

- (i) the LVS Group to the Group for the year ending December 31, 2024 is US\$12.9 million; and
- (ii) the Group to the LVS Group for the year ending December 31, 2024 is US\$5.3 million.

The annual caps for the Marketing Services provided by (i) the LVS Group to the Group and (ii) the Group to the LVS Group for the year ending December 31, 2024 are determined by reference to, among others, (a) the historical figures related to the similar Joint International Marketing and Retail Leasing, Management and Marketing Services, (b) the necessary amount to be paid to properly and adequately compensate for the services of the marketing executives, (c) the sufficient additional fee capacity to address the expected growth of the Group's business or the LVS Group's business in the next year (as the case may be), and (d) the extent and volume of the services the Group expects the LVS Group, and vice versa, to provide during such period.

The historical fees paid between the Group and 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, 2021 and 2022 and the six months ended June 30, 2023, and the relevant annual caps for each of the three years ending December 31, 2023 are set out as follows:

	<b>For the year ended December 31, 2021 (US\$ million)</b>	<b>For the year ended December 31, 2022 (US\$ million)</b>	<b>For 2023 (US\$ million)</b>
<b>Historical fees paid by the Group to the LVS Group for Joint International Marketing and Retail Leasing, Management and Marketing Services</b>	5.7	2.6	5.1 (for the six months ended June 30, 2023)
<b>Annual cap</b>	10.2	11.2	12.2 (for the year ending December 31, 2023)

	<b>For the year ended December 31, 2021 (US\$ million)</b>	<b>For the year ended December 31, 2022 (US\$ million)</b>	<b>For 2023 (US\$ million)</b>
<b>Historical fees paid by the LVS Group to the Group for Joint International Marketing and Retail Leasing, Management and Marketing Services</b>	2.0	3.5	1.9 (for the six months ended June 30, 2023)
<b>Annual cap</b>	8.8	8.8	8.8 (for the year ending December 31, 2023)

As, based on the new annual caps, one or more of the relevant percentage ratios in relation to the Marketing Services provided by (i) the LVS Group to the Group and (ii) the Group to the LVS Group 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 requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of continuing connected transactions.

## **TRANSPORTATION AND RELATED SERVICES**

Under the New Shared Services Agreement, the LVS Group agreed to provide to the Group transportation and all related services in connection with the use of all forms of transportation (including but not limited to automobiles, vessels, trains, and aircraft) owned by or available to the LVS Group (the “**Transportation and Related Services**”).

The amounts payable by the Group under the New Shared Services Agreement for the Transportation and Related Services are calculated on a cost basis. Typically, the allocation is done on a fair and equitable basis with reference to the actual costs of the transportation and related services provided to the relevant patrons that are attributable to the visitations to and from the properties of the Group, including 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 and the cost of fuel, oil, repair and maintenance, insurance and other related operational costs allocated based on the number of hours that the relevant transportation vehicles are used for.

The fees for the provision of the Transportation and Related 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 90 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 New Shared Services Agreement, the annual cap set for the Transportation and Related Services to be provided by the LVS Group to the Group for the year ending December 31, 2024 is US\$15.8 million.

The annual cap for the Transportation and Related Services provided by the LVS Group to the Group for the year ending December 31, 2024 is determined by reference to, among others, (a) the historical figures related to the similar transportation and related research, logistics and technical services under the Shared Services Agreement (“**Transportation and Related Research, Logistics and Technical Services**”), (b) the sufficient additional fee capacity to address the expected growth of the Group’s business in the next year, and (c) the extent and volume of the services the Group expects the LVS Group to provide during such period.

The historical fees paid by the Group to the LVS Group under the Shared Services Agreement for the Transportation and Related Research, Logistics and Technical Services for the two years ended December 31, 2021 and 2022 and the six months ended June 30, 2023, and the relevant annual caps for each of the three years ending December 31, 2023 are set out as follows:

	<b>For the year ended December 31, 2021 (US\$ million)</b>	<b>For the year ended December 31, 2022 (US\$ million)</b>	<b>For 2023 (US\$ million)</b>
<b>Historical fees paid by the Group to LVS Group for Transportation and Related Research, Logistics and Technical Services</b>	1.8	1.4	4.7 (for the six months ended June 30, 2023)
<b>Annual cap</b>	8.8	8.8	10.8 (for the year ending December 31, 2023)

As, based on the new annual cap, one or more of the relevant percentage ratios in relation to the Transportation and Related 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 requirements but is exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of continuing connected transactions.

## PROCUREMENT SERVICES

Under the New Shared Services Agreement, the Group agreed to provide to the LVS Group procurement services in relation to the procurement of materials, equipment, and supplies for the integrated resorts and properties owned or operated by the LVS Group (the “**Procurement Services**”).

The amounts payable by the LVS Group under the New Shared Services Agreement for the Procurement Services are calculated on a cost basis. Typically, the allocation is done on a fair and equitable basis with reference to the actual costs of the procurement of materials, equipment, and supplies, among other items, provided to the LVS Group, including 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 LVS Group.

The fees for the provision of the Procurement Services will be invoiced by the Group to the LVS Group no earlier than the date incurred and will be paid, in the absence of dispute, within 90 days of receipt of invoice. Invoices shall be provided to the LVS Group together with documentary support of the actual costs incurred by the Group.

Pursuant to the New Shared Services Agreement, the annual cap set for the Procurement Services to be provided by the Group to the LVS Group for the year ending December 31, 2024 is US\$2.0 million.

The annual cap for the Procurement Services provided by the Group to the LVS Group for the year ending December 31, 2024 is determined by reference to, among others, (a) the historical figures related to the similar procurement consultancy services under the Shared Services Agreement (“**Procurement Consultancy Services**”), (b) the sufficient additional fee capacity to address the expected growth of the LVS Group’s business in the next year, and (c) the extent and volume of the services the LVS Group expects the Group to provide during such period.

The historical fees paid by the LVS Group to the Group under the Shared Services Agreement for the Procurement Consultancy Services for the two years ended December 31, 2021 and 2022 and the six months ended June 30, 2023, and the relevant annual caps for each of the three years ending December 31, 2023 are set out as follows:

	<b>For the year ended December 31, 2021 <i>(US\$ million)</i></b>	<b>For the year ended December 31, 2022 <i>(US\$ million)</i></b>	<b>For 2023 <i>(US\$ million)</i></b>
<b>Historical fees paid by the LVS Group to the Group for Procurement Consultancy Services</b>	0.8	1.5	0.7 (for the six months ended June 30, 2023)
<b>Annual cap</b>	8.8	8.8	8.8 (for the year ending December 31, 2023)

As, based on the new annual cap, one or more of the relevant percentage ratios in relation to the Procurement 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 requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of continuing connected transactions.

## **FULLY EXEMPT TRANSACTIONS**

Under the New Shared Services Agreement, the LVS Group also agreed to provide to our Group procurement services, our Group agreed to provide to the LVS Group transportation and all related services in connection with the use of all forms of transportation and the LVS Group and our Group agreed to provide to each other design, development, construction, and pre-opening 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 and will be capped. 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, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of such services.

Under the New Shared Services Agreement, the LVS Group and our Group also agreed to provide to each other administrative and logistics services (including but not limited to corporate, legal, compliance, human resources, finance, information technology, cyber security, and facilities management services) including costs and expenses associated with the use of the LVS Group's facilities and offices by the Group and vice versa (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, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the Administrative and Logistics Services.

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

The New Shared Services 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, 2023. The reason for and the benefits of entering into the New Shared Services Agreement is to enable the arrangements contained in the Shared Services Agreement to continue for a period of one year ending on December 31, 2024 and is 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 New Shared Services Agreement are on normal commercial terms, are in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole. As each of Mr. Robert Glen Goldstein, Mr. Chum Kwan Lock, Grant 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 New Shared Services Agreement.

## **PRINCIPAL ACTIVITIES OF THE COMPANY**

The principal activity of the Group is the development and operation of integrated resorts in Macao, 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., an exempted company with limited liability incorporated in the Cayman Islands on July 15, 2009, 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.
“Joint International Marketing and Retail Leasing, Management and Marketing Services”	means the 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 vice versa, and retail leasing, management and marketing services relating to the retail malls owned or operated by the Group and vice versa (including hotel, convention, exhibition, meetings and entertainment sales, marketing and public relations services) under the Shared Services Agreement.
“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).
“New Shared Services Agreement”	means the shared services agreement entered into between the Company and LVS dated December 27, 2023.
“Prospectus”	means the listing prospectus of the Company dated November 16, 2009.
“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 27, 2023

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

*Executive Directors:*

Robert Glen Goldstein  
Wong Ying Wai  
Chum Kwan Lock, Grant

*Non-Executive Director:*

Charles Daniel Forman

*Independent Non-Executive Directors:*

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

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