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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 and Note Stock Codes: 5140, 5141, 5142, 5725, 5727, 5733)**

## **INSIDE INFORMATION**

### **ISSUE OF SENIOR NOTES**

This announcement is issued pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated June 2, 2020 in relation to the proposed issuance of senior notes.

The Company is pleased to announce that on June 2, 2020 (New York time), the Company entered into the Purchase Agreement with Barclays Capital Inc., BofA Securities, Inc. and Goldman Sachs & Co. LLC, as representatives of the Initial Purchasers, in connection with the issuance of the Notes.

## **THE PURCHASE AGREEMENT**

Date: June 2, 2020 (New York time)

Parties:

- (1) the Company; and
- (2) Barclays Capital Inc., BofA Securities, Inc. and Goldman Sachs & Co. LLC, as representatives of the Initial Purchasers.

The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction, and are being offered and sold only to Professional Investors that are qualified institutional buyers (in reliance on Rule 144A under the Securities Act) and/or non-U.S. Persons outside the United States (in reliance on Regulation S under the Securities Act). None of the Notes are being offered or sold to the public in Hong Kong and none of the Notes will be placed to any connected person (as defined in the Listing Rules) of the Company.

## PRINCIPAL TERMS OF THE NOTES

	<b>2026 Notes</b>	<b>2030 Notes</b>
<b>Issuer</b>	: the Company	: the Company
<b>Aggregate principal amount</b>	: US\$800,000,000	: US\$700,000,000
<b>Offering price</b>	: 99.901% of the principal amount of the 2026 Notes	: 99.580% of the principal amount of the 2030 Notes
<b>Issue date</b>	: June 4, 2020 (New York time)	: June 4, 2020 (New York time)
<b>Interest rate</b>	: 3.800% per annum, payable semi-annually in arrears on January 8 and July 8 of each year	: 4.375% per annum, payable semi-annually in arrears on June 18 and December 18 of each year
<b>Maturity date</b>	: January 8, 2026	: June 18, 2030
<b>First interest payment due date</b>	: January 8, 2021	: December 18, 2020

The interest rate on each series of Notes may be adjusted under certain circumstances involving a downgrade (or downgrade and subsequent upgrade) of the credit rating assigned to such series of Notes by certain applicable rating agencies.

### Ranking of the Notes

The Notes will be general unsecured obligations of the Company and will (1) rank equally in right of payment with all of the Company's existing and future senior unsecured indebtedness, (2) rank senior to all of the Company's future subordinated indebtedness, if any, (3) be effectively subordinated to all of the Company's future secured indebtedness to the extent of the value of the assets securing such debt, and (4) be structurally subordinated to all existing and future obligations of the Company's subsidiaries.

## Redemption

### *Optional Redemption*

Sands China may on any one or more occasions redeem all or part of a particular series of Notes at any time prior to the par call date listed beneath such series of Notes in the table below at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed and (2) a “make-whole” amount determined by an independent investment banker in accordance with the provisions of the Indenture; plus, in either of the above cases, accrued and unpaid interest to, but excluding, the date of redemption.

On or after the applicable par call date listed beneath each series of Notes in the table below, Sands China may on any one or more occasions redeem all or a part of such series of Notes at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption.

The applicable par call date for each series of Notes are as follows:

	<b>2026 Notes</b>	<b>2030 Notes</b>
<b>par call date</b>	: On or after December 8, 2025	On or after March 18, 2030

### *Redemption for Tax Reasons*

Subject to certain exceptions, any series of Notes may be redeemed, at the option of Sands China, as a whole but not in part, upon 15–60 days’ notice to the holders thereof, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption if, as a result of certain changes in specified tax laws or certain other circumstances, Sands China would become obligated to pay certain additional amounts.

## Repurchase at the Option of Holders of the Notes

### *Change of Control*

Subject to certain exceptions, each holder of the Notes will have the right to require Sands China to repurchase all or any part of that holder’s Notes at 101% of the aggregate principal amount thereof plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, if any of the following (a “**Change of Control**”) and a Ratings Event occur:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Sands China and its subsidiaries, taken as a whole, to any “person” (as that term is used in Section 13(d)(3) of the United States Securities Exchange Act of 1934) other than to LVS, or certain controlling shareholder(s) of LVS, or any of their related parties;
- (2) the adoption of a plan relating to the liquidation or dissolution of Sands China or any successor thereto; or

- (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the United States Securities Exchange Act of 1934), other than LVS, or certain controlling shareholder(s) of LVS, or any of their related parties become the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting stock of Sands China.

### *Investor Put Option*

Upon the occurrence of any event resulting from any change in Gaming Law or any action by a Gaming Authority after which none of Sands China or any subsidiary of Sands China owns or manages casino or gaming areas or operates casino games of fortune and chance in Macao in substantially the same manner as Sands China and its subsidiaries are owning or managing casino or gaming areas or operating casino games at the issue date of the Notes, for a period of thirty consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of Sands China and its subsidiaries, taken as a whole, each holder of the Notes will have the right to require Sands China to repurchase all or any part of such holder’s Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of repurchase.

### **Covenants**

The Indenture governing the Notes will limit our ability to do certain things, including:

- (1) creating certain types of liens on our principal properties;
- (2) entering into certain types of sale and leaseback transactions with respect to our principal properties;
- (3) consolidating or merging with or into another person; and
- (4) selling, assigning, transferring, conveying or otherwise disposing of all or substantially all of the properties or assets of Sands China and its subsidiaries, taken as a whole, in one or more related transactions, to another person.

### **Events of default**

The events of default under the Notes of each series include, among others:

- (1) default for 30 days in the payment when due of interest on the Notes of such series;
- (2) default in the payment when due (at maturity, upon redemption, repurchase or otherwise) of the principal of, or premium, if any, on the Notes of such series;
- (3) failure by Sands China to comply with any payment obligations (including, without limitation, obligations as to the timing or amount of such payments) relating to the repurchase of the Notes of such series upon certain change of control events or investor put option events described above;

- (4) failure by Sands China for 90 days after receipt of written notice from the Trustee or the holders of at least 25% in aggregate principal amount of the Notes of such series to comply with any of the other agreements in the Indenture not identified in clauses (1), (2) or (3) above;
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by Sands China or any of its Significant Subsidiaries (or the payment of which is guaranteed by Sands China or any of its Significant Subsidiaries), whether such indebtedness or guarantee existed on the date of the Indenture, or is created after the date of the Indenture, if that default results in the acceleration of such indebtedness prior to its express maturity, and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness the maturity of which has been so accelerated, aggregates US\$250.0 million or more (or the equivalent thereof), if such acceleration is not annulled within 30 days after written notice from the Trustee or the holders of at least 25% in aggregate principal amount of the Notes of such series;
- (6) failure by Sands China or any of its Significant Subsidiaries to pay final non-appealable judgments (not paid or covered by insurance as to which the relevant insurance company has not denied responsibility) rendered against Sands China or any Significant Subsidiary aggregating in excess of US\$250.0 million (or the equivalent thereof), which judgments are not paid, bonded, discharged or stayed for a period of 60 days; or
- (7) certain events of bankruptcy or insolvency relating to Sands China and its Significant Subsidiaries.

In the case of an event of default arising from certain events of bankruptcy or insolvency, all outstanding Notes of the affected series will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes of an affected series may declare all the Notes of such series to be due and payable immediately.

### **Registration Rights**

On the issue date of the Notes, Sands China will agree with the Initial Purchasers in a registration rights agreement for the benefit of the holders of the Notes of each series, to use its commercially reasonable efforts, at its cost, to file and cause to become effective a registration statement with respect to a registered exchange offer to exchange each series of Notes for an issue of notes that will be senior debt securities with terms identical to the applicable series of Notes, except that the exchange notes will not have legends restricting transfer. When the U.S. Securities and Exchange Commission declares the registration statement relating to the exchange offer effective, Sands China will offer to holders who are able to make certain representations the opportunity to receive exchange notes of the applicable series in return for surrender of the Notes of such series. The exchange offer will remain open for at least 20 business days after the date notice of the exchange offer is delivered to the holders.

For each Note surrendered to Sands China under the exchange offer, the holder will receive an exchange note of equal principal amount. Interest on each exchange note accrues from the last interest payment date on which interest was paid on the Notes surrendered or, if no interest has been paid on the notes, from the issue date of the Notes.

## **REASONS FOR THE ISSUANCE OF THE NOTES**

The duration and intensity of the COVID-19 pandemic and related disruptions are uncertain. It is unknown when or how quickly the current travel restrictions will be modified or cease to be necessary and the resulting impact on the willingness of Sands China's customers to spend on travel and entertainment.

The Company believes it has a strong balance sheet and sufficient liquidity in place to fund its operations for 12 months in the current operating environment. As of May 29, 2020, the Company had total liquidity of US\$2.41 billion, consisting of US\$801 million of total cash and cash equivalents and US\$1.61 billion of available borrowing capacity under its revolving unsecured credit facility. The Company believes it will be able to support its continuing operations, complete the major construction projects that are underway, and respond to the current COVID-19 pandemic challenges.

The Notes Issues will further strengthen the liquidity position of the Group.

## **PROPOSED USE OF PROCEEDS**

The Company estimates that the net proceeds from the offering of the Notes will be approximately US\$1,483 million. The Company intends to use the net proceeds from the Notes for incremental liquidity and general corporate purposes.

## **LISTING OF THE NOTES**

The Company proposes to seek a listing of the Notes on the Stock Exchange and has received an eligibility letter from the Stock Exchange for the listing of the Notes. Admission of the Notes to the Stock Exchange and quotation of any Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

## **GENERAL**

As the conditions precedent to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company. The Notes Issues are expected to close on June 4, 2020 (New York time), subject to customary closing conditions.

## **ABOUT THE GROUP**

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

## DEFINITIONS

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

- “2026 Notes” means the US\$800,000,000 3.800% senior notes due 2026.
- “2030 Notes” means the US\$700,000,000 4.375% senior notes due 2030.
- “Board” means the board of Directors of the Company.
- “Change of Control” has the meaning given to it under the section headed “PRINCIPAL TERMS OF THE NOTES — Repurchase at the Option of Holders of the Notes — Change of Control” of this announcement.
- “Company”, “our”, “we”, “us” or “Sands China” means Sands China Ltd., a company incorporated in the Cayman Islands on July 15, 2009 as an exempted company with limited liability and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the time before it became the holding company of its present subsidiaries, its present subsidiaries. When used in the context of gaming operations or the Subconcession, “we,” “us,” or “our” refers exclusively to VML.
- “connected person” has the meaning given to it under the Listing Rules.
- “Director(s)” means member(s) of the board of directors of the Company.
- “Gaming Authority” means any agency, authority, board, bureau, commission, department, office or instrumentality of any nature whatsoever of any national or foreign government, any state, province or city or other political subdivision or otherwise, whether on the date of the Indenture or thereafter in existence, including the Government of Macao and any other applicable gaming regulatory authority or agency, in each case, with authority to regulate the sale or distribution of liquor or any gaming operation (or proposed gaming operation) owned, managed or operated by Sands China or any of their respective affiliates.
- “Gaming Law” means the gaming laws, rules, regulations or ordinances of any jurisdiction or jurisdictions to which LVS, Sands China or any of their respective affiliates is, or may be, at any time subject.
- “Group” means the Company and its subsidiaries from time to time.
- “Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Indenture”	means the agreement between the Company and the Trustee that specifies the terms of the Notes.
“Initial Purchasers”	means Barclays Capital Inc., BofA Securities, Inc., Goldman Sachs & Co. LLC, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, Industrial and Commercial Bank of China (Macau) Limited, BNP Paribas, China Construction Bank Corporation Macau Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc. and United Overseas Bank Limited, Hong Kong Branch.
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified 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.
“Macao”	means the Macao Special Administrative Region of the People’s Republic of China.
“Notes”	means the 2026 Notes and the 2030 Notes.
“Notes Issues”	means the issue of the Notes by the Company.
“Professional Investors”	means (1) for persons in Hong Kong, professional investors as defined in Part 1 of Schedule 1 to the SFO and (2) for persons outside Hong Kong, a person to whom securities may be sold in accordance with a relevant exemption from public offer regulations in that jurisdiction.
“Purchase Agreement”	means the agreement dated June 2, 2020 (New York time) entered into between the Representatives and the Company in relation to the issuance of the Notes.
“qualified institutional buyer”	has the meaning given to it in Rule 144A under the Securities Act.
“Ratings Event”	means, with respect to each series of Notes, (i) the rating of the Notes of such series is lowered by two of the three rating agencies on any day during the period commencing on the earlier of (a) the occurrence of a Change of Control and (b) the first public notice of the intention by Sands China to effect a Change of Control, and ending 60 days following consummation of such Change of Control (unless otherwise extended), and (ii) the Notes of such series are rated below investment grade by two of the three rating agencies on any day during such period.



“Representatives”	means Barclays Capital Inc., BofA Securities, Inc. and Goldman Sachs & Co. LLC, as representatives of the Initial Purchasers.
“Securities Act”	means the United States Securities Act of 1933, as amended.
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time).
“Significant Subsidiary”	means any subsidiary that (a) contributed at least 10% of Sands China’s and its subsidiaries’ total consolidated income from continuing operations before income taxes and extraordinary items for the most recently ended fiscal year of Sands China or (b) owned at least 10% of the total assets of Sands China and its subsidiaries on a consolidated basis as of the last day of the most recently ended fiscal year of Sands China.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“Subconcession” or “Subconcession Contract”	means the tripartite Subconcession Contract for the operation of casino games dated December 26, 2002 among Galaxy Casino S.A., the Macao Government and VML.
“Trustee”	means U.S. Bank National Association.
“U.S. Person”	has the meaning given to it in Regulation S under the Securities Act.
“United States”	means the United States of America.
“US\$”	means United States dollars, the lawful currency of the United States.
“VML”	means Venetian Macau, S.A. (also known as Venetian Macau Limited), a wholly-owned subsidiary of the Company and a public company limited by shares (“ <b>sociedade anónima</b> ”) incorporated on June 21, 2002 under the laws of Macao.

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

Macao, June 3, 2020

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

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