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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)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2022 annual report and/or 2023 interim report.

1. FINANCIAL RESULTS SUMMARY

- All of our operating segments and business categories for the year ended December 31, 2023 saw positive financial results as compared to the year ended December 31, 2022 due to a robust recovery following the elimination of COVID-19 restrictions in Macao in late December 2022 and early January 2023.

- Total net revenues for the Group were US$6.53 billion (HK$51.06 billion) for the year ended December 31, 2023, an increase of 307.1%, compared to US$1.61 billion (HK$12.51 billion) for the year ended December 31, 2022.

- Profit for the Group was US$692 million (HK$5.41 billion) for the year ended December 31, 2023, compared to a loss of US$1.58 billion (HK$12.33 billion) for the year ended December 31, 2022.

- Adjusted property EBITDA for the Group was US$2.23 billion (HK$17.39 billion) for the year ended December 31, 2023, compared to adjusted property EBITDA loss of US$323 million (HK$2.52 billion) for the year ended December 31, 2022.

Note: The translation of US$ amounts into HK$ amounts or vice versa has been made at the rate of US$1.00 to HK$7.8140 (2022: US$1.00 to HK$7.7962) for the purposes of illustration only.

2. CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Sands China Ltd., I am pleased to provide an update on the Company's financial and operating results in 2023 and the execution of our strategic objectives during the year.

Our founder, Mr. Sheldon G. Adelson, pioneered the development of the Cotai Strip in Macao, leading the Company and the team he created in the rapid and market-leading development of a critical mass of world-class integrated resorts in Macao. Mr. Adelson's commitment to pushing forward with diversification and investment in non-gaming amenities in Macao was unwavering, as was his commitment to a strong and healthy US-China relationship, supported by robust dialogue and mutual respect. The Company, with the full and wholehearted support of the Board and the Adelson family, continues to honor Mr. Adelson's vision and commitments, including through additional investments that contribute to the diversification of Macao and build upon his legacy.

At the beginning of 2023, travel restrictions related to the pandemic were lifted. These restrictions had been in place throughout 2020, 2021 and 2022, and had meaningfully limited the ability for visitors from mainland China and elsewhere to visit Macao. The lifting of these restrictions enabled a recovery in travel and tourism spending in Macao. Visitation to Macao exceeded 28 million visits in 2023, compared to approximately 6 million visits in 2022.

The Company's operations in Macao in 2023 were positively impacted by the recovery in travel and tourism spending. Total net revenues for the Company were approximately US$6.53 billion, an increase of more than 300% compared to the US$1.61 billion in 2022. As a result of strong revenue growth and our Company's continued focus on cost control, we recorded adjusted property EBITDA of US$2.23 billion for 2023, compared to an adjusted property EBITDA loss of US$323 million in 2022.

We celebrated the grand opening of The Londoner Macao in 2023. The Londoner Macao features many outstanding tourism attractions as well as unique dining, retail and entertainment offerings. The new suite product at The Londoner Macao represents the finest and most luxurious accommodation of any integrated resort we have ever developed. We believe the tourism offerings of The Londoner Macao will be transformative for Macao and the Cotai Strip, further enhancing Macao's tourism appeal.

The Company's new ten-year gaming concession was implemented in early 2023. We are gratified by the opportunity to continue our decades-long commitment to making investments that enhance the tourism appeal of Macao and support its development as a world center of tourism. We have already invested more than US$15 billion to deliver on our promise to help Macao in its economic diversification and its continued evolution into Asia's leading leisure and business tourism destination. Our investment includes more than 12,000 hotel rooms and suites, 2.2 million square feet (approximately 200,000 square meters) of retail-mall offerings and 1.7 million square feet (approximately 154,000 square meters) of MICE capacity.

The Company remains deeply confident in the future of Macao and considers Macao an ideal market for additional capital investment. We have committed to spending an additional US$4.50 billion dollars on a combination of capital and operating investments in Macao through 2032.

We recently announced an additional US$1.2 billion of investment at The Londoner Macao to be substantially completed in early 2025. This investment will further elevate the customer experience for visitors to The Londoner Macao and further enhance Macao's tourism appeal.

While the easing of travel restrictions has had a positive impact on the market throughout 2023, visitation to Macao has not yet recovered to pre-pandemic levels, particularly from areas of mainland China outside Guangdong province and from foreign markets. We believe the Macao market will benefit from continued recovery in travel and tourism spending, as the meaningful infrastructure investments being made in Macao and throughout the Greater Bay Area continue to benefit the region.

We regard it as a privilege to continue to contribute to Macao's success in realizing its important objectives of diversifying its economy, supporting the growth of local businesses, providing meaningful career development opportunities for its local residents, including through our Sands China Academy, and reaching its full potential as Asia's leading leisure and business tourism destination.

We could not have achieved our many successes this year without the hard work and dedication of Sands China's more than 25,000 team members. I thank all our team members for their efforts and I look forward to their ongoing contributions in the years ahead.

Our Sands China business strategy remains straightforward: continue the execution of our Cotai Strip development initiatives by leveraging our convention-based integrated resort business model and world-class amenities to contribute to Macao's diversification. These efforts will drive Sands China's market-leading revenue and cash flow generation as the recovery in travel and tourism spending in Macao progresses.

We look to the future with confidence. We have a strong organic growth outlook that will benefit from our industry-leading investments and unmatched scale as economic growth, wealth creation and increased demand for travel and entertainment in Asia continue in the years ahead. We look forward to sharing the Company's success with you and other shareholders at the upcoming Sands China Annual General Meeting.

Thank you for the confidence you have placed in us.

Robert Glen Goldstein
Chairman of the Board

February 16, 2024

3. OVERVIEW AND BUSINESS UPDATE

Overview and Outlook

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 was eliminated in late December 2022 and early January 2023. Since then, visitation to the Group's integrated resorts and operations has improved.

The Macao government announced total visitation from mainland China to Macao increased approximately 273.1% and decreased approximately 31.8% during the year ended December 31, 2023, as compared to 2022 and 2019 (pre-pandemic), respectively. The Macao government also announced gross gaming revenue increased approximately 333.8% and decreased approximately 37.4%, during the year ended December 31, 2023, as compared to 2022 and 2019, respectively.

The Group has a strong balance sheet and sufficient liquidity in place, including total unrestricted cash and cash equivalents of US$1.36 billion and access to US$2.49 billion of available borrowing capacity from the 2018 SCL Credit Facility as at December 31, 2023. The Group believes it is able to support its continuing operations, fulfill the obligations and commitments under the Concession Contract and complete the Group's major construction projects that are underway.

4. MANAGEMENT DISCUSSION AND ANALYSIS

OUR EXISTING OPERATIONS

Our operations consist of The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao, Sands Macao and other operations that support these properties, including our high-speed Cotai Water Jet ferry services operating between Hong Kong and Macao. The following table sets forth data on our existing operations as at December 31, 2023:

	The Venetian Macao	**The Londoner Macao**	**The Parisian Macao**	**The Plaza Macao**	**Sands Macao**	**Total**
Opening date	August 2007	April 2012[i]	September 2016	August 2008[ii]	May 2004	
Hotel rooms and suites	2,841	5,989	2,333	649	238	12,050
Paiza suites	64	—	208	—	51	323
Paiza mansions	—	—	—	19	—	19
MICE *(square feet)*	1,200,000	369,000	63,000	28,000	—	1,660,000
Theater *(seats)*	1,800	1,701	1,200	—	650	5,351
Arena *(seats)*	15,000	6,000	—	—	—	21,000
Total retail *(square feet)*	948,000	612,000	296,000	249,000	50,000	2,155,000
Number of shops	327	143	112	134	6	722
Number of restaurants and food outlets	59	50	26	10	9	154
Total gaming facility *(square feet)*[iii]	503,000	400,000	272,000	108,000	176,000	1,459,000
Gaming units[iv]:						
Tables	689	505	283	93	110	1,680
Slots	1,256	1,210	780	22	432	3,700

Notes:

(i) The Londoner Macao consists of the Conrad tower, the first Sheraton tower, the second Sheraton tower, the St. Regis tower, which opened in April 2012, September 2012, January 2013 and December 2015, respectively. The Londoner Macao Hotel located at the Conrad tower and Londoner Court located at the St. Regis tower opened in January 2021 and September 2021, respectively.

(ii) The Plaza Macao consists of the Four Seasons Macao and The Grand Suites at Four Seasons, which opened in August 2008 and October 2020, respectively. The Grand Suites at Four Seasons features 289 luxury suites.

(iii) Includes total gaming support areas of approximately 115,000 square feet.

(iv) From January 1, 2023, VML is currently allowed to operate (a maximum of) 1,680 units of gaming tables and 3,700 units of slot machines.

RESULTS OF OPERATIONS

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

Net Revenues

Our net revenues consisted of the following:

	Year ended December 31,		
	2023	2022	Percent change
		US$ in millions	
Casino	**4,841**	947	411.2%
Rooms	**761**	184	313.6%
Mall	**513**	354	44.9%
Food and beverage	**240**	67	258.2%
Convention, ferry, retail and other	**179**	53	237.7%
Total net revenues	**6,534**	1,605	307.1%

Total net revenues were US$6.53 billion for the year ended December 31, 2023, an increase of 307.1%, compared to US$1.61 billion for the year ended December 31, 2022. Net revenues increased across all business categories, mainly driven by an increase in visitation and robust recovery following the elimination of the COVID-19 restrictions in Macao in late December 2022 and early January 2023.

Our net casino revenues for the year ended December 31, 2023 were US$4.84 billion, an increase of 411.2%, compared to US$947 million for the year ended December 31, 2022. Net casino revenues increased across all properties, primarily driven by increased visitation.

The following table summarizes the results of our casino activity:

	Year ended December 31,		
	2023	2022	Change
	US$ in millions		
The Venetian Macao			
Total net casino revenues	**2,151**	438	391.1%
Non-Rolling Chip drop	**8,711**	1,751	397.5%
Non-Rolling Chip win percentage	**24.2%**	25.7%	(1.5) pts
Rolling Chip volume	**4,546**	1,295	251.0%
Rolling Chip win percentage(i)	**4.44%**	3.77%	0.67 pts
Slot handle	**5,066**	1,132	347.5%
Slot hold percentage	**4.3%**	3.9%	0.4 pts
The Londoner Macao			
Total net casino revenues	**1,283**	194	561.3%
Non-Rolling Chip drop	**5,842**	896	552.0%
Non-Rolling Chip win percentage	**21.3%**	21.7%	(0.4) pts
Rolling Chip volume	**7,336**	936	683.8%
Rolling Chip win percentage(i)	**2.99%**	5.03%	(2.04) pts
Slot handle	**5,290**	671	688.4%
Slot hold percentage	**4.0%**	3.4%	0.6 pts
The Parisian Macao			
Total net casino revenues	**655**	116	464.7%
Non-Rolling Chip drop	**2,926**	454	544.5%
Non-Rolling Chip win percentage	**21.4%**	24.9%	(3.5) pts
Rolling Chip volume	**968**	283	242.0%
Rolling Chip win percentage(i)	**7.14%**	7.66%	(0.52) pts
Slot handle	**2,528**	305	728.9%
Slot hold percentage	**3.9%**	3.8%	0.1 pts
The Plaza Macao			
Total net casino revenues	**462**	146	216.4%
Non-Rolling Chip drop	**2,244**	551	307.3%
Non-Rolling Chip win percentage	**23.6%**	23.8%	(0.2) pts
Rolling Chip volume	**6,860**	1,452	372.5%
Rolling Chip win percentage(i)	**2.27%**	4.48%	(2.21) pts
Slot handle	**85**	21	304.8%
Slot hold percentage	**5.9%**	9.4%	(3.5) pts
Sands Macao			
Total net casino revenues	**290**	53	447.2%
Non-Rolling Chip drop	**1,575**	237	564.6%
Non-Rolling Chip win percentage	**17.1%**	17.9%	(0.8) pts
Rolling Chip volume	**108**	192	(43.8)%
Rolling Chip win percentage(i)	**6.11%**	4.16%	1.95 pts
Slot handle	**1,851**	409	352.6%
Slot hold percentage	**3.1%**	3.2%	(0.1) pts

Note: As a result of the COVID-19 Pandemic, gaming operations were closed from July 11, 2022 to July 22, 2022.

(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 programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

Room revenues for the year ended December 31, 2023 were US$761 million, an increase of 313.6%, compared to US$184 million for the year ended December 31, 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:

	Year ended December 31,		
	2023	2022	Change
	US$ in millions, except average daily rate and revenue per available room		
The Venetian Macao			
Total room revenues	**191**	55	247.3%
Occupancy rate	**94.5%**	41.7%	52.8 pts
Average daily rate *(in US$)*	**208**	143	45.5%
Revenue per available room *(in US$)*	**196**	60	226.7%
The Londoner Macao			
Total room revenues	**324**	61	431.1%
Occupancy rate	**80.4%**	26.9%	53.5 pts
Average daily rate *(in US$)*	**196**	155	26.5%
Revenue per available room *(in US$)*	**158**	42	276.2%
The Parisian Macao			
Total room revenues	**135**	33	309.1%
Occupancy rate	**93.0%**	37.9%	55.1 pts
Average daily rate *(in US$)*	**158**	110	43.6%
Revenue per available room *(in US$)*	**147**	42	250.0%
The Plaza Macao			
Total room revenues	**94**	29	224.1%
Occupancy rate	**81.5%**	27.5%	54.0 pts
Average daily rate *(in US$)*	**485**	440	10.2%
Revenue per available room *(in US$)*	**396**	121	227.3%
Sands Macao			
Total room revenues	**17**	6	183.3%
Occupancy rate	**95.8%**	51.1%	44.7 pts
Average daily rate *(in US$)*	**171**	141	21.3%
Revenue per available room *(in US$)*	**164**	72	127.8%

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 2022. These rooms were excluded from the calculation of hotel statistics above.

Mall revenues for the year ended December 31, 2023 were US$513 million, an increase of 44.9%, compared to US$354 million for the year ended December 31, 2022. The increase of US$159 million was primarily driven by a decrease in rent concessions (as no abatements were offered to retailers in 2023) and an increase in overage rent.

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

	Year ended December 31,		
	2023	2022	Change
	US$ in millions, except per square foot amount		
Shoppes at Venetian			
Total mall revenues	**227**	154	47.4%
Mall gross leasable area *(in square feet)*	**818,686**	813,832	0.6%
Occupancy	**79.7%**	81.0%	(1.3) pts
Base rent per square foot *(in US$)*	**283**	274	3.3%
Tenant sales per square foot *(in US$)*[(i)]	**1,906**	932	104.5%
Shoppes at Londoner			
Total mall revenues	**66**	47	40.4%
Mall gross leasable area *(in square feet)*	**611,905**	610,238	0.3%
Occupancy	**59.1%**	54.7%	4.4 pts
Base rent per square foot *(in US$)*	**149**	134	11.2%
Tenant sales per square foot *(in US$)*[(i)]	**1,796**	1,139	57.7%
Shoppes at Parisian			
Total mall revenues	**32**	25	28.0%
Mall gross leasable area *(in square feet)*	**296,352**	296,322	—%
Occupancy	**67.2%**	67.6%	(0.4) pts
Base rent per square foot *(in US$)*	**113**	107	5.6%
Tenant sales per square foot *(in US$)*[(i)]	**710**	338	110.1%
Shoppes at Four Seasons			
Total mall revenues	**187**	127	47.2%
Mall gross leasable area *(in square feet)*	**249,373**	248,674	0.3%
Occupancy	**92.9%**	93.6%	(0.7) pts
Base rent per square foot *(in US$)*	**611**	538	13.6%
Tenant sales per square foot *(in US$)*[(i)]	**7,594**	3,806	99.5%

Note: This table excludes the results of our retail outlets at Sands Macao. As a result of the COVID-19 Pandemic, tenants were provided rent concessions during the year ended December 31, 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 year ended December 31, 2023 were US$240 million, an increase of 258.2%, compared to US$67 million for the year ended December 31, 2022. The increase was primarily driven by an increase in property visitation.

Convention, ferry, retail and other revenues for the year ended December 31, 2023 were US$179 million, an increase of 237.7%, compared to US$53 million for the year ended December 31, 2022. The increase was primarily driven by increases of US$57 million in ferry operations due to the resumption of ferry services in January 2023, US$31 million in entertainment revenue and US$38 million in limo and other operating revenues (e.g. convention and retail).

Operating Expenses

Operating expenses were US$5.31 billion for the year ended December 31, 2023, an increase of 91.8%, compared to US$2.77 billion for the year ended December 31, 2022. The increase in operating expenses was primarily due to an increase of business volumes across all business categories.

Depreciation and amortization expense was US$809 million for the year ended December 31, 2023, an increase of 7.9%, compared to US$750 million for the year ended December 31, 2022. The increase was primarily due to accelerated depreciation related to the second phase of the planned renovations at The Londoner Macao and amortization of the intangible asset related to the Concession.

Adjusted Property EBITDA[(i)]

The following table summarizes information related to our segments:

	Year ended December 31,		
	2023	2022	Percent change
	US$ in millions		
The Venetian Macao	**1,054**	(25)	N.M.
The Londoner Macao	**516**	(189)	N.M.
The Parisian Macao	**269**	(103)	N.M.
The Plaza Macao	**308**	81	280.2%
Sands Macao	**59**	(81)	N.M.
Ferry and other operations	**19**	(6)	N.M.
Total adjusted property EBITDA	**2,225**	(323)	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 taxes. 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 year ended December 31, 2023 was US$2.23 billion compared to an adjusted property EBITDA loss of US$323 million for the year ended December 31, 2022. The increase was primarily due to increased casino and room revenues driven by increased visitation at our properties and a robust recovery following the elimination of COVID-19 restrictions in late December 2022 and early January 2023.

Finance Costs

The following table summarizes information related to finance costs:

	Year ended December 31,		
	2023	2022	Percent change
		US$ in millions	
Interest and other finance costs	**534**	446	19.7%
Less: interest capitalized	**(2)**	(2)	—
Finance costs, net	**532**	444	19.8%

Finance costs, net of amounts capitalized, were US$532 million for the year ended December 31, 2023, compared to US$444 million for the year ended December 31, 2022. The increase in interest and other finance costs of US$88 million was primarily due to an increase in our weighted average total debt balance and weighted average interest rates, in addition to an imputed interest of US$31 million resulting from the gaming license liability in 2023. The weighted average debt balance increased mainly as a result of the full year impact of the US$1.0 billion LVS Term Loan in 2023 and the related interest capitalization of US$61 million to the LVS Term Loan, partially offset by the repayment of the revolver balance of US$1.95 billion in 2023. The weighted average interest rate increased from 5.0% to 5.4% during the year ended December 31, 2023. The increase was due to a higher weighted interest rate of the Senior Notes from 4.6% to 4.8% driven by two credit rating downgrades by Standard & Poor's ("**S&P**") and Fitch in February and June 2022, respectively, with a total increase of 50 basis points (but that was partially offset by a credit rating upgrade by S&P in July 2023 with a decrease of 25 basis points), and an increase in the weighted average interest rate of the 2018 SCL Credit Facility from 4.3% to 6.3%. On February 1, 2024, Fitch also upgraded the credit rating for the Company to BBB–, resulting in the coupon on each series of the outstanding Senior Notes decreased by 0.25% per annum effective on the first interest payment date after February 1, 2024.

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 (including lease liabilities). Imputed interest expense from the gaming license liability and the related liability balance are excluded from the calculation.

Profit/(Loss) for the Year

Profit for the year ended December 31, 2023 was US$692 million, compared to a loss of US$1.58 billion for the year ended December 31, 2022.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

We fund our operations and capital expenditures through cash generated from our operations and our debt financing. Total unrestricted cash and cash equivalents were US$1.36 billion as at December 31, 2023. Such cash and cash equivalents were primarily held in HK$, 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 HK$ commitments and US$ 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.

During the year ended December 31, 2023, a total repayment of US$1.95 billion was made under the 2018 SCL Credit Facility, resulting in total available balance of US$2.49 billion as at December 31, 2023.

As at December 31, 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 January 1, 2024 as disclosed above.

We believe our cash and cash equivalents of US$1.36 billion as well as the US$2.49 billion available under our 2018 SCL Credit Facility as at December 31, 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 and 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:

	Year ended December 31,	
	2023	2022
	US$ in millions	
Net cash generated from/(used in) operating activities	**2,293**	(473)
Net cash used in investing activities	**(180)**	(325)
Net cash (used in)/from financing activities	**(2,452)**	1,821
Net (decrease)/increase in cash and cash equivalents	**(339)**	1,023
Cash and cash equivalents at beginning of year[(i)]	**1,702**	678
Effect of exchange rate on cash and cash equivalents	**(2)**	1
Cash and cash equivalents at end of year	**1,361**	1,702

(i) Cash and cash equivalents of US$1.70 billion as at December 31, 2022 includes restricted 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 year ended December 31, 2023 was US$2.29 billion, compared to net cash used in operating activities of US$473 million for the year ended December 31, 2022. We derive most of our operating cash flows from our casino, mall and hotel operations. The increase in net cash generated from operating activities was primarily attributable to the increased operating profit resulting from an increase in visitation following the elimination of COVID-19 restrictions in Macao in late December 2022 and early January 2023 and a robust recovery during the year ended December 31, 2023.

Cash Flows — Investing Activities

Net cash used in investing activities for the year ended December 31, 2023 was US$180 million, primarily due to capital expenditures of US$231 million, including US$131 million for The Londoner Macao, US$71 million for The Venetian Macao, US$15 million for The Plaza Macao, and US$14 million for our other operations, mainly at The Parisian Macao and Sands Macao. This was partially offset by interest receipts of US$50 million and US$1 million proceeds from disposal of property and equipment, investment properties and intangible assets.

Cash Flows — Financing Activities

Net cash used in financing activities for the year ended December 31, 2023 was US$2.45 billion, which was primarily attributable to a repayment of US$1.95 billion under the 2018 SCL Credit Facility, interest payments of US$437 million, a fee payment of US$31 million related to the amendment and restatement of the 2018 SCL Credit Facility and other of US$36 million during the year.

CAPITAL EXPENDITURES

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

	Year ended December 31,	
	2023	2022
	US$ in millions	
The Venetian Macao	**71**	52
The Londoner Macao	**131**	173
The Parisian Macao	**8**	3
The Plaza Macao	**15**	9
Sands Macao	**6**	4
Total capital expenditures	**231**	241

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:

	December 31, 2023	2022
	US$ in millions	
Contracted but not provided for	**510**	72

Concession

The Concession requires VML to invest a minimum of 30.24 billion patacas (approximately US$3.76 billion) in Macao by December 2032, including 27.80 billion patacas (approximately US$3.45 billion) in non-gaming projects across eleven categories identified by the Macao government in the concession tender program. Pursuant to the Concession, VML is required to increase its investment in non-gaming projects by 20% as Macao's annual gross gaming revenue exceeded 180 billion patacas (approximately US$22.36 billion) for the year ended December 31, 2023. Consequently, VML is required to invest, or cause to be invested, an additional 5.56 billion patacas (approximately US$691 million) in non-gaming investment projects by December 2032.

Key areas of the investment subject to the approval of the Macao government include the following:

- MICE Facility Expansion. We plan to expand our convention sector capabilities by constructing a state-of-the-art MICE facility. This new venue, encompassing roughly 18,000 square meters, will adjoin our existing Cotai Expo. Our goal is to broaden our capacity for large-scale international events, which will be supported by enhanced organization and marketing strategies aimed at making Macao a preferred locale for global corporations' major gatherings.

- Tropical Garden Redevelopment. Le Jardin, located on the southern flank of The Londoner Macao, is to undergo a transformation into a distinctive garden-themed attraction spanning approximately 50,000 square meters. Featuring an iconic conservatory and an array of themed green spaces, this development is intended to become a celebrated Macao landmark that offers a compelling, year-round experience for both tourists and local residents.

- Entertainment. Our investment plan includes a broadening of our entertainment and sporting event portfolio, which will include substantial upgrades to the Cotai Arena.

We have commenced works on Phase II of The Londoner Macao, which includes the renovation of the rooms in the Sheraton and Conrad hotel towers, an upgrade of the gaming areas and the addition of new attractions, dining, retail and entertainment offerings. These projects have a total estimated cost of US$1.2 billion and are expected to be substantially completed in early 2025.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended December 31, 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.

5. FINANCIAL RESULTS

The consolidated results of the Group for the year ended December 31, 2023, together with the comparative figures for the corresponding year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**Year ended December 31, 2023**	2022
		US$ in millions, except per share data	
Net revenues	3	**6,534**	1,605
Gaming tax		**(2,411)**	(515)
Employee benefit expenses		**(1,148)**	(1,032)
Depreciation and amortization	3	**(809)**	(750)
Inventories consumed		**(80)**	(26)
Other expenses, gains and losses	4	**(861)**	(445)
Operating profit/(loss)		**1,225**	(1,163)
Interest income		**48**	19
Finance costs, net of amounts capitalized	5	**(532)**	(444)
Profit/(loss) before income tax		**741**	(1,588)
Income tax (expense)/benefit	6	**(49)**	6
Profit/(loss) for the year attributable to equity holders of the Company		**692**	(1,582)
Earnings/(loss) per share			
— Basic	7	**US8.56 cents**	(US19.55 cents)
— Diluted	7	**US8.56 cents**	(US19.55 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,	
	2023	2022
	US$ in millions	
Profit/(loss) for the year attributable to equity holders of the Company	**692**	(1,582)
Other comprehensive (expense)/income		
Item that will be reclassified subsequently to profit or loss:		
Fair value adjustment on cash flow hedge	**(3)**	(2)
Item that will not be reclassified subsequently to profit or loss:		
Currency translation differences	**1**	(9)
Total comprehensive income/(expense) for the year attributable to equity holders of the Company	**690**	(1,593)

CONSOLIDATED BALANCE SHEET

	Notes	December 31, 2023	2022
		US$ in millions	
ASSETS			
Non-current assets			
Investment properties, net		**566**	598
Property and equipment, net		**7,339**	7,904
Intangible assets, net	9	**476**	31
Other assets, net		**36**	13
Other receivables and prepayments, net		**34**	24
Restricted bank deposit	11	**124**	125
Total non-current assets		**8,575**	8,695
Current assets			
Inventories		**26**	19
Other asset		**—**	1
Trade and other receivables and prepayments, net	10	**296**	145
Restricted cash and cash equivalents	11	**—**	912
Cash and cash equivalents		**1,361**	790
Total current assets		**1,683**	1,867
Total assets		**10,258**	10,562

	Notes	December 31, 2023	2022
		US$ in millions	
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**81**	81
Reserves		**(85)**	(781)
Total deficit		**(4)**	(700)
LIABILITIES			
Non-current liabilities			
Trade and other payables	12	**541**	91
Borrowings	13	**8,312**	8,255
Deferred income tax liabilities		**37**	45
Total non-current liabilities		**8,890**	8,391
Current liabilities			
Trade and other payables	12	**1,299**	907
Current income tax liabilities	6	**57**	—
Borrowings	13	**16**	1,964
Total current liabilities		**1,372**	2,871
Total liabilities		**10,262**	11,262
Total deficit and liabilities		**10,258**	10,562
Net current assets/(liabilities)		**311**	(1,004)
Total assets less current liabilities		**8,886**	7,691

NOTES TO THE FINANCIAL INFORMATION

1. General Information

The Company was incorporated in the Cayman Islands on July 15, 2009 as an exempted company with limited liability under the Companies Act (as amended) of the Cayman Islands. The address of the Company's registered office in Cayman Islands is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. The Company's principal place of business in Hong Kong is 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.

Las Vegas Sands Corp. ("**LVS**"), a company incorporated in Nevada, U.S.A. and listed on the New York Stock Exchange, is the Company's ultimate holding company.

The Company's shares were listed on the Main Board of the Stock Exchange on November 30, 2009.

The consolidated financial statements are presented in millions of US$ ("**US$ in millions**"), unless otherwise stated.

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 was eliminated in late December 2022 and early January 2023. Since then, visitation to the Group's integrated resorts and operations has improved.

The Macao government announced total visitation from mainland China to Macao increased approximately 273.1% and decreased approximately 31.8% during the year ended December 31, 2023, as compared to 2022 and 2019 (pre-pandemic), respectively. The Macao government also announced gross gaming revenue increased approximately 333.8% and decreased approximately 37.4% during the year ended December 31, 2023, as compared to 2022 and 2019, respectively.

The Group has a strong balance sheet and sufficient liquidity in place, including total unrestricted cash and cash equivalents of US$1.36 billion and access to US$2.49 billion of available borrowing capacity from the 2018 SCL Credit Facility as at December 31, 2023. The Group believes the available liquidity, together with the cash flow to be generated from its operations, will be sufficient to maintain compliance with the financial covenants of the 2018 SCL Credit Facility and fund its working capital needs and committed and planned capital expenditures, including fulfilling the obligations and commitments under the Concession Contract.

2. Material accounting policies and changes in accounting policies and disclosures

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") on the historical cost basis except for financial liabilities for cash-settled share-based awards and derivative financial instruments 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.

During the year, the Group adopted a new accounting policy on the minimum future contractual payments relating to the Concession in January 2023 resulting in a recognition of an intangible asset and a related financial liability (refer to Note 9). Additionally, there have been a number of new amendments to standards in IFRS that are effective, which the Group has adopted at their respective effective dates. The adoption of these new amendments to standards had no material impact on the results of operations and financial position of the Group.

Amendments to IAS 12 *Income Taxes* ("IAS 12") *International Tax Reform — Pillar Two Model Rules*

The Organization for Economic Co-operation and Development ("**OECD**") and its inclusive Framework of over 140 countries have agreed to enact a two-pillar solution to reform international tax rules to address the tax challenges arising from the digitalization of the economy as part of the Base Erosion and Profit Shifting ("**BEPS**") project. Pillar One will reallocate taxing rights to market jurisdictions on residual profits of multinational enterprises ("**MNEs**") with global turnover greater than €20 billion and a profit margin above 10%. Pillar Two consist of interrelated rules which operate to impose a minimum tax rate of 15% calculated on a jurisdictional basis on MNEs with a global turnover of at least €750 million.

IAS 12 has been amended to add an exception for recognizing and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD (the "**Pillar Two legislation**"). The amendments require that entities shall apply the amendments immediately upon issuance. The amendments also require that entities shall disclose separately their current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about their exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after January 1, 2023.

The Group has yet to apply the temporary exception for the year ended December 31, 2023 as the entities within the Group operate in jurisdictions where the Pillar Two legislation has not been enacted or is not yet substantially enacted. The Group will continue to monitor and evaluate the matter.

Amendments to standards that have been issued, but are not effective

The Group has not early adopted the amendments to standards that have been issued, but are not effective for the year ended December 31, 2023. The Group has commenced an assessment of the impact of the amendments to standards on the Group, but is not yet in a position to state whether their adoption would have a significant impact on the results of operations and financial position of the Group.

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 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
			US$ in millions			
For the year ended December 31, 2023						
The Venetian Macao	**2,151**	**191**	**228**	**63**	**49**	**2,682**
The Londoner Macao	**1,283**	**324**	**66**	**86**	**33**	**1,792**
The Parisian Macao	**655**	**135**	**32**	**49**	**8**	**879**
The Plaza Macao	**462**	**94**	**187**	**30**	**6**	**779**
Sands Macao	**290**	**17**	**1**	**12**	**2**	**322**
Ferry and other operations	**—**	**—**	**—**	**—**	**95**	**95**
Inter-segment revenues[(i)]	**—**	**—**	**(1)**	**—**	**(14)**	**(15)**
	4,841	**761**	**513**	**240**	**179**	**6,534**
For the year ended December 31, 2022						
The Venetian Macao	438	55	155	17	17	682
The Londoner Macao	194	61	47	26	22	350
The Parisian Macao	116	33	25	10	4	188
The Plaza Macao	146	29	127	10	1	313
Sands Macao	53	6	1	4	1	65
Ferry and other operations	—	—	—	—	21	21
Inter-segment revenues[(i)]	—	—	(1)	—	(13)	(14)
	947	184	354	67	53	1,605

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

(ii) Of this amount, US$448 million (2022: US$296 million) was related to income from right-of-use and US$65 million (2022: US$58 million) was related to management fee and other. 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 contracts with customers*.

(iii) For the year ended December 31, 2023, no rent concessions were provided to tenants (2022: US$70 million of rent concessions were provided to tenants as a result of the COVID-19 Pandemic and its impact on mall operations).

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

	Year ended December 31,	
	2023	2022
	US$ in millions	
Adjusted property EBITDA (Unaudited)[(i)]		
The Venetian Macao	**1,054**	(25)
The Londoner Macao	**516**	(189)
The Parisian Macao	**269**	(103)
The Plaza Macao	**308**	81
Sands Macao	**59**	(81)
Ferry and other operations	**19**	(6)
Total adjusted property EBITDA	**2,225**	(323)
Share-based compensation, net of amount capitalized[(ii)]	**(31)**	(35)
Corporate expense[(iii)]	**(129)**	(55)
Pre-opening expense	**(7)**	1
Depreciation and amortization	**(809)**	(750)
Net foreign exchange (losses)/gains	**(13)**	4
Fair value gain/(loss) on derivative financial instruments	**1**	(1)
Loss on disposal of property and equipment, investment properties and intangible assets	**(12)**	(4)
Operating profit/(loss)	**1,225**	(1,163)
Interest income	**48**	19
Finance costs, net of amounts capitalized	**(532)**	(444)
Profit/(loss) before income tax	**741**	(1,588)
Income tax (expense)/benefit	**(49)**	6
Profit/(loss) for the year attributable to equity holders of the Company	**692**	(1,582)

(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$5 million (2022: US$5 million) and cash-settled share-based payment expense, net of amount capitalized of US$26 million (2022: US$30 million).

(iii) The amount excludes share-based payment expense of US$4 million (2022: US$5 million).

	Year ended December 31,	
	2023	2022
	US$ in millions	
Depreciation and amortization		
The Venetian Macao	**156**	180
The Londoner Macao	**389**	322
The Parisian Macao	**131**	128
The Plaza Macao	**99**	86
Sands Macao	**22**	21
Ferry and other operations	**12**	13
	809	750

	Year ended December 31,	
	2023	2022
	US$ in millions	
Capital expenditures		
The Venetian Macao	**71**	52
The Londoner Macao	**131**	173
The Parisian Macao	**8**	3
The Plaza Macao	**15**	9
Sands Macao	**6**	4
	231	241

	December 31,	
	2023	2022
	US$ in millions	
Total assets		
The Venetian Macao	**2,538**	2,127
The Londoner Macao	**4,213**	4,512
The Parisian Macao	**1,819**	1,846
The Plaza Macao	**1,073**	1,035
Sands Macao	**286**	207
Ferry and other operations	**329**	835
	10,258	10,562

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

4. Other expenses, gains and losses

	Year ended December 31,	
	2023	2022
	US$ in millions	
Utilities and operating supplies	**187**	134
Contract labor and services	**115**	59
Royalty fees	**103**	23
Repairs and maintenance	**70**	60
Advertising and promotions	**65**	24
Management fees	**53**	19
Lease payments exempted from recognition	**11**	2
Auditor's remuneration	**2**	2
(Recovery of)/provision for expected credit losses, net	**(5)**	4
Net foreign exchange losses/(gains)	**13**	(4)
Loss on disposal of property and equipment, investment properties and intangible assets	**12**	4
Fair value (gain)/loss on derivative financial instruments	**(1)**	1
Other support services	**106**	64
Other operating expenses	**130**	53
	861	445

5. Finance costs, net of amounts capitalized

	Year ended December 31,	
	2023	2022
	US$ in millions	
Interest costs		
Senior Notes	**340**	326
Bank borrowings	**62**	51
LVS Term Loan	**58**	28
Imputed interest on gaming license liability	**31**	—
Lease liabilities	**8**	8
Amortization of deferred financing costs	**26**	24
Standby fee and other financing costs	**9**	9
	534	446
Less: interest capitalized	**(2)**	(2)
Finance costs, net of amounts capitalized	**532**	444

6. Income tax expense/(benefit)

	Year ended December 31, **2023**	2022
	US$ in millions	
Current income tax		
Payment in lieu of Macao complementary tax on deemed dividends	**57**	2
Other overseas taxes	**—**	1
Deferred income tax benefit	**(8)**	(9)
	49	(6)

Tax exemptions for VML's gaming activities

VML was granted tax exemptions for its gaming activities as per Dispatch No. 194/2018 and Dispatch No. 178/2022 from the Chief Executive of Macao, dated August 20, 2018, and September 1, 2022, respectively. The first exemption was effective for the tax year 2019 until June 26, 2022 and the second exemption was effective June 27, 2022 until December 31, 2022, aligning with VML's gaming Subconcession extension.

Following the Concession award in December 2022, VML sought to extend the tax exemption for its gaming activities for the duration of the new Concession period, spanning from the tax year 2023 until the tax year 2032, or an alternative exemption period as determined suitable by the Chief Executive of Macao.

Pursuant to Dispatch No. 19/2024 from the Chief Executive of Macao dated January 29, 2024, VML was granted an extension of the tax exemption effective for the tax year 2023 until the tax year 2027.

Alternative arrangement for Macao complementary tax on deemed dividends

In April 2019, VML renewed a Shareholder Dividend Tax Agreement with the Macao government, which remained in effect until June 26, 2022. Under the agreement, VML made annual fixed payments to the Macao government as an alternative to the complementary tax that would typically be levied on dividends received by its shareholders from VML's gaming profits. Specifically, the agreement stipulated annual payments of 38 million patacas (approximately US$5 million) for each of the years ended December 31, 2019, 2020, and 2021. In addition, a pro-rata payment of 18 million patacas (approximately US$2 million) covered the period from January 1, 2022 to June 26, 2022.

For the year ended December 31, 2023, the income tax provision has been calculated based on available information as of the balance sheet date to reflect an anticipated payment of US$57 million in lieu of Macao complementary tax on deemed dividends.

On February 7, 2024, VML entered into a new Shareholder Dividend Tax Agreement with the Macao government effective from the tax year 2023 through the tax year 2025. The new agreement stipulates payments in lieu of Macao complementary tax otherwise due by VML's shareholders on deemed dividend distributions to them from gaming profits, due within 30 days upon issuance of tax demand notices from the Macao government for each of the tax years 2023, 2024 and 2025. According to the new agreement, the recognized anticipated payment in lieu of Macao complementary tax on deemed dividends recorded for the year ended December 31, 2023 will be reduced by US$47 million in 2024.

Deferred income tax benefit

Deferred income tax benefit was US$8 million for the year ended December 31, 2023, compared to deferred income tax benefit of US$9 million for the year ended December 31, 2022. The deferred income tax benefit in 2023 was primarily due to the reversal of deferred tax liabilities related to accelerated tax depreciation allowance (2022: Same).

7. Earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share are set out in the following:

	Year ended December 31,	
	2023	2022
Profit/(loss) attributable to equity holders of the Company *(US$ in millions)*	**692**	(1,582)
Weighted average number of shares for basic earnings/(loss) per share *(thousand shares)*	**8,093,336**	8,093,189
Adjustment for share options *(thousand shares)*	**139**	—
Weighted average number of shares for diluted earnings/(loss) per share *(thousand shares)*	**8,093,475**	8,093,189
Earnings/(loss) per share, basic	**US8.56 cents**	(US19.55 cents)
Earnings/(loss) per share, basic(i)	**HK66.89 cents**	(HK152.42 cents)
Earnings/(loss) per share, diluted	**US8.56 cents**	(US19.55 cents)
Earnings/(loss) per share, diluted(i)	**HK66.89 cents**	(HK152.42 cents)

(i) The translation of US$ amounts into HK$ amounts has been made at the exchange rate on December 31, 2023 of US$1.00 to HK$7.8140 (2022: US$1.00 to HK$7.7962).

8. Dividends

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

The Board did not recommend the payment of an interim dividend in respect of the six months ended June 30, 2023.

The Board does not recommend the payment of a final dividend in respect of the year ended December 31, 2023.

9. Intangible assets, net

	December 31,	
	2023	2022
	US$ in millions	
Concession — gaming license	**497**	—
Less: accumulated amortization	**(50)**	—
Concession — gaming license, net	**447**	—
Computer software	**184**	170
Less: accumulated amortization	**(155)**	(139)
Computer software, net	**29**	31
	476	31

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$37,274, US$18,637 and US$124, respectively).

On December 30, 2022, VML and certain other subsidiaries of the Company 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 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$311, 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 paid for the year ended December 31, 2023 was US$13 million. The annual fee is estimated to be US$13 million for the next two years and US$42 million for the following seven years thereafter, subject to the aforementioned adjustment.

On January 1, 2023, the Company recognized an intangible asset and a related financial liability of 4.0 billion patacas (approximately US$497 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 were 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 being amortized on a straight-line basis over the period of the Concession, being ten years. The financial liability is 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$37,274) per gaming table in excess of the mass table rate will be expensed in the consolidated income statement. In the accompanying 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".

10. Trade receivables, net

The aging analysis of trade receivables, net of provision for expected credit losses of US$101 million (2022: US$123 million), is as follows:

	December 31, 2023	2022
	US$ in millions	
0–30 days	**155**	34
31–60 days	**17**	6
61–90 days	**8**	6
Over 90 days	**42**	35
	222	81

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.

11. 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 rescission 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 became available to VML to deploy from January 1, 2023.

12. Trade and other payables

	December 31,	
	2023	2022
	US$ in millions	
Trade payables	**47**	23
Gaming license liability(i)	**481**	—
Customer deposits and other deferred revenue(ii)	**403**	350
Other tax payables	**267**	69
Accrued employee benefit expenses	**178**	162
Interest payables	**122**	129
Outstanding chip liability(ii)	**97**	49
Construction payables and accruals	**54**	86
Interest payable related to LVS Term Loan	**25**	28
Payables to related companies (non-trade)	**24**	8
Casino liabilities	**22**	15
Loyalty program liability(ii)	**21**	25
Other payables and accruals	**99**	54
	1,840	998
Less: non-current portion	**(541)**	(91)
Current portion	**1,299**	907

Note: Certain prior period comparatives have been restated to conform with the current period presentation (see Note 2 for details).

(i) The balance represents the present value of future contractual 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 a non-current liability of US$448 million and a current liability of US$33 million as at December 31, 2023. Refer to Note 9 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:

	December 31, 2023	2022
	US$ in millions	
0–30 days	**39**	18
31–60 days	**4**	4
61–90 days	**3**	1
Over 90 days	**1**	—
	47	23

13. Borrowings

	December 31, 2023	2022
	US$ in millions	
Non-current portion		
Senior Notes	**7,150**	7,150
LVS Term Loan[(i)]	**1,061**	1,000
Lease liabilities	**142**	155
Other borrowings	**—**	1
	8,353	8,306
Less: deferred financing costs	**(41)**	(51)
	8,312	8,255
Current portion		
Bank loans	**—**	1,958
Lease liabilities	**15**	15
Other borrowings	**1**	1
	16	1,974
Less: deferred financing costs	**—**	(10)
	16	1,964
Total borrowings	**8,328**	10,219

Note: Certain prior period comparatives have been restated to conform with the current period presentation (see Note 2 for details).

(i) US$61 million of interest was capitalized to principal due to payment-in-kind election for semi-annual interest payments due in January 2023 and July 2023.

Senior Notes

On February 16 and June 16, 2022, S&P and Fitch, respectively, downgraded the credit rating for the Company to BB+. As a result of the downgrades, the coupon on each series of the outstanding Senior Notes increased by 0.50% per annum, with a 0.25% per annum increase becoming effective on the first interest payment date after February 16, 2022 as it relates to the S&P downgrade and an additional 0.25% increase per annum after June 16, 2022 as it relates to the Fitch downgrade. The downgrades resulted in an increase of US$16 million and US$30 million in interest expense for the years ended December 31, 2022 and 2023, respectively.

On July 26, 2023, S&P upgraded the credit rating for the Company to BBB–. On February 1, 2024, Fitch also upgraded the credit rating for the Company to the same rating. As a result of the upgrades, the coupon on each series of the outstanding Senior Notes decreased by 0.25% per annum effective on the first interest payment date after July 26, 2023 as it relates to the S&P upgrade and 0.25% per annum effective on the first interest payment date after February 1, 2024 as it relates to the Fitch upgrade.

The weighted average interest rate for the Senior Notes was 4.8% for the year ended December 31, 2023 (2022: 4.6%).

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 HK$ commitments and US$ 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. 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.

The 2018 SCL Credit Facility also contains certain events of default (some of which are subject to grace and remedy periods and materiality qualifiers), including, but not limited to, events relating to SCL's gaming operations and the loss or termination of certain land concession contracts.

During the year ended December 31, 2023, the Company fully repaid a total of US$1.95 billion under the 2018 SCL Credit Facility. During the year ended December 31, 2022, the Company drew a total of US$1.20 billion to fulfill the Concession Contract requirements and incremental liquidity. The weighted average interest rate for the 2018 SCL Credit Facility was 6.3% for the year ended December 31, 2023 (2022: 4.3%).

As at December 31, 2023, the Company had US$2.49 billion of available borrowing capacity under the 2018 SCL Credit Facility comprised of HK$ commitments of HK$17.63 billion (approximately US$2.26 billion) and US$ commitments of US$237 million (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 5.0% per annum or payment-in-kind interest at 6.0% per annum by adding the amount of such interest to the then-outstanding principal amount of the loan, following which only cash interest at 5.0% per annum will be payable.

For the year ended December 31, 2023, US$61 million of interest was capitalized to principal as the Company elected payment-in-kind interest for the semi-annual interest payments due in January 2023 and July 2023. The Company elected cash interest payments commencing July 11, 2023, resulting in a reduction in interest rate from 6.0% to 5.0%. This loan is unsecured and subordinated to all third party unsecured indebtedness and other obligations of the Group.

6. DISCLOSURE OF FINANCIAL RESULTS IN MACAO

VML will file its financial statements in accordance with the Macao Financial Reporting Standards (“**MFRS**”) for the year ended December 31, 2023 (“**MFRS Financial Statements**”) to the Gaming Inspection and Coordination Bureau of Macao in February 2024. This is a statutory filing requirement mandated by Macao law and our gaming Concession Contract. In addition, VML has a statutory and contractual obligation to publish its consolidated financial statements prepared in accordance with MFRS for the year ended December 31, 2023 (“**MFRS Consolidated Statements**”) in the Macao Official Gazette and local newspapers in Macao before the end of April 2024. The MFRS Financial Statements and the MFRS Consolidated Statements may not be directly comparable with the Company’s financial results disclosed herein, which are prepared under IFRS.

7. SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the unaudited consolidated financial statements of the Group for the year as prepared by management. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

8. 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 that 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 Corporate Governance Code set out in Appendix C1 of the Listing Rules (“**Code**”) and draws on other best practices.

Throughout 2023, save as disclosed below, the Company complied with all code provisions and, where appropriate, adopted certain recommended best practices set out in the Code.

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

The roles of Chairman and Chief Executive Officer at the Company have been performed by Mr. Robert Glen Goldstein ("**Mr. Goldstein**") from January 2021 until January 2024. With 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, the Company believes the balance of power and authority on the Board is adequately ensured. Furthermore, the senior management, Dr. Wong Ying Wai ("**Dr. Wong**") and Mr. Chum Kwan Lock, Grant ("**Mr. Chum**"), 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.

On January 24, 2024, Mr. Chum was appointed as Chief Executive Officer and President, and Mr. Goldstein was re-designated as a Non-Executive Director and continues to serve as Chairman of the Board. The roles of Chairman and Chief Executive Officer have not been performed by the same individual since then.

Code Provision F.2.2 — Annual General Meeting attendance

Mr. Goldstein was unable to attend the annual general meeting of the Company held on May 19, 2023 due to other business commitments. In his absence, the annual general meeting was chaired by Mr. Chum, who liaised with Mr. Goldstein on all key matters prior to the meeting. Mr. Goldstein was also debriefed on the meeting 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 year 2023 and up to the date of this announcement.

BOARD AND BOARD COMMITTEES COMPOSITION

The following change was made to the composition of the Board and the Board Committees of the Company during the year 2023 and up to the date of this announcement:

On January 24, 2024, Mr. Goldstein was re-designated as a Non-Executive Director of the Company.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board and the Auditor in matters falling within the scope of the audit of the Company and the Group. The Audit Committee is tasked with reviewing the effectiveness of the external audit and the risk management and internal control systems, evaluating risks and providing advice and guidance to the Board. Our annual results for the year ended December 31, 2023 were reviewed by our Audit Committee, which was of the opinion the preparation of such annual 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.

9. PUBLICATION OF ANNUAL 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 annual report for the year ended December 31, 2023 containing the information required by Appendix D2 of the Listing Rules will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

10. 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 year ended December 31, 2023.

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

Macao, February 16, 2024

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

Executive Directors:
Wong Ying Wai
Chum Kwan Lock, Grant

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.