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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

The Board of Directors (the “**Board**”) of Sands China Ltd. (“**we**” or our “**Company**”) is announcing the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended June 30, 2023 compared to the six months ended June 30, 2022.

1. FINANCIAL RESULTS SUMMARY

- All of our operating segments and business categories for the six months ended June 30, 2023 saw positive financial results due to the elimination of COVID-19 restrictions in Macao in late December 2022 and early January 2023.
- Adjusted property EBITDA for the Group was US\$939 million (HK\$7.36 billion) in the first half of 2023, compared to adjusted property EBITDA loss of US\$120 million (HK\$942 million) in the first half of 2022.
- Total net revenues for the Group were US\$2.90 billion (HK\$22.69 billion) in the first half of 2023, an increase of 216.4%, compared to US\$915 million (HK\$7.18 billion) in the first half of 2022.
- Profit for the Group was US\$175 million (HK\$1.37 billion) in the first half of 2023, compared to a loss of US\$760 million (HK\$5.96 billion) in the first half of 2022.

Note: The translation of US\$ amounts into HK\$ amounts or vice versa has been made at the exchange rate of US\$1.00 to HK\$7.8384 (six months ended June 30, 2022: US\$1.00 to HK\$7.8467) for illustration only.

Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2022 annual report.

2. BUSINESS OVERVIEW AND OUTLOOK

Overview and Outlook

From 2020 through the beginning of 2023, our operations were negatively impacted by the reduction in travel and tourism related to the COVID-19 Pandemic. The Macao government's policy regarding the management of COVID-19 and general travel restrictions were eliminated in late December 2022 and early January 2023. Since then, visitation to our integrated resorts and operations have improved.

The Macao government announced total visitation from mainland China to Macao increased approximately 141.0% and decreased approximately 47.3%, during the six months ended June 30, 2023, as compared to the same period in 2022 and 2019 (pre-pandemic), respectively. The Macao government also announced gross gaming revenue increased approximately 205.1% and decreased approximately 46.4%, during the six months ended June 30, 2023, as compared to the same period in 2022 and 2019, respectively.

While the disruptions arising from the COVID-19 Pandemic have subsided, given the dynamic nature of these circumstances, the potential future impact, if any, on our consolidated income statement, cash flows and balance sheet is uncertain. However, we have a strong balance sheet and sufficient liquidity in place, including total cash and cash equivalents of US\$1.23 billion and US\$1.74 billion of available borrowing capacity from our 2018 SCL Credit Facility as at June 30, 2023. We have successfully extended the maturity of the 2018 SCL Credit Facility from July 31, 2023 to July 31, 2025, amongst other amendments of the 2018 SCL Credit Facility. We believe we are able to support continuing operations, fulfill the obligations and commitments under the Concession Contract and complete our major construction projects that are underway.

3. MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Net Revenues

Our net revenues consisted of the following:

| | Six months ended June 30, | | |
|-------------------------------------|----------------------------------|-------------------|-----------------------|
| | 2023 | 2022 | Percent change |
| | <i>US\$ in millions</i> | | |
| Casino | 2,161 | 568 | 280.5% |
| Rooms | 338 | 98 | 244.9% |
| Mall | 224 | 193 | 16.1% |
| Food and beverage | 104 | 37 | 181.1% |
| Convention, ferry, retail and other | 68 | 19 | 257.9% |
| | <hr/> | <hr/> | |
| Total net revenues | <u>2,895</u> | <u>915</u> | 216.4% |

Total net revenues were US\$2.90 billion for the six months ended June 30, 2023, an increase of 216.4%, compared to US\$915 million for the six months ended June 30, 2022. Net revenues increased across all business categories, mainly driven by an increase in visitation due to the elimination of COVID-19 restrictions in Macao in late December 2022 and early January 2023.

Our net casino revenues for the six months ended June 30, 2023 were US\$2.16 billion, an increase of 280.5%, compared to US\$568 million for the six months ended June 30, 2022. Net casino revenues increased across all properties primarily driven by increased visitation.

The following table summarizes the results of our casino activity:

| | Six months ended June 30, | | |
|--|----------------------------------|-------|-----------|
| | 2023 | 2022 | Change |
| | <i>US\$ in millions</i> | | |
| The Venetian Macao | | | |
| Total net casino revenues | 969 | 248 | 290.7% |
| Non-Rolling Chip drop | 3,943 | 968 | 307.3% |
| Non-Rolling Chip win percentage | 23.7% | 25.3% | (1.6)pts |
| Rolling Chip volume | 2,346 | 984 | 138.4% |
| Rolling Chip win percentage ⁽ⁱ⁾ | 4.42% | 3.65% | 0.77pts |
| Slot handle | 2,380 | 677 | 251.6% |
| Slot hold percentage | 4.3% | 3.7% | 0.6pts |
| The Londoner Macao | | | |
| Total net casino revenues | 479 | 121 | 295.9% |
| Non-Rolling Chip drop | 2,252 | 529 | 325.7% |
| Non-Rolling Chip win percentage | 21.0% | 22.5% | (1.5)pts |
| Rolling Chip volume | 3,451 | 591 | 483.9% |
| Rolling Chip win percentage ⁽ⁱ⁾ | 2.54% | 4.58% | (2.04)pts |
| Slot handle | 2,087 | 394 | 429.7% |
| Slot hold percentage | 4.0% | 3.5% | 0.5pts |
| The Parisian Macao | | | |
| Total net casino revenues | 311 | 75 | 314.7% |
| Non-Rolling Chip drop | 1,360 | 271 | 401.8% |
| Non-Rolling Chip win percentage | 20.9% | 24.5% | (3.6)pts |
| Rolling Chip volume | 660 | 209 | 215.8% |
| Rolling Chip win percentage ⁽ⁱ⁾ | 7.35% | 9.39% | (2.04)pts |
| Slot handle | 1,218 | 187 | 551.3% |
| Slot hold percentage | 4.0% | 3.7% | 0.3pts |
| The Plaza Macao | | | |
| Total net casino revenues | 259 | 93 | 178.5% |
| Non-Rolling Chip drop | 993 | 316 | 214.2% |
| Non-Rolling Chip win percentage | 25.8% | 26.1% | (0.3)pts |
| Rolling Chip volume | 2,405 | 1,063 | 126.2% |
| Rolling Chip win percentage ⁽ⁱ⁾ | 3.87% | 4.03% | (0.16)pts |
| Slot handle | 74 | 12 | 516.7% |
| Slot hold percentage | 6.9% | 8.0% | (1.1)pts |
| Sands Macao | | | |
| Total net casino revenues | 143 | 31 | 361.3% |
| Non-Rolling Chip drop | 751 | 134 | 460.4% |
| Non-Rolling Chip win percentage | 17.4% | 18.6% | (1.2)pts |
| Rolling Chip volume | 66 | 146 | (54.8)% |
| Rolling Chip win percentage ⁽ⁱ⁾ | 5.17% | 4.65% | 0.52pts |
| Slot handle | 904 | 244 | 270.5% |
| Slot hold percentage | 3.2% | 3.0% | 0.2pts |

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

Room revenues for the six months ended June 30, 2023 were US\$338 million, an increase of 244.9%, compared to US\$98 million for the six months ended June 30, 2022. The increase was mainly driven by increased occupancy rates and increased revenue per available room driven by higher visitation across our properties.

The following table summarizes the results of our room activity:

| | Six months ended June 30, | | |
|---|---|-------|---------|
| | 2023 | 2022 | Change |
| | <i>US\$ in millions, except average daily rate and revenue per available room</i> | | |
| The Venetian Macao | | | |
| Total room revenues | 87 | 28 | 210.7% |
| Occupancy rate | 90.4% | 39.9% | 50.5pts |
| Average daily rate (<i>in US\$</i>) | 208 | 146 | 42.5% |
| Revenue per available room (<i>in US\$</i>) | 188 | 58 | 224.1% |
| The Londoner Macao | | | |
| Total room revenues | 135 | 33 | 309.1% |
| Occupancy rate | 64.1% | 26.5% | 37.6pts |
| Average daily rate (<i>in US\$</i>) | 209 | 146 | 43.2% |
| Revenue per available room (<i>in US\$</i>) | 134 | 39 | 243.6% |
| The Parisian Macao | | | |
| Total room revenues | 63 | 18 | 250.0% |
| Occupancy rate | 87.9% | 39.2% | 48.7pts |
| Average daily rate (<i>in US\$</i>) | 156 | 110 | 41.8% |
| Revenue per available room (<i>in US\$</i>) | 137 | 43 | 218.6% |
| The Plaza Macao | | | |
| Total room revenues | 45 | 15 | 200.0% |
| Occupancy rate | 75.7% | 29.5% | 46.2pts |
| Average daily rate (<i>in US\$</i>) | 501 | 429 | 16.8% |
| Revenue per available room (<i>in US\$</i>) | 379 | 127 | 198.4% |
| Sands Macao | | | |
| Total room revenues | 8 | 4 | 100.0% |
| Occupancy rate | 92.8% | 56.9% | 35.9pts |
| Average daily rate (<i>in US\$</i>) | 168 | 132 | 27.3% |
| Revenue per available room (<i>in US\$</i>) | 156 | 75 | 108.0% |

Note: As a result of the COVID-19 Pandemic, a number of rooms were utilized for government quarantine purposes and to provide lodging for team members restricted from traveling between their residences and Macao in the first half of 2022. These rooms were excluded from the calculation of hotel statistics above.

Mall revenues for the six months ended June 30, 2023 were US\$224 million, an increase of 16.1%, compared to US\$193 million for the six months ended June 30, 2022. The increase of US\$31 million was primarily driven by a US\$40 million increase due to a decrease in rent concessions and an increase in overage rent, partially offset by a US\$10 million decrease in base rent.

The following table summarizes the results of our mall activity on Cotai:

| | Six months ended June 30, | | |
|--|--|---------|----------|
| | 2023 | 2022 | Change |
| | <i>US\$ in millions, except per square foot amount</i> | | |
| Shoppes at Venetian | | | |
| Total mall revenues | 103 | 85 | 21.2% |
| Mall gross leasable area (<i>in square feet</i>) | 818,684 | 814,720 | 0.5% |
| Occupancy | 79.5% | 75.1% | 4.4pts |
| Base rent per square foot (<i>in US\$</i>) | 271 | 299 | (9.4)% |
| Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾ | 1,430 | 1,169 | 22.3% |
| Shoppes at Londoner | | | |
| Total mall revenues | 30 | 26 | 15.4% |
| Mall gross leasable area (<i>in square feet</i>) | 610,273 | 605,429 | 0.8% |
| Occupancy | 53.3% | 58.3% | (5.0)pts |
| Base rent per square foot (<i>in US\$</i>) | 147 | 141 | 4.3% |
| Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾ | 1,355 | 1,407 | (3.7)% |
| Shoppes at Parisian | | | |
| Total mall revenues | 16 | 15 | 6.7% |
| Mall gross leasable area (<i>in square feet</i>) | 296,371 | 296,322 | — |
| Occupancy | 63.9% | 73.2% | (9.3)pts |
| Base rent per square foot (<i>in US\$</i>) | 115 | 129 | (10.9)% |
| Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾ | 541 | 475 | 13.9% |
| Shoppes at Four Seasons | | | |
| Total mall revenues | 75 | 67 | 11.9% |
| Mall gross leasable area (<i>in square feet</i>) | 248,814 | 248,663 | 0.1% |
| Occupancy | 87.4% | 94.4% | (7.0)pts |
| Base rent per square foot (<i>in US\$</i>) | 590 | 544 | 8.5% |
| Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾ | 5,825 | 5,139 | 13.3% |

Note: This table excludes the results of our retail operations at Sands Macao. As a result of the COVID-19 Pandemic, tenants were provided rent concessions during the six months ended June 30, 2022. Base rent per square foot presented above excludes the impact of these rent concessions.

(i) Tenant sales per square foot is the sum of reported comparable sales for the trailing 12 months divided by the comparable square footage for the same period.

Food and beverage revenues for the six months ended June 30, 2023 were US\$104 million, an increase of 181.1%, compared to US\$37 million for the six months ended June 30, 2022. The increase was primarily driven by an increase in property visitation.

Convention, ferry, retail and other revenues for the six months ended June 30, 2023 were US\$68 million, an increase of 257.9%, compared to US\$19 million for the six months ended June 30, 2022. The increase was primarily driven by an increase of US\$23 million in ferry operations due to the resumption of ferry services in January 2023, as well as increases in other business categories, such as entertainment, limo and convention.

Operating Expenses

Operating expenses were US\$2.46 billion for the six months ended June 30, 2023, an increase of 65.3%, compared to US\$1.49 billion for the six months ended June 30, 2022. The increase in operating expenses was primarily due to an increase of business volumes across all business categories.

Depreciation and amortization expenses were US\$383 million for the six months ended June 30, 2023, an increase of 1.1%, compared to US\$379 million for the six months ended June 30, 2022.

Adjusted Property EBITDA⁽ⁱ⁾

The following table summarizes information related to our segments:

| | Six months ended June 30, | | |
|---------------------------------------|----------------------------------|---------------------|----------------|
| | 2023 | 2022 | Percent change |
| | <i>US\$ in millions</i> | | |
| The Venetian Macao | 462 | (2) | N.M. |
| The Londoner Macao | 159 | (87) | N.M. |
| The Parisian Macao | 120 | (40) | N.M. |
| The Plaza Macao | 166 | 49 | 238.8% |
| Sands Macao | 25 | (39) | N.M. |
| Ferry and other operations | 7 | (1) | N.M. |
| Total adjusted property EBITDA | <u>939</u> | <u>(120)</u> | N.M. |

N.M. — not meaningful

(i) Adjusted property EBITDA, which is a non-IFRS financial measure, is profit or loss attributable to equity holders of the Company before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization, net foreign exchange gains or losses, impairment loss on property and equipment, gain or loss on disposal of property and equipment, investment properties and intangible assets, interest, gain or loss on modification or early retirement of debt, fair value gain or loss on derivative financial instruments and income tax benefit or expense. Management utilizes adjusted property EBITDA to compare the operating profitability of its operations with those of its competitors, as well as a basis for determining certain incentive compensation. Integrated resort companies have historically reported adjusted property EBITDA as a supplemental performance measure to IFRS financial measures. In order to view the operations of their properties on a more stand-alone basis, integrated resort companies, including the Group, have historically excluded certain

expenses that do not relate to the management of specific properties, such as pre-opening expense and corporate expense, from their adjusted property EBITDA calculations. Adjusted property EBITDA should not be interpreted as an alternative to profit or operating profit (as an indicator of operating performance) or to cash flows from operations (as a measure of liquidity), in each case, as determined in accordance with IFRS. The Group has significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, adjusted property EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

Adjusted property EBITDA for the six months ended June 30, 2023 was US\$939 million, compared to adjusted property EBITDA loss of US\$120 million for the six months ended June 30, 2022. The increase was driven by the revenue increases in all business categories. Management continues to focus on operational efficiencies and cost control measures on the gaming and non-gaming businesses.

Finance Costs

The following table summarizes information related to finance costs:

| | Six months ended June 30, | | |
|----------------------------------|----------------------------------|------------|----------------|
| | 2023 | 2022 | Percent change |
| | <i>US\$ in millions</i> | | |
| Interest and other finance costs | 288 | 190 | 51.6% |
| Less: interest capitalized | <u>(1)</u> | <u>(1)</u> | — |
| Finance costs, net | <u>287</u> | <u>189</u> | 51.9% |

Finance costs, net of amounts capitalized, were US\$287 million for the six months ended June 30, 2023, compared to US\$189 million for the six months ended June 30, 2022. The increase in interest and other finance costs of US\$98 million was primarily due to interest expense from the US\$1.0 billion LVS Term Loan since July 2022, higher interest rates on the Senior Notes as a result of the credit rating downgrades in 2022, higher benchmark rate on the 2018 SCL Credit Facility in the first half of 2023 and interest expense due to the recognition of gaming license liability in January 2023. As a result, the weighted average interest rate for the six months ended June 30, 2023 was approximately 6.0%, compared to 4.5% for the six months ended June 30, 2022.

The weighted average interest rates are calculated based on total interest expense (including amortization of deferred financing costs, standby fees and other financing costs and interest capitalized) and total weighted average borrowings.

Profit/(Loss) for the Period

Profit for the six months ended June 30, 2023 was US\$175 million, compared to a loss of US\$760 million for the six months ended June 30, 2022.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

We fund our operations through cash generated from our operations and our debt financing. As at June 30, 2023, we held total cash and cash equivalents of US\$1.23 billion. Such cash and cash equivalents were primarily held in HK\$, US\$ and MOP.

On May 11, 2023, the Company entered into an amended and restated facility agreement (the “**A&R Facility Agreement**”) with respect to certain provisions of the 2018 SCL Credit Facility, pursuant to which lenders have (a) effective July 31, 2023, extended the termination date for the Hong Kong dollar commitments and U.S. dollar commitments of the lenders that consented to the waivers and amendments in the A&R Facility Agreement (the “**Extending Lenders**”) from July 31, 2023 to July 31, 2025; (b) extended to (and including) January 1, 2024, the waiver period for the Company to comply with the requirements to ensure (i) the consolidated leverage ratio does not exceed 4.0x and (ii) the consolidated interest coverage ratio is not less than 2.5x; (c) amended the definition of consolidated total debt such that it excludes any financial indebtedness that is subordinated and subject in right of payment to the prior payment in full of the A&R Facility Agreement (including the US\$1.0 billion LVS Term Loan); (d) amended the maximum permitted consolidated leverage ratio as of the last day of each of the financial quarters ending March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, and subsequent financial quarters to be 6.25x, 5.5x, 5.0x, 4.5x, and 4.0x respectively; and (e) extended to (and including) January 1, 2025 the period during which the Company’s ability to declare or make any dividend payment or similar distribution is restricted if at such time (x) the Total Commitments (as defined in the A&R Facility Agreement) exceed US\$2.0 billion by the Company’s exercise of the option to increase the Total Commitments by an aggregate amount of up to US\$1.0 billion and (y) the consolidated leverage ratio is greater than 4.0x, unless, after giving effect to such payment, the sum of (i) the aggregate amount of cash and cash equivalents of the Company on such date and (ii) the aggregate amount of the undrawn facility under the A&R Facility Agreement and unused commitments under other credit facilities of the Company is greater than US\$2.0 billion (collectively, the “**Amendments**”). Pursuant to the A&R Facility Agreement, the Company paid a customary fee of US\$31 million to the Extending Lenders.

The Extending Lenders’ HK\$ commitments total HK\$17.63 billion (approximately US\$2.25 billion at exchange rates in effect on May 11, 2023) and US\$ commitments total US\$237 million, which together represent 100% of the total available commitments under the A&R Facility Agreement.

As at June 30, 2023, management believes the Company was in compliance with all debt covenants of the 2018 SCL Credit Facility. A waiver to the financial covenants of the 2018 SCL Credit Facility was in place through July 31, 2023, which was subsequently extended to January 1, 2024, effective from July 31, 2023 as disclosed above.

We believe our cash and cash equivalents of US\$1.23 billion as well as the US\$1.74 billion available under our 2018 SCL Credit Facility as at June 30, 2023, together with the cash flow to be generated from our operations, will be sufficient to maintain compliance with the financial covenants of the 2018 SCL Credit Facility and fund our working capital needs, committed and planned capital expenditures, including fulfilling the obligations and commitments under the Concession Contract.

Cash Flows — Summary

Our cash flows consisted of the following:

| | Six months ended June 30, | |
|---|----------------------------------|-------------------|
| | 2023 | 2022 |
| | <i>US\$ in millions</i> | |
| Net cash generated from/(used in) operating activities | 1,046 | (281) |
| Net cash used in investing activities | (51) | (149) |
| Net cash (used in)/from financing activities | (1,463) | 521 |
| Net (decrease)/increase in cash and cash equivalents | (468) | 91 |
| Cash and cash equivalents at beginning of period ⁽ⁱ⁾ | 1,702 | 678 |
| Effect of exchange rate on cash and cash equivalents | (6) | (3) |
| Cash and cash equivalents at end of period | <u>1,228</u> | <u>766</u> |

(i) Cash and cash equivalents of US\$1.70 billion includes cash and cash equivalents of US\$912 million that became unrestricted in early January 2023.

Cash Flows — Operating Activities

Net cash generated from operating activities for the six months ended June 30, 2023 was US\$1.05 billion, compared to US\$281 million of net cash used in operating activities for the six months ended June 30, 2022. We derive most of our operating cash flows from our casino, mall and hotel operations. Net cash generated from operating activities of US\$1.05 billion was primarily attributable to the increased operating profit resulting from an increase in visitation due to the elimination of COVID-19 restrictions in Macao in late December 2022 and early January 2023.

Cash Flows — Investing Activities

Net cash used in investing activities for the six months ended June 30, 2023 was US\$51 million primarily attributable to capital expenditures of US\$79 million, of which included US\$44 million for The Londoner Macao, US\$28 million for The Venetian Macao, and US\$7 million for our other operations, mainly at The Plaza Macao, Sands Macao and The Parisian Macao, partially offset by US\$28 million of interest received.

Cash Flows — Financing Activities

Net cash used in financing activities for the six months ended June 30, 2023 was US\$1.46 billion, primarily attributable to a total repayment of US\$1.20 billion under the 2018 SCL Credit Facility and US\$237 million in interest payments during the first half of 2023.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures, excluding capitalized interest and construction payables:

| | Six months ended June 30, | |
|-----------------------------------|----------------------------------|-------------|
| | 2023 | 2022 |
| | <i>US\$ in millions</i> | |
| The Venetian Macao | 28 | 31 |
| The Londoner Macao | 44 | 118 |
| The Parisian Macao | 1 | 1 |
| The Plaza Macao | 4 | 4 |
| Sands Macao | 2 | 2 |
| | <hr/> | <hr/> |
| Total capital expenditures | 79 | 156 |
| | <hr/> <hr/> | <hr/> <hr/> |

CAPITAL COMMITMENTS

Capital expenditure on property and equipment contracted for at the end of the reporting period but not recognized as liabilities is as follows:

| | June 30, | December 31, |
|---------------------------------|-------------------------|---------------------|
| | 2023 | 2022 |
| | <i>US\$ in millions</i> | |
| Contracted but not provided for | 60 | 72 |
| | <hr/> <hr/> | <hr/> <hr/> |

Concession

The Concession requires VML to invest a minimum of 30.24 billion patacas (approximately US\$3.75 billion) in Macao by December 2032, including 27.80 billion patacas (approximately US\$3.44 billion) in non-gaming projects across eleven categories identified by the Macao government in the concession tender program. The non-gaming investment commitment amount increases by 20% in the year following the year in which Macao's gross gaming revenue reaches 180 billion patacas (approximately US\$22.30 billion), subject to certain potential deductions depending on when the increase is triggered. The specific investments to be carried out are proposed annually by VML to the Macao government for its review and approval. VML submitted the list of investments and projects it proposes to carry out in 2023 on March 31, 2023, which was approved by the Macao government on May 15, 2023.

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2023.

CONTINGENT LIABILITIES

The Group has contingent liabilities arising in the ordinary course of business. Management has made estimates for potential litigation costs based upon consultation with legal counsel. Actual results could differ from these estimates; however, in the opinion of management, such litigation and claims will not have a material adverse effect on our financial position, results of operations or cash flows.

CAPITAL RISK MANAGEMENT

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of debt (including current and non-current interest-bearing borrowings as shown in Note 11 to the condensed consolidated financial statements), net of cash and cash equivalents, and equity attributable to Shareholders, comprising issued share capital and reserves.

The Group actively and regularly reviews and manages its capital structure to maintain the net debt-to-capital ratio (gearing ratio) at an appropriate level based on its assessment of the current risk and circumstances. This ratio is calculated as net debt divided by total capital. Net debt is calculated as interest-bearing borrowings, net of deferred financing costs, less cash and cash equivalents and restricted cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

| | June 30, 2023 | December 31, 2022 |
|--|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| Interest-bearing borrowings, net of deferred financing costs | 8,882 | 10,047 |
| Less: cash and cash equivalents | (1,228) | (790) |
| restricted cash and cash equivalents ⁽ⁱ⁾ | — | (912) |
| | <hr/> | <hr/> |
| Net debt | 7,654 | 8,345 |
| Total deficit | (526) | (700) |
| | <hr/> | <hr/> |
| Total capital | 7,128 | 7,645 |
| | <hr/> | <hr/> |
| Gearing ratio | 107.4% | 109.2% |
| | <hr/> | <hr/> |

(i) Restricted cash and cash equivalents of US\$912 million as at December 31, 2022 was made available for use in early January 2023 and hence included in the calculation of net debt.

The decrease in gearing ratio during the six months ended June 30, 2023 was primarily due to a total repayment of US\$1.20 billion under the 2018 SCL Credit Facility during the six months ended June 30, 2023 and a decrease in total deficit of US\$174 million as a result of the net profit during the six months ended June 30, 2023.

4. CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Corporate governance is the collective responsibility of the Board. The Directors firmly believe good corporate governance is key to creating shareholder value and ensuring proper management of the Company in the interests of all stakeholders. An effective system of corporate governance requires that our Board approves strategic direction, monitors performance, oversees effective risk management and internal control systems, and leads the creation of the right compliant culture across the organization. It also gives our investors confidence we are exercising our stewardship responsibilities with due skill and care.

To ensure we adhere to high standards of corporate governance, we have developed our own principles and guidelines that set out how corporate governance operates in practice within the Company. This is based on the policies, principles and practices set out in the Code and draws on other best practices.

Throughout the six months ended June 30, 2023, save as disclosed below, the Board considers the Company fully complied with all the code provisions and certain recommended best practices as set out in the Code.

Code Provision C.2.1 — Chairman and Chief Executive Officer roles

Code Provision C.2.1 provides the roles of Chairman and Chief Executive Officer should be separate and not performed by the same individual. At Sands China, both roles have been performed by Mr. Robert Glen Goldstein (“**Mr. Goldstein**”) since January 2021. The Company believes the combined roles of Mr. Goldstein provide for better leadership of the Board and management and allow for more focus on developing strategies and implementation of policies and objectives. The Company notes the presence of five Non-Executive Directors (of whom four are independent) on the Board who bring their independent judgement to bear on issues of strategy, policy, performance, accountability, resources, appointments and standards of conduct. Furthermore, the Company’s President (Dr. Wong Ying Wai) and Chief Operating Officer (Mr. Chum Kwan Lock, Grant) are also Executive Directors and assist Mr. Goldstein in his role as the bridge between the Board and the senior management and executive team on business issues. The Company believes the balance of power and authority on the Board is adequately ensured.

Code Provision F.2.2 — Annual General Meeting attendance

Code Provision F.2.2 provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Goldstein was unable to attend the annual general meeting held on May 19, 2023 due to other business commitments. In his absence, the annual general meeting was chaired by Mr. Chum Kwan Lock, Grant, who liaised with Mr. Goldstein on all key matters prior to the meeting. Mr. Goldstein was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has developed the Company Code for securities transactions by the Directors and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code. Following specific enquiry by the Company, all Directors have confirmed they have complied with the Company Code and, therefore, with the Model Code throughout the six months ended June 30, 2023 and up to the date of this announcement.

BOARD AND BOARD COMMITTEES COMPOSITION

There were no changes to the composition of the Board and the Board Committees of the Company during the six months ended June 30, 2023 and up to the date of this announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated financial statements for the six months ended June 30, 2023 and was of the opinion, the preparation of such interim results complied with the applicable accounting standards and requirements and adequate disclosures have been made. All Audit Committee members are Independent Non-Executive Directors, with Mr. Victor Patrick Hoog Antink (Chairman of the Audit Committee) and Mr. Kenneth Patrick Chung possessing the appropriate professional qualifications and accounting and related financial management expertise.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the six months ended June 30, 2023.

5. FINANCIAL RESULTS

The financial information set out below in this announcement represents the condensed consolidated financial statements, which is unaudited but has been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," and by our Audit Committee.

CONSOLIDATED INCOME STATEMENT

| | | Six months ended June 30, | |
|---|--------------|---|----------------|
| | | 2023 | 2022 |
| | | <i>US\$ in millions except per share data (Unaudited)</i> | |
| | <i>Notes</i> | | |
| Net revenues | 3 | 2,895 | 915 |
| Gaming tax | | (1,074) | (303) |
| Employee benefit expenses | | (566) | (526) |
| Depreciation and amortization | 3 | (383) | (379) |
| Inventories consumed | | (34) | (13) |
| Other expenses, gains and losses | | (405) | (268) |
| | | <hr/> | <hr/> |
| Operating profit/(loss) | | 433 | (574) |
| Interest income | | 27 | 1 |
| Finance costs, net of amounts capitalized | | (287) | (189) |
| | | <hr/> | <hr/> |
| Profit/(loss) before income tax | | 173 | (762) |
| Income tax benefit | 4 | 2 | 2 |
| | | <hr/> | <hr/> |
| Profit/(loss) for the period attributable to equity holders of the Company | | 175 | (760) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Earnings/(loss) per share | | | |
| — Basic | 5 | US2.16 cents | (US9.39 cents) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| — Diluted | 5 | US2.16 cents | (US9.39 cents) |
| | | <hr/> <hr/> | <hr/> <hr/> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Six months ended June 30, | |
|--|---------------------------|---------------------|
| | 2023 | 2022 |
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | |
| Profit/(loss) for the period attributable to equity holders of the Company | 175 | (760) |
| Other comprehensive income/(expense) | | |
| <i>Item that will be reclassified subsequently to profit or loss:</i> | | |
| Fair value adjustment on cash flow hedge | (6) | — |
| <i>Item that will not be reclassified subsequently to profit or loss:</i> | | |
| Currency translation differences | 2 | (2) |
| Total comprehensive income/(expense) for the period attributable to equity holders of the Company | <u>171</u> | <u>(762)</u> |

CONSOLIDATED BALANCE SHEET

| | | June 30, 2023 | December 31, 2022 |
|--|--------------|--------------------------|----------------------|
| | <i>Notes</i> | <i>US\$ in millions</i> | |
| | | <i>(Unaudited)</i> | <i>(Audited)</i> |
| ASSETS | | | |
| Non-current assets | | | |
| Investment properties, net | | 575 | 598 |
| Property and equipment, net | | 7,570 | 7,904 |
| Intangible assets, net | 7 | 498 | 31 |
| Other assets, net | | 12 | 13 |
| Other receivables and prepayments, net | | 26 | 24 |
| Restricted bank deposit | 9 | 124 | 125 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 8,805 | 8,695 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Inventories | | 21 | 19 |
| Other asset | | 4 | 1 |
| Trade and other receivables and prepayments, net | 8 | 209 | 145 |
| Restricted cash and cash equivalents | 9 | — | 912 |
| Cash and cash equivalents | | 1,228 | 790 |
| | | <hr/> | <hr/> |
| Total current assets | | 1,462 | 1,867 |
| | | <hr/> | <hr/> |
| Total assets | | 10,267 | 10,562 |
| | | <hr/> <hr/> | <hr/> <hr/> |

| | | June 30, 2023 | December 31, 2022 |
|---|--------------|--------------------------|----------------------|
| | <i>Notes</i> | <i>US\$ in millions</i> | |
| | | <i>(Unaudited)</i> | <i>(Audited)</i> |
| EQUITY | | | |
| Capital and reserves attributable to equity holders of the Company | | | |
| Share capital | | 81 | 81 |
| Reserves | | <u>(607)</u> | <u>(781)</u> |
| Total deficit | | <u>(526)</u> | <u>(700)</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Trade and other payables | <i>10</i> | 546 | 91 |
| Borrowings | <i>11</i> | 9,023 | 8,255 |
| Deferred income tax liabilities | | <u>40</u> | <u>45</u> |
| Total non-current liabilities | | <u>9,609</u> | <u>8,391</u> |
| Current liabilities | | | |
| Trade and other payables | <i>10</i> | 1,168 | 907 |
| Current income tax liabilities | | 2 | — |
| Borrowings | <i>11</i> | <u>14</u> | <u>1,964</u> |
| Total current liabilities | | <u>1,184</u> | <u>2,871</u> |
| Total liabilities | | <u>10,793</u> | <u>11,262</u> |
| Total liabilities and deficit | | <u>10,267</u> | <u>10,562</u> |
| Net current assets/(liabilities) | | <u>278</u> | <u>(1,004)</u> |
| Total assets less current liabilities | | <u>9,083</u> | <u>7,691</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The unaudited condensed consolidated financial statements are presented in millions of United States dollars (“**US\$ in millions**”), unless otherwise stated. The condensed consolidated financial statements were approved for issue by the Board of Directors of the Company on August 11, 2023.

The condensed consolidated financial statements for the six months ended June 30, 2023 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosure requirements of Appendix 16 to the Listing Rules. They should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial liabilities for cash-settled share-based payment transactions and derivatives that are measured at fair value.

Prior period comparatives of certain trade and other payables and certain borrowings were reclassified to conform with the current period presentation, which represented a reclassification of US\$37 million interest payable related to lease liabilities from non-current trade and other payables to non-current borrowings and US\$1 million from current trade and other payables to current borrowings.

Recent developments

From 2020 through the beginning of 2023, the Group’s operations were negatively impacted by the reduction in travel and tourism related to the COVID-19 Pandemic. The Macao government’s policy regarding the management of COVID-19 and general travel restrictions were eliminated in late December 2022 and early January 2023. Since then, visitation to the Group’s integrated resorts and operations have improved.

The Macao government announced total visitation from mainland China to Macao increased approximately 141.0% and decreased approximately 47.3%, during the six months ended June 30, 2023, as compared to the same period in 2022 and 2019 (pre-pandemic), respectively. The Macao government also announced gross gaming revenue increased approximately 205.1% and decreased approximately 46.4%, during the six months ended June 30, 2023, as compared to the same period in 2022 and 2019, respectively.

While the disruptions arising from the COVID-19 Pandemic have subsided, given the dynamic nature of these circumstances, the potential future impact, if any, on our consolidated income statement, cash flows and balance sheet is uncertain. However, the Company has a strong balance sheet and sufficient liquidity in place, including total cash and cash equivalents of US\$1.23 billion and US\$1.74 billion of available borrowing capacity from the 2018 SCL Credit Facility as at June 30, 2023. The Company has successfully extended the maturity of the 2018 SCL Credit Facility from July 31, 2023 to July 31, 2025, amongst other amendments of the 2018 SCL Credit Facility. The Company believes it is able to support continuing operations, fulfill the obligations and commitments under the Concession Contract and complete the Company's major construction projects that are underway.

2. Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated financial statements for the six months ended June 30, 2023 are consistent with those adopted and as described in the Group's annual financial statements for the year ended December 31, 2022, other than the new accounting policies adopted as a result of the recognition of intangible asset and financial liability due to the minimum contractual future payments relating to the Concession (refer to Note 7).

For the amendments to standards in IFRS that are effective for the period, the Group has adopted at their respective effective dates and the adoption had no material impact on the results of operations and financial position of the Group.

The preparation of condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated financial statements, the significant judgments made by management in the process of applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2022.

The Group is exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2022. There have been no significant changes in any risk management policies since the year ended December 31, 2022.

3. Segment information

Management has determined the operating segments based on the reports reviewed by a group of senior management, which is the chief operating decision-maker of the Group that makes strategic decisions. The Group considers the business from a property and service perspective.

The Group's principal operating and developmental activities occur in Macao, which is the sole geographic area in which the Group is domiciled. The Group reviews the results of operations for each of its key operating segments, which are also the reportable segments: The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao and Sands Macao. The Group has included ferry and other operations (comprised primarily of the Group's ferry operations and various other operations that are ancillary to its properties) to reconcile to the consolidated income statement and consolidated balance sheet.

The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao and Sands Macao derive their revenues primarily from casino wagers, room sales, rental income from the Group's mall tenants, food and beverage transactions, convention sales and entertainment. Ferry and other operations mainly derive their revenues from the sale of transportation services.

Revenue disaggregated by type of revenue and property is as follows:

| | Casino | Rooms | Mall ^{(ii), (iii)} | Food and beverage | Convention, ferry, retail and other | Total net revenues |
|---------------------------------------|---|------------|-----------------------------|-------------------|-------------------------------------|--------------------|
| | <i>US\$ in millions</i> <i>(Unaudited)</i> | | | | | |
| Six months ended June 30, 2023 | | | | | | |
| The Venetian Macao | 969 | 87 | 104 | 30 | 21 | 1,211 |
| The Londoner Macao | 479 | 135 | 30 | 34 | 7 | 685 |
| The Parisian Macao | 311 | 63 | 16 | 20 | 3 | 413 |
| The Plaza Macao | 259 | 45 | 75 | 14 | 2 | 395 |
| Sands Macao | 143 | 8 | — | 6 | 1 | 158 |
| Ferry and other operations | — | — | — | — | 41 | 41 |
| Inter-segment revenues ⁽ⁱ⁾ | — | — | (1) | — | (7) | (8) |
| | <u>2,161</u> | <u>338</u> | <u>224</u> | <u>104</u> | <u>68</u> | <u>2,895</u> |
| Six months ended June 30, 2022 | | | | | | |
| The Venetian Macao | 248 | 28 | 85 | 9 | 7 | 377 |
| The Londoner Macao | 121 | 33 | 26 | 15 | 5 | 200 |
| The Parisian Macao | 75 | 18 | 15 | 6 | 2 | 116 |
| The Plaza Macao | 93 | 15 | 67 | 5 | 1 | 181 |
| Sands Macao | 31 | 4 | — | 2 | — | 37 |
| Ferry and other operations | — | — | — | — | 11 | 11 |
| Inter-segment revenues ⁽ⁱ⁾ | — | — | — | — | (7) | (7) |
| | <u>568</u> | <u>98</u> | <u>193</u> | <u>37</u> | <u>19</u> | <u>915</u> |

(i) Inter-segment revenues are charged at prevailing market rates.

(ii) Of this amount, US\$193 million and US\$31 million (six months ended June 30, 2022: US\$162 million and US\$31 million) are related to income from right-of-use and management fee and other, respectively. Income from right-of-use is recognized in accordance with IFRS 16 *Leases* and all other revenues are recognized in accordance with IFRS 15 *Revenue from contract with customers*.

(iii) For the six months ended June 30, 2023, no rent concessions were provided to tenants as a result of the COVID-19 Pandemic and the impact on mall operations (six months ended June 30, 2022: US\$24 million).

The following is a reconciliation of adjusted property EBITDA to profit/(loss) for the period attributable to equity holders of the Company:

| | Six months ended June 30, | |
|---|----------------------------------|-------------|
| | 2023 | 2022 |
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | |
| Adjusted property EBITDA⁽ⁱ⁾ | | |
| The Venetian Macao | 462 | (2) |
| The Londoner Macao | 159 | (87) |
| The Parisian Macao | 120 | (40) |
| The Plaza Macao | 166 | 49 |
| Sands Macao | 25 | (39) |
| Ferry and other operations | 7 | (1) |
| | <hr/> | <hr/> |
| Total adjusted property EBITDA | 939 | (120) |
| Share-based compensation, net of amount capitalized ⁽ⁱⁱ⁾ | (22) | (12) |
| Corporate expense ⁽ⁱⁱⁱ⁾ | (57) | (26) |
| Pre-opening expense | (6) | 1 |
| Depreciation and amortization | (383) | (379) |
| Net foreign exchange losses | (35) | (37) |
| Fair value gain on derivative financial instruments | 4 | 1 |
| Loss on disposal of property and equipment and investment properties | (7) | (2) |
| | <hr/> | <hr/> |
| Operating profit/(loss) | 433 | (574) |
| Interest income | 27 | 1 |
| Finance costs, net of amounts capitalized | (287) | (189) |
| | <hr/> | <hr/> |
| Profit/(loss) before income tax | 173 | (762) |
| Income tax benefit | 2 | 2 |
| | <hr/> | <hr/> |
| Profit/(loss) for the period attributable to equity holders of the Company | 175 | (760) |
| | <hr/> <hr/> | <hr/> <hr/> |

- (i) Adjusted property EBITDA, which is a non-IFRS financial measure, is profit or loss attributable to equity holders of the Company before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization, net foreign exchange gains or losses, impairment loss on property and equipment, gain or loss on disposal of property and equipment, investment properties and intangible assets, interest, gain or loss on modification or early retirement of debt, fair value gain or loss on derivative financial instruments and income tax benefit or expense. Management utilizes adjusted property EBITDA to compare the operating profitability of its operations with those of its competitors, as well as a basis for determining certain incentive compensation. Integrated resort companies have historically reported adjusted property EBITDA as a supplemental performance measure to IFRS financial measures. In order to view the operations of their properties on a more stand-alone basis, integrated resort companies, including the Group, have historically excluded certain expenses that do not relate to the management of specific properties, such as pre-opening expense and corporate expense, from their adjusted property EBITDA calculations. Adjusted property EBITDA should not be interpreted as an alternative to profit or operating profit (as an indicator of

operating performance) or to cash flows from operations (as a measure of liquidity), in each case, as determined in accordance with IFRS. The Group has significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, adjusted property EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

- (ii) Includes equity-settled share-based payment expense, net of amount capitalized of US\$2 million and cash-settled share-based payment expense, net of amount capitalized of US\$20 million (six months ended June 30, 2022: US\$3 million and US\$9 million, respectively).
- (iii) The amount excludes share-based payment expense of US\$3 million (six months ended June 30, 2022: US\$1 million).

Six months ended June 30,
2023 **2022**
US\$ in millions
(Unaudited)

Depreciation and amortization

| | | |
|----------------------------|------------|-----|
| The Venetian Macao | 79 | 94 |
| The Londoner Macao | 169 | 159 |
| The Parisian Macao | 66 | 65 |
| The Plaza Macao | 52 | 43 |
| Sands Macao | 11 | 11 |
| Ferry and other operations | 6 | 7 |
| | 383 | 379 |
| | 383 | 379 |

Six months ended June 30,
2023 **2022**
US\$ in millions
(Unaudited)

Capital expenditures

| | | |
|--------------------|-----------|-----|
| The Venetian Macao | 28 | 31 |
| The Londoner Macao | 44 | 118 |
| The Parisian Macao | 1 | 1 |
| The Plaza Macao | 4 | 4 |
| Sands Macao | 2 | 2 |
| | 79 | 156 |
| | 79 | 156 |

| | June 30, 2023 | December 31, 2022 |
|----------------------------|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Total assets | | |
| The Venetian Macao | 2,196 | 2,127 |
| The Londoner Macao | 4,454 | 4,512 |
| The Parisian Macao | 1,884 | 1,846 |
| The Plaza Macao | 1,052 | 1,035 |
| Sands Macao | 275 | 207 |
| Ferry and other operations | 406 | 835 |
| | <u>10,267</u> | <u>10,562</u> |

Almost all of the non-current assets of the Group are located in Macao.

4. Income tax benefit

| | Six months ended June 30, | |
|---|----------------------------------|------------|
| | 2023 | 2022 |
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | |
| Current income tax | | |
| Lump sum in lieu of Macao complementary tax on dividends | (2) | (2) |
| Deferred income tax benefit | <u>4</u> | <u>4</u> |
| Income tax benefit | <u>2</u> | <u>2</u> |

The income tax provision for the six months ended June 30, 2023 is determined on the presumption VML will obtain the tax exemption regarding Macao complementary tax on its gaming activities and the Shareholder Dividend Tax Agreement effective from the tax year 2023 to the tax year 2032, or for a period that the Chief Executive of Macao may deem more appropriate.

Pursuant to the Dispatch No. 194/2018 issued by the Chief Executive of Macao on August 20, 2018, VML was granted an extension of the tax exemption regarding Macao complementary tax on its gaming activities effective from the tax year 2019 through June 26, 2022. In July 2022, VML requested an additional extension of the tax exemption through December 31, 2022, to correspond to the extended term of its gaming Subconcession. Pursuant to the Dispatch No. 178/2022 issued by the Chief Executive of Macao on September 1, 2022, VML was granted an additional extension of the tax exemption effective from June 27, 2022 to December 31, 2022.

Additionally, subsequent to being awarded the Concession, in December 2022, VML submitted an application for the tax exemption regarding Macao complementary tax on its gaming activities for the Concession period effective from the tax year 2023 to the tax year 2032, or for a period of tax exemption that the Chief Executive of Macao may deem more appropriate. However, there is no assurance VML will receive the tax exemption.

In April 2019, VML entered into a renewed Shareholder Dividend Tax Agreement with the Macao government, effective through June 26, 2022. The agreement provided for payments in lieu of Macao complementary tax otherwise due by VML's shareholders on dividend distributions to them from gaming profits; namely an annual payment of 38 million patacas (equivalent to US\$5 million) for 2021 and 2020, each payment made on or before January 31 of the following year, and a payment of 18 million patacas (equivalent to US\$2 million) for the period between January 1, 2022 through June 26, 2022, paid on or before July 26, 2022. The Group is evaluating the timing of application for a new Shareholder Dividend Tax Agreement.

5. Earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share is based on the following:

| | Six months ended June 30, | |
|---|----------------------------------|------------------------|
| | 2023 | 2022 |
| | <i>(Unaudited)</i> | |
| Profit/(loss) attributable to equity holders of the Company <i>(US\$ in millions)</i> | <u>175</u> | <u>(760)</u> |
| Weighted average number of shares for basic earnings/(loss) per share <i>(thousand shares)</i> | <u>8,093,291</u> | 8,093,189 |
| Adjustment for share options <i>(thousand shares)</i> ⁽ⁱ⁾ | <u>341</u> | <u>—</u> |
| Weighted average number of shares for diluted earnings/(loss) per share <i>(thousand shares)</i> | <u>8,093,632</u> | <u>8,093,189</u> |
| Earnings/(loss) per share, basic | <u>US2.16 cents</u> | <u>(US9.39 cents)</u> |
| Earnings/(loss) per share, basic ⁽ⁱⁱ⁾ | <u>HK16.93 cents</u> | <u>(HK73.68 cents)</u> |
| Earnings/(loss) per share, diluted | <u>US2.16 cents</u> | <u>(US9.39 cents)</u> |
| Earnings/(loss) per share, diluted ⁽ⁱⁱ⁾ | <u>HK16.93 cents</u> | <u>(HK73.68 cents)</u> |

(i) The Company had outstanding share options that will potentially dilute the ordinary shares. The computation of diluted loss per share for the six months ended June 30, 2022 did not assume the exercise of the Company's share options because the exercise would result in a decrease in loss per share.

(ii) The translation of US\$ amounts into HK\$ amounts has been made at the exchange rate of US\$1.00 to HK\$7.8384 (six months ended June 30, 2022: US\$1.00 to HK\$7.8467).

6. Dividends

The Board did not recommend the payment of a final dividend in respect of the year ended December 31, 2022.

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2023.

7. Intangible assets, net

| | June 30, 2023 | December 31, 2022 |
|----------------------------------|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Concession — gaming license | 495 | — |
| Less: accumulated amortization | (25) | — |
| | <hr/> | <hr/> |
| Concession — gaming license, net | 470 | — |
| | <hr/> | <hr/> |
| Computer software | 174 | 170 |
| Less: accumulated amortization | (146) | (139) |
| | <hr/> | <hr/> |
| Computer software, net | 28 | 31 |
| | <hr/> | <hr/> |
| | 498 | 31 |
| | <hr/> <hr/> | <hr/> <hr/> |

Concession

On December 16, 2022, the Macao government announced the award of six definitive gaming concessions, one of which was awarded to VML, a subsidiary of the Company, and on December 16, 2022, VML entered into a ten-year gaming concession contract with the Macao government, beginning on January 1, 2023. Under the terms of the Concession, VML is required to pay the Macao government an annual gaming premium consisting of a fixed portion and a variable portion. The fixed portion of the premium is 30 million patacas (approximately US\$4 million). The variable portion is 300,000 patacas (“**VIP table rate**”) per gaming table reserved exclusively for certain types of games or players (“**VIP tables**”), 150,000 patacas per gaming table not so reserved (the “**mass table rate**”) and 1,000 patacas per electrical or mechanical gaming machine, including slot machines (approximately US\$37,158, US\$18,579 and US\$124, respectively).

On December 30, 2022, VML and certain other subsidiaries of the Company, confirmed and agreed to revert certain gaming equipment and gaming areas to the Macao government without compensation and free of any liens or charges in accordance with, and upon the expiry of, VML’s Subconcession. On the same day, VML and the Macao government entered into a handover record (the “**Handover Record**”) granting VML the right to operate the reverted

gaming equipment and gaming areas for the duration of the Concession in consideration for the payment of an annual fee. The annual fee is calculated based on a price per square meter of reverted gaming area, being 750 patacas per square meter in the first three years and 2,500 patacas per square meter in the subsequent seven years (approximately US\$93 and US\$310, respectively). The price per square meter used to determine the annual fee will be adjusted annually based on Macao's average price index of the corresponding preceding year. The annual fee is estimated to be US\$13 million for the first three years and US\$42 million for the following seven years, subject to the aforementioned adjustment.

On January 1, 2023, the Company recognized an intangible asset and financial liability of 4.0 billion patacas (approximately US\$495 million), representing the right to operate the gaming equipment and the gaming areas, the right to conduct games of chance in Macao and the unconditional obligation to make payments under the Concession. The intangible asset and financial liability at inception were measured as the net present value of in-substance fixed payments over the Concession term, consisting of contractually obligated annual payments of fixed and variable premiums, as well as fees associated with the above-described Handover Record. The contractually obligated annual variable premium payments associated with the intangible asset was determined using the maximum authorized number of gaming tables at the mass table rate and the maximum authorized number of gaming machines that VML is currently allowed to operate by the Macao government. The intangible asset is subsequently being amortized on a straight-line basis over the period of the Concession, being ten years. The financial liability is subsequently measured at amortized cost. Any changes to (i) the rate per square meter due to adjustments based on the Macao average price index; (ii) the variable premium due to changes in the maximum authorized capacity of gaming tables and slot machines; as well as (iii) the number of VIP tables such that payment at the VIP table rate of 300,000 patacas (approximately US\$37,104) per gaming table in excess of the mass table rate will be expensed in the consolidated income statement. In the accompanying condensed consolidated balance sheet, the non-current portion of the financial liability is included in "Trade and other payables — non-current" and the current portion is included in "Trade and other payables — current".

8. Trade receivables, net

The following is the aging analysis of trade receivables, net of provision for expected credit losses of US\$107 million (December 31, 2022: US\$123 million) based on date of credit granted or invoice date:

| | June 30, 2023 | December 31, 2022 |
|--------------|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| 0–30 days | 77 | 34 |
| 31–60 days | 12 | 6 |
| 61–90 days | 44 | 6 |
| Over 90 days | 18 | 35 |
| | <u>151</u> | <u>81</u> |

Trade receivables mainly consist of casino, mall and hotel receivables.

Absent special approval, the credit period granted to selected premium and mass market players is typically 7–15 days.

9. Restricted cash and cash equivalents and bank deposit

Bank guarantee requirement per the Concession Contract

As required by the Concession, on December 7, 2022, VML provided the Macao government with a bank guarantee in the amount of 1.0 billion patacas (approximately US\$125 million at exchange rates as defined therein) to secure the performance of VML's statutory and contractual Concession obligations. In accordance with its terms and in order to secure the bank guarantee, VML is required to maintain a minimum of 1.0 billion patacas, or US\$125 million, as a cash deposit in its bank accounts. Prior to January 3, 2023, the guarantee was secured by cash held on deposit by VCL. The bank guarantee must remain in effect until 180 days after the end of the term or the recession of the Concession. The cash on deposit securing the guarantee is classified as a non-current restricted bank deposit in the consolidated balance sheet.

Bank guarantee requirement for the Subconcession Extension Contract

As required by the Subconcession Extension Contract, on September 20, 2022, VML provided the Macao government with a 2.31 billion patacas (approximately US\$289 million at exchange rates as defined therein) bank guarantee to secure the performance of VML's payment obligations towards its employees after the expiration of its Subconcession, should VML be unsuccessful in tendering for a new concession. In accordance with its terms and in order to secure the bank guarantee, SCL was required to maintain a minimum cash balance of 2.31 billion patacas, or US\$289 million, in its bank accounts. On December 19, 2022, VML requested the release of all bank guarantees provided to the Macao government under its Subconcession, and in January 2023 such bank guarantees were released, including the 2.31 billion patacas bank guarantee.

Restriction on use of share capital of VML

As required by the Concession Contract and the Gaming Law, the minimum share capital of the Concessionaire of 5 billion patacas (approximately US\$623 million at exchange rate on December 31, 2022) may not be used or cancelled prior to the start of its business on January 1, 2023. As such, 5 billion patacas (approximately US\$623 million at exchange rate on December 31, 2022) was restricted as at December 31, 2022 and was available to VML to deploy from January 1, 2023.

10. Trade and other payables

| | June 30, 2023 | December 31, 2022 |
|--|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Trade payables | 49 | 23 |
| Gaming license liability ⁽ⁱ⁾ | 480 | — |
| Customer deposits and other deferred revenue ⁽ⁱⁱ⁾ | 380 | 350 |
| Other tax payables | 233 | 69 |
| Accrued employee benefit expenses | 130 | 162 |
| Interest payables | 127 | 129 |
| Outstanding chip liability ⁽ⁱⁱ⁾ | 78 | 49 |
| Construction payables and accruals | 68 | 86 |
| Interest payable related to LVS Term Loan | 29 | 28 |
| Loyalty program liability ⁽ⁱⁱ⁾ | 21 | 25 |
| Casino liabilities | 20 | 15 |
| Payables to related companies | 15 | 8 |
| Other payables and accruals | 84 | 54 |
| | <hr/> | <hr/> |
| | 1,714 | 998 |
| Less: non-current portion | <u>(546)</u> | <u>(91)</u> |
| Current portion | <u><u>1,168</u></u> | <u><u>907</u></u> |

(i) The balance represents the present value of contractual future payments under the Concession relating to the right to operate the gaming equipment and the gaming areas and the right to conduct games of chance in Macao, consisting of non-current liability of US\$447 million and current liability of US\$33 million as at June 30, 2023. Refer to Note 7 for further details.

(ii) These balances represent the Group's main types of liabilities associated with contracts with customers. With the exception of mall deposits, which typically extend beyond a year based on the terms of the lease, these liabilities are generally expected to be recognized as revenue or redeemed for cash within one year of being purchased, earned or deposited.

The aging analysis of trade payables based on invoice date is as follows:

| | June 30, 2023 | December 31, 2022 |
|--------------|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| 0–30 days | 44 | 18 |
| 31–60 days | 3 | 4 |
| 61–90 days | 1 | 1 |
| Over 90 days | 1 | — |
| | <u>49</u> | <u>23</u> |

11. Borrowings

| | June 30, 2023 | December 31, 2022 |
|--------------------------------|--------------------------|----------------------|
| | <i>US\$ in millions</i> | |
| | <i>(Unaudited)</i> | <i>(Audited)</i> |
| Non-current portion | | |
| Senior Notes | 7,150 | 7,150 |
| LVS Term Loan ⁽ⁱ⁾ | 1,030 | 1,000 |
| Bank loans | 749 | — |
| Lease liabilities | 140 | 155 |
| Other borrowings | — | 1 |
| | <u>9,069</u> | <u>8,306</u> |
| Less: deferred financing costs | <u>(46)</u> | <u>(51)</u> |
| | <u>9,023</u> | <u>8,255</u> |
| Current portion | | |
| Bank loans | — | 1,958 |
| Lease liabilities | 14 | 15 |
| Other borrowings | 1 | 1 |
| | <u>15</u> | <u>1,974</u> |
| Less: deferred financing costs | <u>(1)</u> | <u>(10)</u> |
| | <u>14</u> | <u>1,964</u> |
| Total borrowings | <u><u>9,037</u></u> | <u><u>10,219</u></u> |

(i) Capitalization of interest to principal of US\$30 million during the six months ended June 30, 2023 was due to payment-in-kind election for semi-annual interest payment.

2018 SCL Credit Facility

On May 11, 2023, the Company entered into an amended and restated facility agreement (the “**A&R Facility Agreement**”) with respect to certain provisions of the 2018 SCL Credit Facility, pursuant to which lenders have (a) effective July 31, 2023, extended the termination date for the Hong Kong dollar commitments and U.S. dollar commitments of the lenders that consented to the waivers and amendments in the A&R Facility Agreement (the “**Extending Lenders**”) from July 31, 2023 to July 31, 2025; (b) extended to (and including) January 1, 2024, the waiver period for the Company to comply with the requirements to ensure (i) the consolidated leverage ratio does not exceed 4.0x and (ii) the consolidated interest coverage ratio is not less than 2.5x; (c) amended the definition of consolidated total debt such that it excludes any financial indebtedness that is subordinated and subject in right of payment to the prior payment in full of the A&R Facility Agreement (including the US\$1.0 billion LVS Term Loan); (d) amended the maximum permitted consolidated leverage ratio as of the last day of each of the financial quarters ending March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, and subsequent financial quarters to be 6.25x, 5.5x, 5.0x, 4.5x, and 4.0x respectively; and (e) extended to (and including) January 1, 2025 the period during which the Company’s ability to declare or make any dividend payment or similar distribution is restricted if at such time (x) the Total Commitments (as defined in the A&R Facility Agreement) exceed US\$2.0 billion by the Company’s exercise of the option to increase the Total Commitments by an aggregate amount of up to US\$1.0 billion and (y) the consolidated leverage ratio is greater than 4.0x, unless, after giving effect to such payment, the sum of (i) the aggregate amount of cash and cash equivalents of the Company on such date and (ii) the aggregate amount of the undrawn facility under the A&R Facility Agreement and unused commitments under other credit facilities of the Company is greater than US\$2.0 billion (collectively, the “**Amendments**”). Pursuant to the A&R Facility Agreement, the Company paid a customary fee of US\$31 million to the Extending Lenders.

The Extending Lenders’ HK\$ commitments total HK\$17.63 billion (approximately US\$2.25 billion at exchange rates in effect on May 11, 2023) and US\$ commitments total US\$237 million, which together represent 100% of the total available commitments under the A&R Facility Agreement.

Given the Company met all conditions precedent to the A&R Facility Agreement with the acceptance received in May 2023 such that the A&R Facility Agreement became effective from July 31, 2023, the outstanding balance of US\$749 million under the 2018 SCL Credit Facility was classified as non-current as at June 30, 2023.

As at June 30, 2023, management believes the Company was in compliance with all debt covenants of the 2018 SCL Credit Facility. A waiver to the financial covenants of the 2018 SCL Credit Facility was in place through July 31, 2023, which was subsequently extended to January 1, 2024, effective from July 31, 2023 as disclosed above.

As at June 30, 2023, the Company had US\$1.74 billion of available borrowing capacity under the 2018 SCL Credit Facility comprised of HK\$ commitments of HK\$12.32 billion (approximately US\$1.57 billion) and US\$ commitments of US\$166 million (December 31, 2022: US\$541 million available borrowing capacity comprised of HK\$ commitments of HK\$3.82 billion (approximately US\$490 million at exchange rates in effect on December 31, 2022) and US\$ commitments of US\$51 million).

LVS Term Loan

On July 11, 2022, the Company entered into an intercompany term loan agreement with our Controlling Shareholder, LVS, in the amount of US\$1.0 billion, which is repayable on July 11, 2028. In the first two years from July 11, 2022, the Company will have the option to elect to pay cash interest at 5% per annum or payment-in-kind interest at 6% per annum by adding the amount of such interest to the then-outstanding principal amount of the loan, following which only cash interest at 5% per annum will be payable. For the six months ended June 30, 2023, US\$30 million of interest was capitalized to principal as the Company elected payment-in-kind interest payment. This loan is unsecured and subordinated to all third party unsecured indebtedness and other obligations of the Group.

6. PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sandschina.com). The interim report for the six months ended June 30, 2023 will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Macao, August 11, 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.