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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, 40246, 40247)**

### **INSIDE INFORMATION**

## **RESULTS OF OUR CONTROLLING SHAREHOLDER, LAS VEGAS SANDS CORP., FOR THE FISCAL SECOND QUARTER ENDED JUNE 30, 2020**

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 2019 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 July 23, 2020 (4 a.m. Hong Kong time), announced its financial results for the fiscal second quarter ended June 30, 2020 (the “**Quarterly Financial Results**”), held its second quarter 2020 Earnings Conference Call (the “**Earnings Call**”) and posted a second quarter earnings call presentation 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/2020/q2/LVS-2Q20-Earnings-Release.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2020/q2/LVS-2Q20-Earnings-Release.pdf) or <https://www.sec.gov/Archives/edgar/data/1300514/000130051420000111/lvsex991x06302020.htm>. If you wish to review the Presentations, please visit [https://s21.q4cdn.com/635845646/files/doc\\_financials/2020/q2/LVS-2Q20-Final-Presentation-Deck.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2020/q2/LVS-2Q20-Final-Presentation-Deck.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 financial results and related financial information. However, following the substantial convergence of the IFRS and US GAAP accounting standards on revenue recognition and leases, the previous material differences between the two accounting frameworks applicable to the Company have been eliminated. Nevertheless, holders of and potential investors in our Company’s securities should consult their own professional advisers for an understanding of the differences between IFRS and US GAAP.

To ensure that all holders of and potential investors in our Company’s securities 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, Presentations and the Earnings Call that relate to our Company and our operations in Macao:

## **QUARTERLY FINANCIAL RESULTS EXTRACTS**

### **Second Quarter Overview**

Mr. Sheldon G. Adelson, chairman and chief executive officer of LVS, said, “I am pleased to say that the early stages of the recovery process from the COVID-19 pandemic in each of our markets is now underway. Our greatest priority during this period of the recovery remains our deep commitment to supporting our team members and to helping those in need in each of our local communities of Macao, Singapore and Las Vegas.

We remain optimistic about an eventual recovery of travel and tourism spending across our markets, as well as our future growth prospects. We are fortunate that our financial strength will enable us to continue to execute our previously announced capital expenditure programs in both Macao and Singapore, while continuing to pursue growth opportunities in new markets.”

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

On a US GAAP basis, total net revenues for SCL decreased 98.1%, compared to the second quarter of 2019, to US\$40 million. Net loss for SCL was US\$549 million, compared to net income of US\$511 million in the second quarter of 2019.

SCL's adjusted property EBITDA loss was US\$312 million for the second quarter of 2020, compared to an adjusted property EBITDA of US\$765 million for the second quarter of 2019.

### **Other Factors Affecting Earnings**

Interest expense<sup>(1)</sup>, net of amounts capitalized, was US\$118 million for the second quarter of 2020, compared to US\$143 million in the prior-year quarter. The decrease resulted from our weighted average borrowing cost in the second quarter of 2020 decreasing to 3.6%, compared to 4.7% during the second quarter of 2019 due to the impact of the interest rate swap hedges on US\$5.50 billion of our SCL Senior Notes.

### **Capital Expenditures**

Capital expenditures<sup>(1)</sup> during the second quarter totaled US\$382 million, including construction, development and maintenance activities of US\$337 million in Macao.

(1) Relates to LVS and its subsidiaries, including the SCL group.

**Supplemental Data**  
(Unaudited)

<b>The Venetian Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>June 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2020</b>	<b>2019</b>		
Revenues:				
Casino	\$ 5	\$ 698	\$ (693)	(99.3)%
Rooms	1	53	(52)	(98.1)%
Food and Beverage	1	17	(16)	(94.1)%
Mall	18	62	(44)	(71.0)%
Convention, Retail and Other	3	24	(21)	(87.5)%
Net Revenues	\$ 28	\$ 854	\$ (826)	(96.7)%
Adjusted Property EBITDA	\$ (97)	\$ 336	\$ (433)	(128.9)%
EBITDA Margin %	N.M.	39.3%		
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 108	\$ 6,444	\$ (6,336)	(98.3)%
Rolling Chip Win % <sup>(1)</sup>	1.48%	3.53%		(2.05)pts
Non-Rolling Chip Drop	\$ 16	\$ 2,346	\$ (2,330)	(99.3)%
Non-Rolling Chip Win %	24.8%	24.7%		0.1pts
Slot Handle	\$ 58	\$ 1,021	\$ (963)	(94.3)%
Slot Hold %	2.5%	4.4%		(1.9)pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	2.1%	93.9%		(91.8)pts
Average Daily Rate (ADR)	\$ 220	\$ 221	\$ (1)	(0.5)%
Revenue per Available Room (RevPAR)	\$ 5	\$ 208	\$ (203)	(97.6)%

N.M. Not Meaningful

Note: Due to social distancing measures and travel restrictions as a result of the COVID-19 pandemic, the property operated at a reduced capacity, with some operations temporarily closed. Rooms being utilized to house team members due to travel restrictions were excluded from the calculation of hotel statistics above.

(1) This compares to our expected Rolling Chip win percentage of 3.15% to 3.45% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>Sands Cotai Central</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b>			
	<b>June 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2020</b>	<b>2019</b>		
<b>Revenues:</b>				
Casino	\$ 1	\$ 358	\$ (357)	(99.7)%
Rooms	—	77	(77)	(100.0)%
Food and Beverage	1	24	(23)	(95.8)%
Mall	7	16	(9)	(56.3)%
Convention, Retail and Other	1	8	(7)	(87.5)%
<b>Net Revenues</b>	<b>\$ 10</b>	<b>\$ 483</b>	<b>\$ (473)</b>	<b>(97.9)%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ (79)</b>	<b>\$ 165</b>	<b>\$ (244)</b>	<b>(147.9)%</b>
EBITDA Margin %	<b>N.M.</b>	34.2%		
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ —	\$ 1,272	\$ (1,272)	(100.0)%
Rolling Chip Win % <sup>(1)</sup>	—%	2.56%		(2.56)pts
Non-Rolling Chip Drop	\$ 6	\$ 1,627	\$ (1,621)	(99.6)%
Non-Rolling Chip Win %	6.9%	21.7%		(14.8)pts
Slot Handle	\$ 11	\$ 1,014	\$ (1,003)	(98.9)%
Slot Hold %	3.3%	4.4%		(1.1)pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	1.1%	94.8%		(93.7)pts
Average Daily Rate (ADR)	\$ 144	\$ 155	\$ (11)	(7.1)%
Revenue per Available Room (RevPAR)	\$ 2	\$ 147	\$ (145)	(98.6)%

N.M. Not Meaningful

Note: Due to social distancing measures and travel restrictions as a result of the COVID-19 pandemic, the property operated at a reduced capacity, with some operations temporarily closed. Rooms being utilized for government quarantine purposes and to provide lodging for team members due to travel restrictions, as well as the hotel tower consisting of rooms under the Conrad brand that remained closed for a portion of the quarter, were excluded from the calculation of hotel statistics above.

(1) This compares to our expected Rolling Chip win percentage of 3.15% to 3.45% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>The Parisian Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b>			
	<b>June 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2020</b>	<b>2019</b>		
<b>Revenues:</b>				
Casino	\$ (30)	\$ 343	\$ (373)	(108.7)%
Rooms	1	32	(31)	(96.9)%
Food and Beverage	1	17	(16)	(94.1)%
Mall	4	15	(11)	(73.3)%
Convention, Retail and Other	1	7	(6)	(85.7)%
<b>Net Revenues</b>	<b>\$ (23)</b>	<b>\$ 414</b>	<b>\$ (437)</b>	<b>(105.6)%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ (81)</b>	<b>\$ 139</b>	<b>\$ (220)</b>	<b>(158.3)%</b>
EBITDA Margin %	<b>N.M.</b>	33.6%		
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 382	\$ 4,146	\$ (3,764)	(90.8)%
Rolling Chip Win % <sup>(1)</sup>	(6.40)%	3.39%		(9.79)pts
Non-Rolling Chip Drop	\$ 6	\$ 1,136	\$ (1,130)	(99.5)%
Non-Rolling Chip Win %	20.4%	22.9%		(2.5)pts
Slot Handle	\$ 19	\$ 1,016	\$ (997)	(98.1)%
Slot Hold %	4.7%	3.9%		0.8 pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	3.5%	95.8%		(92.3)pts
Average Daily Rate (ADR)	\$ 148	\$ 157	\$ (9)	(5.7)%
Revenue per Available Room (RevPAR)	\$ 5	\$ 150	\$ (145)	(96.7)%

N.M. Not Meaningful

Note: Due to social distancing measures and travel restrictions as a result of the COVID-19 pandemic, the property operated at a reduced capacity, with some operations temporarily closed. Rooms being utilized to house team members due to travel restrictions were excluded from the calculation of hotel statistics above.

(1) This compares to our expected Rolling Chip win percentage of 3.15% to 3.45% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>The Plaza Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b>			
	<b>June 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2020</b>	<b>2019</b>		
<b>Revenues:</b>				
Casino	\$ 8	\$ 162	\$ (154)	(95.1)%
Rooms	1	10	(9)	(90.0)%
Food and Beverage	1	7	(6)	(85.7)%
Mall	9	31	(22)	(71.0)%
Convention, Retail and Other	—	1	(1)	(100.0)%
<b>Net Revenues</b>	<b>\$ 19</b>	<b>\$ 211</b>	<b>\$ (192)</b>	<b>(91.0)%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ (18)</b>	<b>\$ 83</b>	<b>\$ (101)</b>	<b>(121.7)%</b>
EBITDA Margin %	<b>N.M.</b>	39.3%		
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 563	\$ 3,238	\$ (2,675)	(82.6)%
Rolling Chip Win % <sup>(1)</sup>	2.42%	4.19%		(1.77)pts
Non-Rolling Chip Drop	\$ 19	\$ 331	\$ (312)	(94.3)%
Non-Rolling Chip Win %	6.5%	23.5%		(17.0)pts
Slot Handle	\$ —	\$ 132	\$ (132)	(100.0)%
Slot Hold %	—%	7.7%		(7.7)pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	6.2%	89.9%		(83.7)pts
Average Daily Rate (ADR)	\$ 358	\$ 335	\$ 23	6.9%
Revenue per Available Room (RevPAR)	\$ 22	\$ 301	\$ (279)	(92.7)%

N.M. Not Meaningful

Note: Due to social distancing measures and travel restrictions as a result of the COVID-19 pandemic, the property operated at a reduced capacity, with some operations temporarily closed. Rooms being utilized to house team members due to travel restrictions were excluded from the calculation of hotel statistics above.

(1) This compares to our expected Rolling Chip win percentage of 3.15% to 3.45% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>Sands Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b>			
	<b>June 30,</b>		<b>\$</b>	<b>Change</b>
	<b>2020</b>	<b>2019</b>		
<b>Revenues:</b>				
Casino	\$ 5	\$ 141	\$ (136)	(96.5)%
Rooms	1	5	(4)	(80.0)%
Food and Beverage	—	7	(7)	(100.0)%
Mall	1	1	—	—%
Convention, Retail and Other	—	1	(1)	(100.0)%
<b>Net Revenues</b>	<b>\$ 7</b>	<b>\$ 155</b>	<b>\$ (148)</b>	<b>(95.5)%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ (31)</b>	<b>\$ 43</b>	<b>\$ (74)</b>	<b>(172.1)%</b>
EBITDA Margin %	<b>N.M.</b>	27.7%		
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 219	\$ 1,261	\$ (1,042)	(82.6)%
Rolling Chip Win % <sup>(1)</sup>	<b>0.78%</b>	1.90%		(1.12)pts
Non-Rolling Chip Drop	\$ 28	\$ 699	\$ (671)	(96.0)%
Non-Rolling Chip Win %	<b>10.2%</b>	17.3%		(7.1)pts
Slot Handle	\$ 77	\$ 691	\$ (614)	(88.9)%
Slot Hold %	<b>3.3%</b>	3.1%		0.2pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	<b>10.6%</b>	99.5%		(88.9)pts
Average Daily Rate (ADR)	\$ 153	\$ 170	\$ (17)	(10.0)%
Revenue per Available Room (RevPAR)	\$ 16	\$ 169	\$ (153)	(90.5)%

N.M. Not Meaningful

Note: Due to social distancing measures and travel restrictions as a result of the COVID-19 pandemic, the property operated at a reduced capacity, with some operations temporarily closed. Rooms being utilized to house team members due to travel restrictions were excluded from the calculation of hotel statistics above.

(1) This compares to our expected Rolling Chip win percentage of 3.15% to 3.45% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).



## Asian Retail Mall Operations

<i>(US\$ in millions except per square foot data)</i>	For the Three Months Ended June 30, 2020					Trailing Twelve Months June 30, 2020
	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>
Shoppes at Venetian	\$ 18	\$ 14	77.8%	812,934	85.6%	\$ 1,224
Shoppes at Four Seasons						
Luxury Retail	6	5	83.3%	125,466	100.0%	4,756
Other Stores	3	3	100.0%	116,959	88.7%	1,924
Total	9	8	88.9%	242,425	94.6%	3,775
Shoppes at Cotai Central <sup>(3)</sup>	7	5	71.4%	525,497	87.6%	603
Shoppes at Parisian	4	2	50.0%	295,963	86.8%	561
Total Cotai in Macao	38	29	76.3%	1,876,819	87.5%	1,279
The Shoppes at Marina Bay Sands <sup>(4)</sup>	3	1	33.3%	593,756	95.3%	1,500
Total	<u>\$ 41</u>	<u>\$ 30</u>	73.2%	<u>2,470,575</u>	89.4%	\$ 1,335

Note: This table excludes the results of our mall operations at Sands Macao. As a result of the COVID-19 pandemic, tenants were provided rent concessions of US\$78 million at our Macao properties.

- (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.

## **PRESENTATIONS EXTRACTS**

SCL estimates a monthly run-rate of operating expenses of approximately US\$110 million, and a monthly development capital expenditures of approximately US\$50 million.

As of June 30, 2020, SCL had total cash and available liquidity of US\$3,626 million, consisting of US\$1,608 million of total cash and cash equivalents and US\$2,018 million of available borrowing capacity under the 2018 SCL Revolving Facility.

LVS considers that the LVS group has sufficient resources to operate in a “near zero” revenue environment for more than 18 months while continuing to execute its existing development projects in both Macao and Singapore.

## **EARNINGS CALL SUMMARY**

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

While our company is facing COVID-19 challenges, we are excited that we are seeing the first signs of recovery.

We are happy to report that since July 15th, certain visitors returning to Guangdong province from Macao are no longer subject to quarantine. This is a critical first step towards the relaxation of quarantine restrictions in provinces outside of Guangdong, as well as the eventual resumption of tourist visa issuance to Macao.

While a recovery in our local communities is now in its early stages, we will remain steadfast in our commitments to the health and safety of our team members and customers and to providing assistance in our host markets.

We remain confident that travel and tourism spending in each of our markets will eventually fully recover.

My 70 years of business experience are the basis for my unbridled optimism that people will travel again, shop again, and come together again to enjoy entertainment and social interaction, to exchange ideas and to conduct business.

Our optimism about an eventual recovery, coupled with our financial strength, enables us to continue the execution of our capital investment programs in both Macao and Singapore. We believe these investments will strengthen our leadership position in each of these markets, and will provide a larger platform for future growth as travel and tourism spending return.

In Macao, we continue to make great progress in the execution of our US\$2.2 billion capital investment program for The Londoner Macao and The Grand Suites at Four Seasons.

As we complete these and other capital projects during the year and in 2021, we will be introducing a variety of world-class integrated resort developments. This includes three new all-suite hotels, more than a dozen new restaurants, additional retail, and new MICE and entertainment facilities. We are very confident that these new developments will help Macao to recapture, and over time increase, its share of leisure and business tourism from China and the rest of Asia.

We remain unwavering in our commitment to long-term investment in Macao.

The scale of our existing and ongoing investments enables us to play our part in supporting the local economy in Macao today, including our support of local employment, as well as our support for small and medium-sized businesses.

I remain steadfast in my belief that Macao has the potential to become one of the greatest business and leisure tourism destinations in the world, and the MICE capital of Asia. We would welcome the opportunity to invest billions of additional investment dollars, and extend our contributions to Macao's diversification and evolution into Asia's leading leisure and business tourism destination.

Regarding LVS's balance sheet, maintaining a strong balance sheet makes great business sense while we weather the storm caused by this pandemic. LVS's balance sheet strength enables LVS to invest in promising future growth opportunities and positions LVS to deliver industry-leading growth in the years ahead.

We are deeply confident that the eventual recovery in travel and tourism spending and the strength of our business model will enable us to deliver both growth and the return of capital to shareholders in the future.

## **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, the uncertainty of the extent, duration and effects of the COVID-19 pandemic and the response of governments, including government-mandated property closures or travel restrictions, and other third parties on our business, results of operations, cash flows, liquidity and development prospects, general economic conditions, disruptions or reductions in travel, as well as in our operations, due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases, our ability to invest in future growth opportunities, execute our previously announced capital expenditure programs in Macao, and produce future returns, new development, construction and ventures, government regulation, risks relating to our gaming licenses and subconcession, our subsidiaries' ability to make distribution payments to us, substantial leverage and debt service, fluctuations in currency exchange rates and interest rates, gaming promoters, competition, tax law changes, transportation infrastructure in Macao, political instability, civil unrest, terrorist acts or war, legalization of gaming, insurance, and other factors detailed in our Company's prospectus dated November 16, 2009 and our 2019 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.

Holders of our Company's securities, 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, July 23, 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.*