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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)**

### **INSIDE INFORMATION**

## **RESULTS OF OUR CONTROLLING SHAREHOLDER, LAS VEGAS SANDS CORP., FOR THE FISCAL THIRD QUARTER ENDED SEPTEMBER 30, 2018**

This announcement is issued by Sands China Ltd. (“SCL” or our “**Company**” or “**Sands China**”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2017 Annual Report.

Our Company’s controlling shareholder, Las Vegas Sands Corp. (“LVS” or “**Las Vegas Sands**”), is a company listed on the New York Stock Exchange (the “**NYSE**”) in the United States. As at the date of this announcement, LVS beneficially owns approximately 70% of the issued share capital of our Company.

LVS files quarterly and annual reports, including quarterly and annual financial information and certain operating statistics under Form 8-K, Form 10-Q and Form 10-K, respectively, with the United States Securities and Exchange Commission (the “**SEC**”), in accordance with the ongoing disclosure obligations applicable to a publicly traded NYSE-listed company. Such filings include segment financial information about the Macao operations of LVS, which Macao operations are owned by our Company, and the filings are available in the public domain.

LVS has, on or about October 25, 2018 (4 a.m. Hong Kong time), announced its financial results for the fiscal third quarter ended September 30, 2018 (the “**Quarterly Financial Results**”), held its third quarter 2018 Earnings Conference Call (the “**Earnings Call**”) and posted a third quarter earnings call presentation and supplemental materials on its website (the “**Presentations**”). If you wish to review the Quarterly

Financial Results prepared by LVS, which were filed with the SEC, please visit [https://s21.q4cdn.com/635845646/files/doc\\_financials/2018/Q3/LVS-3Q-2018-Earnings-Release.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2018/Q3/LVS-3Q-2018-Earnings-Release.pdf) or [https://www.sec.gov/Archives/edgar/data/1300514/000130051418000118/lvs\\_ex991x09302018.htm](https://www.sec.gov/Archives/edgar/data/1300514/000130051418000118/lvs_ex991x09302018.htm). If you wish to review the Presentations, please visit [https://s21.q4cdn.com/635845646/files/doc\\_financials/2018/Q3/LVS-3Q-2018-Earnings-Deck.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2018/Q3/LVS-3Q-2018-Earnings-Deck.pdf) and [https://s21.q4cdn.com/635845646/files/doc\\_financials/2018/Q3/LVS-3Q-2018-Supplemental-Materials.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2018/Q3/LVS-3Q-2018-Supplemental-Materials.pdf).

The financial results of LVS and its consolidated subsidiaries, including those contained in the Quarterly Financial Results, the Earnings Call and the Presentations have been prepared in accordance with the generally accepted accounting principles of the United States (“**US GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we are subject to when preparing and presenting our stand-alone financial results and related financial information. However, following the substantial convergence of the IFRS and US GAAP accounting standards on revenue recognition with effect from January 1, 2018 onwards, the previous differences in the accounting treatment of revenue recognition between those two accounting frameworks applicable to the Company have been eliminated. Nevertheless, our shareholders and potential investors in our Company’s ordinary shares should consult their own professional advisers for an understanding of the difference between IFRS and US GAAP.

To ensure that all shareholders of and potential investors in our Company’s ordinary shares have equal and timely access to the information pertaining to our Company, set forth below are extracts and key highlights of the financial results and related financial information published by LVS in the Quarterly Financial Results and the Earnings Call that relate to our Company and our operations in Macao:

## **QUARTERLY FINANCIAL RESULTS EXTRACTS**

### **Third Quarter Overview**

Mr. Sheldon G. Adelson, chairman and chief executive officer of LVS, said, “We (LVS) are pleased to have delivered strong financial results in the quarter, led by continued growth in every market segment in Macao. Our integrated resort property portfolio in Macao delivered adjusted property EBITDA of US\$754 million, an increase of 15.8% compared to the third quarter of 2017.

We also continued to invest in growth initiatives in each of our markets. We remain supremely confident in the future opportunity in Macao, and have therefore elected to meaningfully increase the scale of our investments in the Four Seasons Tower Suites Macao, St. Regis Tower Suites Macao and The Londoner Macao, which will now total US\$2.2 billion in investment through 2021. We believe our market-leading interconnected integrated resort portfolio in Macao, including the additional destination retail, luxurious hotel suite offerings and world class entertainment attractions of the Four Seasons Tower Suites Macao, St. Regis Tower Suites Macao and The Londoner Macao, will provide an ideal platform for growth in Macao in the years ahead.”

## **Sands China Ltd. Consolidated Financial Results**

On a US GAAP basis, total net revenues for SCL increased 13% to US\$2.15 billion in the third quarter of 2018, compared to US\$1.90 billion in the third quarter of 2017. Net income for SCL increased 13% to US\$454 million in the third quarter of 2018, compared to US\$403 million in the third quarter of 2017.

### **Other Factors Affecting Earnings**

Depreciation and amortization expense was US\$284 million in the third quarter of 2018, compared to US\$265 million in the third quarter of 2017.

Interest expense, net of amounts capitalized, was US\$126 million for the third quarter of 2018, compared to US\$83 million in the prior-year quarter. Our weighted average borrowing cost in the third quarter of 2018 was approximately 4.2%, compared to 3.2% during the third quarter of 2017. We incurred a loss on early retirement of debt of US\$52 million during the third quarter of 2018. This loss and the increases in interest expense and net weighted average borrowing cost relate to the issuance of unsecured notes by SCL, as further described below.

The net income attributable to noncontrolling interests during the third quarter of 2018 increased to US\$128 million and was principally related to SCL.

### **Balance Sheet Items**

On August 9, 2018, SCL issued, in a private offering, three series of senior unsecured notes in an aggregate principal amount of US\$5.50 billion, consisting of US\$1.80 billion of 4.600% Senior Notes due August 8, 2023, US\$1.80 billion of 5.125% Senior Notes due August 8, 2025 and US\$1.90 billion of 5.400% Senior Notes due August 8, 2028. A portion of the net proceeds from the offering was used to repay in full the outstanding borrowings under the 2016 VML Credit Facility.

### **Capital Expenditures**

Capital expenditures during the third quarter totaled US\$207 million, including construction, development and maintenance activities of US\$131 million in Macao.

**Supplemental Data**  
**(Unaudited)**

<b>The Venetian Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>September 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 689	\$ 564	\$ 125	22.2%
Rooms	58	44	14	31.8%
Food and Beverage	21	19	2	10.5%
Mall	60	55	5	9.1%
Convention, Retail and Other	29	20	9	45.0%
Net Revenues	\$ 857	\$ 702	\$ 155	22.1%
Adjusted Property EBITDA	\$ 344	\$ 264	\$ 80	30.3%
EBITDA Margin %	40.1%	37.6%		2.5 pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 7,425	\$ 6,898	\$ 527	7.6%
Rolling Chip Win % <sup>(1)</sup>	3.75%	3.28%		0.47 pts
Non-Rolling Chip Drop	\$ 2,175	\$ 1,892	\$ 283	15.0%
Non-Rolling Chip Win %	25.1%	22.8%		2.3 pts
Slot Handle	\$ 807	\$ 718	\$ 89	12.4%
Slot Hold %	3.7%	5.1%		(1.4) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	95.7%	90.7%		5.0 pts
Average Daily Rate (ADR)	\$ 229	\$ 218	\$ 11	5.0%
Revenue per Available Room (RevPAR)	\$ 219	\$ 198	\$ 21	10.6%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

(1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions).

<b>Sands Cotai Central</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>September 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ <b>400</b>	\$ 341	\$ 59	17.3%
Rooms	<b>85</b>	78	7	9.0%
Food and Beverage	<b>25</b>	26	(1)	(3.8)%
Mall	<b>19</b>	15	4	26.7%
Convention, Retail and Other	<b>8</b>	7	1	14.3%
<b>Net Revenues</b>	<b>\$ 537</b>	\$ 467	\$ 70	15.0%
<b>Adjusted Property EBITDA</b>	<b>\$ 188</b>	\$ 154	\$ 34	22.1%
EBITDA Margin %	<b>35.0%</b>	33.0%		2.0 pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ <b>2,564</b>	\$ 2,846	\$ (282)	(9.9)%
Rolling Chip Win % <sup>(1)</sup>	<b>3.95%</b>	2.66%		1.29 pts
Non-Rolling Chip Drop	\$ <b>1,650</b>	\$ 1,442	\$ 208	14.4%
Non-Rolling Chip Win %	<b>21.5%</b>	20.4%		1.1 pts
Slot Handle	\$ <b>1,134</b>	\$ 1,182	\$ (48)	(4.1)%
Slot Hold %	<b>3.5%</b>	4.4%		(0.9) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	<b>96.1%</b>	93.0%		3.1 pts
Average Daily Rate (ADR)	\$ <b>159</b>	\$ 147	\$ 12	8.2%
Revenue per Available Room (RevPAR)	\$ <b>153</b>	\$ 137	\$ 16	11.7%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

(1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions).

<b>The Parisian Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>September 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 321	\$ 341	\$ (20)	(5.9)%
Rooms	30	34	(4)	(11.8)%
Food and Beverage	17	15	2	13.3%
Mall	13	16	(3)	(18.8)%
Convention, Retail and Other	8	5	3	60.0%
<b>Net Revenues</b>	<b>\$ 389</b>	<b>\$ 411</b>	<b>\$ (22)</b>	<b>(5.4)%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 122</b>	<b>\$ 136</b>	<b>\$ (14)</b>	<b>(10.3)%</b>
EBITDA Margin %	31.4%	33.1%		(1.7) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 5,155	\$ 6,948	\$ (1,793)	(25.8)%
Rolling Chip Win % <sup>(1)</sup>	3.10%	3.11%		(0.01) pts
Non-Rolling Chip Drop	\$ 1,046	\$ 1,001	\$ 45	4.5%
Non-Rolling Chip Win %	21.6%	20.9%		0.7 pts
Slot Handle	\$ 1,386	\$ 927	\$ 459	49.5%
Slot Hold %	3.0%	3.1%		(0.1) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	97.7%	94.1%		3.6 pts
Average Daily Rate (ADR)	\$ 158	\$ 143	\$ 15	10.5%
Revenue per Available Room (RevPAR)	\$ 154	\$ 134	\$ 20	14.9%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

(1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions).

<b>The Plaza Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>September 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 116	\$ 93	\$ 23	24.7%
Rooms	10	8	2	25.0%
Food and Beverage	6	7	(1)	(14.3)%
Mall	33	31	2	6.5%
Convention, Retail and Other	2	1	1	100.0%
<b>Net Revenues</b>	<b>\$ 167</b>	<b>\$ 140</b>	<b>\$ 27</b>	<b>19.3%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 53</b>	<b>\$ 51</b>	<b>\$ 2</b>	<b>3.9%</b>
EBITDA Margin %	31.7%	36.4%		(4.7) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 4,031	\$ 3,132	\$ 899	28.7%
Rolling Chip Win % <sup>(1)</sup>	2.44%	2.23%		0.21 pts
Non-Rolling Chip Drop	\$ 286	\$ 297	\$ (11)	(3.7)%
Non-Rolling Chip Win %	28.4%	23.1%		5.3 pts
Slot Handle	\$ 141	\$ 117	\$ 24	20.5%
Slot Hold %	5.7%	6.6%		(0.9) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	89.0%	80.8%		8.2 pts
Average Daily Rate (ADR)	\$ 315	\$ 333	\$ (18)	(5.4)%
Revenue per Available Room (RevPAR)	\$ 280	\$ 269	\$ 11	4.1%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

(1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions).

<b>Sands Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>September 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 146	\$ 130	\$ 16	12.3%
Rooms	4	5	(1)	(20.0)%
Food and Beverage	6	6	—	—%
Mall	1	—	1	N.M.
Convention, Retail and Other	3	1	2	200.0%
<b>Net Revenues</b>	<b>\$ 160</b>	<b>\$ 142</b>	<b>\$ 18</b>	<b>12.7%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 41</b>	<b>\$ 41</b>	<b>\$ —</b>	<b>—%</b>
EBITDA Margin %	25.6%	28.9%		(3.3) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 1,799	\$ 680	\$ 1,119	164.6%
Rolling Chip Win % <sup>(1)</sup>	2.72%	1.13%		1.59 pts
Non-Rolling Chip Drop	\$ 619	\$ 603	\$ 16	2.7%
Non-Rolling Chip Win %	18.3%	18.7%		(0.4) pts
Slot Handle	\$ 646	\$ 602	\$ 44	7.3%
Slot Hold %	3.1%	3.4%		(0.3) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	97.5%	95.7%		1.8 pts
Average Daily Rate (ADR)	\$ 155	\$ 191	\$ (36)	(18.8)%
Revenue per Available Room (RevPAR)	\$ 151	\$ 183	\$ (32)	(17.5)%

N.M. Not Meaningful

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

(1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions).



## Asian Retail Mall Operations

	For the Three Months Ended September 30, 2018					Trailing Twelve Months September 30, 2018
	Gross Revenue <sup>(1)</sup>	Operating Profit	Operating Profit Margin	Gross Leasable Area (sq. ft.)	Occupancy % at End of Period	Tenant Sales Per Sq. Ft. <sup>(2)</sup>
<i>(US\$ in millions except per square foot data)</i>						
Shoppes at Venetian	\$ 59	\$ 53	89.8%	786,649	89.7%	\$ 1,733
Shoppes at Four Seasons						
Luxury Retail	22	21	95.5%	142,562	100.0%	5,656
Other Stores	11	10	90.9%	115,982	98.2%	1,918
Total	33	31	93.9%	258,544	99.2%	4,260
Shoppes at Cotai Central <sup>(3)</sup>	19	16	84.2%	509,929	92.3%	862
Shoppes at Parisian	13	10	76.9%	295,896	90.7%	657
Total Cotai in Macao	124	110	88.7%	1,851,018	91.9%	1,718
The Shoppes at Marina Bay Sands <sup>(4)</sup>	44	38	86.4%	611,004	93.8%	1,840
Total	<u>\$ 168</u>	<u>\$ 148</u>	88.1%	<u>2,462,022</u>	92.4%	\$ 1,748

Note: This table excludes the results of our mall operations at Sands Macao.

- (1) Gross revenue figures are net of intersegment revenue eliminations.
- (2) Tenant sales per square foot reflect sales from tenants only after the tenant has been open for a period of 12 months.
- (3) The Shoppes at Cotai Central will feature up to an estimated 600,000 square feet of gross leasable area at completion of all phases of Sands Cotai Central's renovation, rebranding and expansion to The Londoner Macao.
- (4) Marina Bay Sands is not part of the SCL group.

## EARNINGS CALL SUMMARY

### **A summary of the statements of Mr. Sheldon G. Adelson, Chairman and Chief Executive Officer of LVS:**

We delivered another great quarter. Hold-normalized adjusted EBITDA reached US\$1.27 billion, an increase of 8% over the prior year.

Our Macao operations once again performed exceptionally well, with hold-normalized adjusted EBITDA growing by 18% to US\$754 million.

We experienced strong growth in both the VIP and mass gaming table segments, enabling us to again outperform the Macao market, while growing our market share of revenue.

We also achieved record hotel occupancy of 96% at our Macao portfolio.

Our hold-normalized EBITDA margin increased 150 basis points to reach 35.0% for the quarter.

The Venetian Macao continues to be the iconic ‘must see’ destination for every segment of visitor to Macao. Gaming and non-gaming revenues both grew in excess of 20%, while adjusted EBITDA was up by 30%.

The strong financial performance of The Venetian Macao contributes to our unwavering confidence in the future of Macao, which will continue to benefit from enhanced transportation infrastructure and investments in the Greater Bay Area. We are steadfast in our conviction that Macao will realize its vision and evolve into Asia’s greatest leisure and business tourism destination.

Given our confidence in Macao’s future, we have elected to meaningfully increase our planned investments in the Macao market. We will increase the breadth and scale of our offerings throughout The Londoner Macao, Four Seasons Tower Suites Macao, and St. Regis Tower Suites Macao. We will also expand our entertainment, convention and non-gaming attractions across our Cotai Strip portfolio. These important projects will come on line in phases throughout 2020 and 2021.

We believe these increased investments will allow us to generate strong returns on invested capital in the years ahead, while helping to contribute to Macao’s economic and development objectives of diversification, economic growth and leadership in MICE and entertainment.

We are increasing the scale and breadth of our investments in Macao because we have a long-term and unwavering commitment to Macao and complete confidence in Macao’s future as Asia’s leading leisure and business tourism destination.

We look to the future with unwavering confidence. We have a strong organic growth outlook, we are strategically reinvesting in our existing assets while also pursuing new development opportunities, and we have both the intent and the financial strength to continue to return excess capital to shareholders.

## **FORWARD-LOOKING STATEMENTS**

This announcement contains forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, competition, new development, construction and ventures, substantial leverage and debt service, fluctuations in currency exchange rates and interest rates, government regulation, tax law changes, legalization of gaming, natural or man-made disasters, terrorist acts or war, outbreaks of infectious diseases, insurance, gaming promoters, risks relating to our gaming licenses, certificate and subconcession, infrastructure in Macao, our subsidiaries' ability to make distribution payments to us, and other factors detailed in our Company's prospectus dated November 16, 2009 and our 2017 Annual Report. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

Our shareholders, potential investors and readers are advised not to place undue reliance on the LVS Quarterly Financial Results, the Earnings Call and the Presentations and to exercise caution in dealing in securities in our Company.

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

Macao, October 25, 2018

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.*