



Sands China Ltd.
金沙中國有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1928

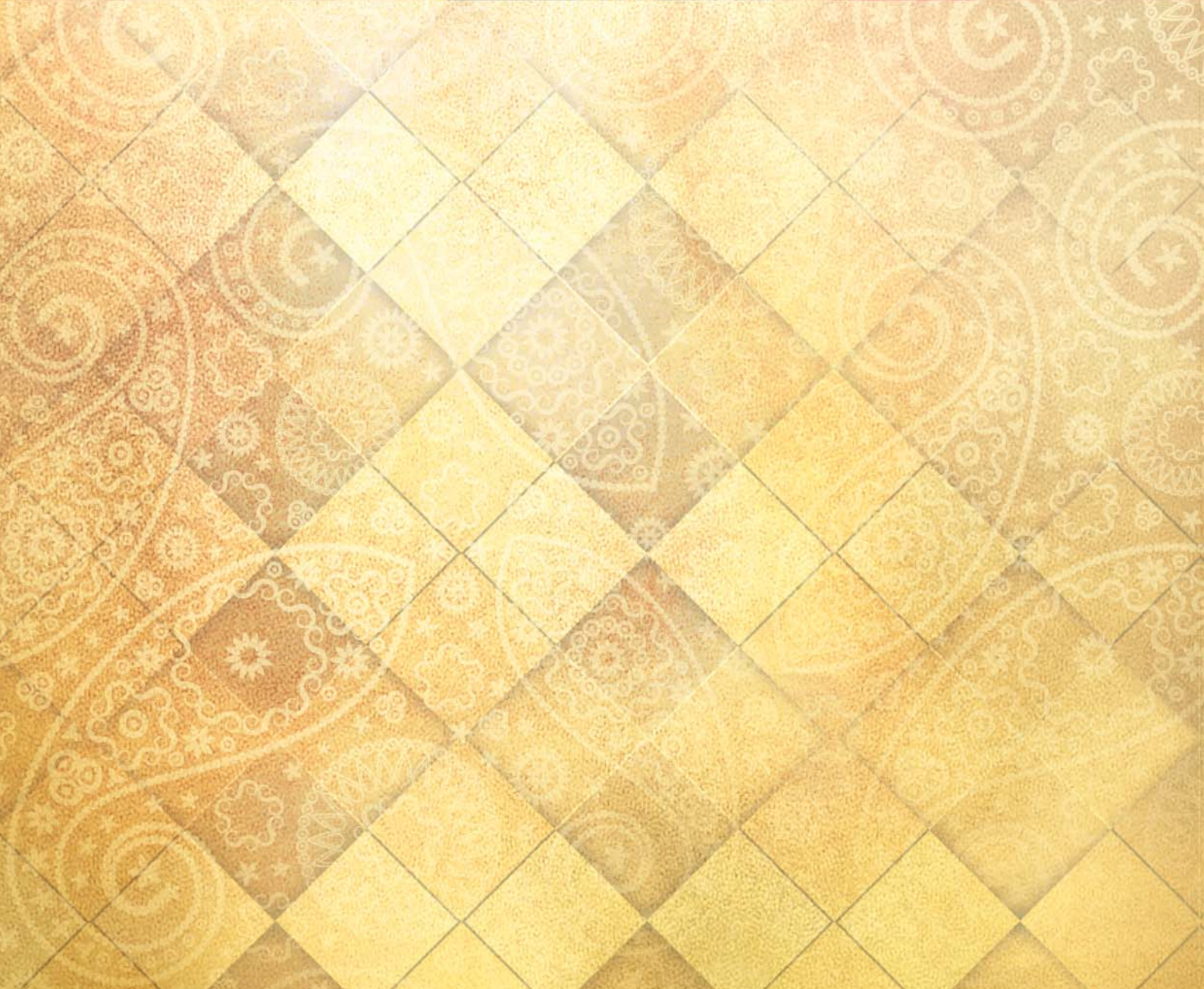


2012
Interim Report



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Contents



1. Overview	2
1.1 Financial Highlights	2
2. Management Discussion and Analysis	3
2.1 Results of Operations	3
2.2 Liquidity and Capital Resources	9
2.3 Capital Expenditures	10
2.4 Capital Commitments	11
2.5 Dividends	11
2.6 Pledge of Fixed Assets	11
2.7 Contingent Liabilities and Risk Factors	11
2.8 Capital Risk Management	12
2.9 Foreign Exchange Risk	12
2.10 Business Review and Prospects	13
3. Corporate Governance	14
3.1 Human Resources	14
3.2 Environment	14
3.3 Corporate Governance Practices	14
3.4 Code Provisions	14
3.5 Model Code for Securities Transactions	15
3.6 Board and Board Committees Composition	15
3.7 Disclosure of Director's Information pursuant to Rule 13.51B(1) of the Listing Rules	16
3.8 Audit Committee Review	16
3.9 Disclosure of Interests	17
3.10 Share Option Scheme	19
3.11 Purchase, Sale or Redemption of the Company's Listed Shares	21
4. Interim Financial Information	22
4.1 Report on Review of Interim Financial Information	22
4.2 Condensed Consolidated Interim Financial Information	23
4.3 Notes to the Condensed Consolidated Interim Financial Information	29
5. Corporate Information	56
6. Contact Us	57
7. Glossary	58

This interim report is prepared in English and Chinese.
In case of inconsistency, the English version shall prevail.

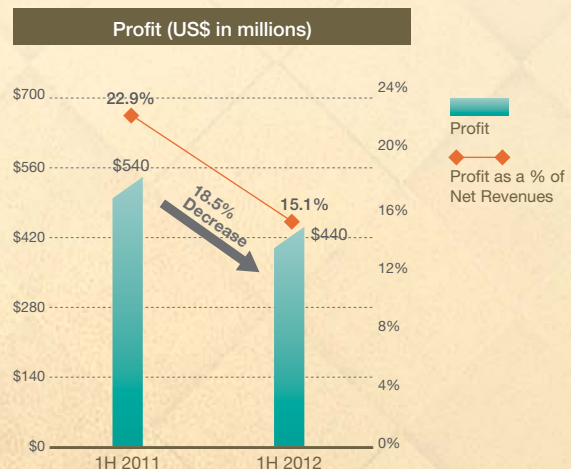
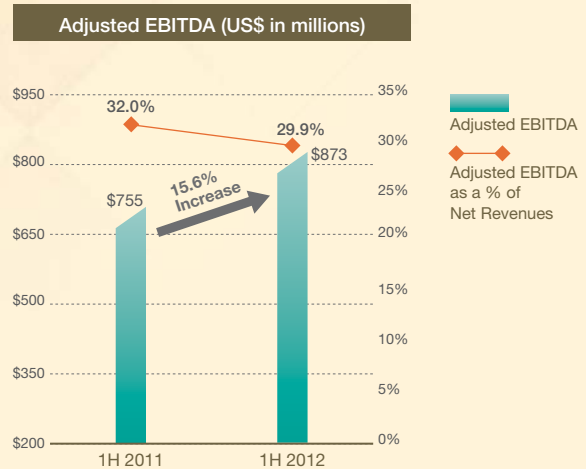
1. Overview

1.1 Financial Highlights

- We generated an all-time half year record of US\$873.0 million (HK\$6,771.7 million) of adjusted EBITDA across all our Group properties, an increase of 15.6% compared to US\$755.9 million (HK\$5,875.2 million) in the first half of 2011.
- Total net revenues for the Group increased 23.7% to US\$2,920.5 million (HK\$22,653.7 million) in the first half of 2012, compared to US\$2,360.8 million (HK\$18,373.4 million) in the first half of 2011.
- Profit for the Group decreased 18.5% to US\$439.8 million (HK\$3,411.4 million) in the first half of 2012, compared to US\$539.5 million (HK\$4,198.8 million) in the first half of 2011. Excluding impairment losses related to Parcels 7 and 8 and the closure of the ZAIA show at The Venetian Macao, and pre-opening expenses related to Sands Cotai Central, adjusted profit increased 20.3% to US\$675.8 million (HK\$5,242.0 million) in the first half of 2012, compared to US\$561.7 million (HK\$4,371.5 million) in the first half of 2011.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2011 Annual Report.

Note: The translation of US\$ amounts into HK\$ amounts has been made at the rate of US\$1.00 to HK\$7.7568 (six months ended June 30, 2011: US\$1.00 to HK\$7.7827) for the purposes of illustration only.



2. Management Discussion and Analysis

2.1 Results of Operations

The Board of Directors (the "Board") of Sands China Ltd. ("we" or our "Company") is pleased to present the

unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended June 30, 2012 compared to the six months ended June 30, 2011.

Net Revenues

Our net revenues consisted of the following:

	Six months ended June 30,		
	2012	2011	Percent change
	(US\$ in millions, except percentages)		
Casino	2,592.8	2,083.6	24.4%
Rooms	93.9	86.7	8.3%
Mall	92.5	69.0	34.1%
Food and beverage	43.4	38.8	11.9%
Convention, ferry, retail and other	98.0	82.7	18.5%
Total net revenues	2,920.5	2,360.8	23.7%

Net revenues were US\$2,920.5 million for the six months ended June 30, 2012, an increase of US\$559.7 million, or 23.7%, compared to US\$2,360.8 million for the six months ended June 30, 2011. Net revenues increased in all segments, mainly driven by the opening of our newest integrated resort, Sands Cotai Central, on April 11, 2012, as well as strong visitation resulting from continuous efforts in marketing and management's focus on driving the high-margin mass market gaming segment, while continuing to provide luxury amenities and high service levels to our VIP premium and junket players.

Our net casino revenues for the six months ended June 30, 2012 were US\$2,592.8 million, an increase of US\$509.2 million, or 24.4%, compared to US\$2,083.6 million for the six months ended June 30, 2011. The increase is primarily attributable to US\$247.1 million at Sands Cotai Central and an increase of US\$263.6 million at The Plaza Macao driven by an increase in Rolling Chip volume.

2. Management Discussion and Analysis

The following table summarizes the results of our casino activity:

	Six months ended June 30,		
	2012	2011	Change
(US\$ in millions, except percentages and points)			
Sands Macao			
Total net casino revenues	601.0	634.4	(5.3)%
Non-Rolling Chip drop	1,424.9	1,402.2	1.6%
Non-Rolling Chip win percentage	20.5%	20.2%	0.3 pts
Rolling Chip volume	12,598.3	16,022.7	(21.4)%
Rolling Chip win percentage	3.17%	2.86%	0.31 pts
Slot handle	1,275.0	898.5	41.9%
Slot hold percentage	4.3%	6.2%	(1.9) pts
The Venetian Macao			
Total net casino revenues	1,224.0	1,192.1	2.7%
Non-Rolling Chip drop	2,126.5	2,004.9	6.1%
Non-Rolling Chip win percentage	30.6%	26.7%	3.9 pts
Rolling Chip volume	24,963.1	25,758.9	(3.1)%
Rolling Chip win percentage	2.82%	3.09%	(0.27) pts
Slot handle	2,389.6	1,601.3	49.2%
Slot hold percentage	5.4%	6.8%	(1.4) pts
The Plaza Macao			
Total net casino revenues	520.7	257.1	102.5%
Non-Rolling Chip drop	196.9	179.4	9.8%
Non-Rolling Chip win percentage	42.7%	38.8%	3.9 pts
Rolling Chip volume	21,910.5	7,303.6	200.0%
Rolling Chip win percentage	2.92%	3.14%	(0.22) pts
Slot handle	397.3	388.1	2.4%
Slot hold percentage	5.7%	5.9%	(0.2) pts
Sands Cotai Central (Note 1)			
Total net casino revenues	247.1	—	—%
Non-Rolling Chip drop	389.4	—	—%
Non-Rolling Chip win percentage	21.5%	—	— pts
Rolling Chip volume	6,820.6	—	—%
Rolling Chip win percentage	3.12%	—	— pts
Slot handle	665.4	—	—%
Slot hold percentage	4.0%	—	— pts

Note 1: The first phase of Sands Cotai Central opened on April 11, 2012. This information is for the 81-day period ended June 30, 2012.

2. Management Discussion and Analysis

Net room revenues for the six months ended June 30, 2012 were US\$93.9 million, an increase of US\$7.2 million, or 8.3%, compared to US\$86.7 million for the six months ended June 30, 2011. The Venetian Macao and The

Plaza Macao continued to experience strong growth in occupancy and ADR driven by strong demand. Sands Cotai Central also demonstrated positive momentum in its first 81 days of operations.

The following table summarizes our room activity. Information in this table takes into account rooms provided to customers on a complimentary basis that are recorded at discounted rates.

	Six months ended June 30,		
	2012	2011	Change
	(US\$, except percentages and points)		
Sands Macao			
Gross room revenues (in millions)	12.0	11.1	8.1%
Occupancy rate	93.5%	86.5%	7.0 pts
Average daily rate	247	247	—%
Revenue per available room	231	213	8.5%
The Venetian Macao			
Gross room revenues (in millions)	108.9	101.6	7.2%
Occupancy rate	90.1%	88.1%	2.0 pts
Average daily rate	236	225	4.9%
Revenue per available room	213	198	7.6%
The Plaza Macao			
Gross room revenues (in millions)	19.0	15.1	25.8%
Occupancy rate	77.8%	66.2%	11.6 pts
Average daily rate	358	331	8.2%
Revenue per available room	279	220	26.8%
Sands Cotai Central (Note 1)			
Gross room revenues (in millions)	15.3	—	—%
Occupancy rate	75.1%	—	— pts
Average daily rate	141	—	—%
Revenue per available room	106	—	—%

Note 1: The first phase of Sands Cotai Central opened on April 11, 2012. This information is for the 81-day period ended June 30, 2012.

Mall revenues for the six months ended June 30, 2012 were US\$92.5 million, an increase of US\$23.5 million, or 34.1%, compared to US\$69.0 million for the six months ended June

30, 2011. The increase was primarily due to higher turnover fees.

2. Management Discussion and Analysis

Net food and beverage revenues for the six months ended June 30, 2012 were US\$43.4 million, an increase of US\$4.6 million, or 11.9%, compared to US\$38.8 million for the six months ended June 30, 2011. The increase was primarily driven by the additional food and beverage outlets at Sands Cotai Central. Food and beverage outlets in other properties also experienced better performance as a result of increased property visitation.

Net convention, ferry, retail and other revenues for the six months ended June 30, 2012 were US\$98.0 million, an increase of US\$15.3 million, or 18.5%, compared to US\$82.7 million for the six months ended June 30, 2011. The increase was primarily attributable to an increase in ferry revenue, driven by strong growth in visitation to the Cotai Strip, especially after the opening of Sands Cotai Central.

Operating Expenses

Our operating expenses consisted of the following:

	Six months ended June 30,		
	2012	2011	Percent change
	(US\$ in millions, except percentages)		
Casino	1,689.1	1,301.5	29.8%
Rooms	22.3	17.2	29.7%
Mall	16.0	16.1	(0.6)%
Food and beverage	39.9	30.2	32.1%
Convention, ferry, retail and other	101.6	95.6	6.3%
Provision for doubtful accounts	24.0	20.3	18.2%
General and administrative	160.1	128.4	24.7%
Corporate	20.8	15.7	32.5%
Pre-opening	94.8	24.0	295.0%
Depreciation and amortization	151.0	141.2	6.9%
Net foreign exchange gains	(1.2)	(1.5)	(20.0)%
Impairment loss	143.6	—	—%
Loss on disposal of property and equipment	0.1	1.3	(92.3)%
Fair value losses on financial assets at fair value through profit or loss	0.1	1.0	(90.0)%
Total operating expenses	2,462.2	1,791.0	37.5%

Operating expenses were US\$2,462.2 million for the six months ended June 30, 2012, an increase of US\$671.2 million, or 37.5%, compared to US\$1,791.0 million for the six months ended June 30, 2011. The increase in operating expenses was primarily attributable to increased casino activity at our operating properties, the opening of Sands Cotai Central, an increase in pre-opening expense and US\$143.6 million in impairment charges.

Casino expenses for the six months ended June 30, 2012 were US\$1,689.1 million, an increase of US\$387.6 million, or 29.8%, compared to US\$1,301.5 million for the six months ended June 30, 2011. The increase was primarily due to an increase in total gaming taxes as a result of increased gaming revenues, and increases in payroll and other operating expenses as Sands Cotai Central opened in April 2012.

2. Management Discussion and Analysis

Room expenses for the six months ended June 30, 2012 were US\$22.3 million, an increase of US\$5.1 million, or 29.7%, compared to US\$17.2 million for the six months ended June 30, 2011. The increase was mainly driven by the opening of Sands Cotai Central, as well as increases in payroll expenses and operating supplies for other properties as a result of higher hotel occupancy.

Food and beverage expenses for the six months ended June 30, 2012 were US\$39.9 million, an increase of US\$9.7 million, or 32.1%, compared to US\$30.2 million for the six months ended June 30, 2011. The increase was primarily driven by the opening of Sands Cotai Central in April 2012.

Convention, ferry, retail and other expenses for the six months ended June 30, 2012 were US\$101.6 million, an increase of US\$6.0 million, or 6.3%, compared to US\$95.6 million for the six months ended June 30, 2011. The increase was primarily attributable to an increase in ferry operating expenses as a result of increased revenue and the opening of Sands Cotai Central, partially offset by a decrease in entertainment expenses due to the closure of the ZAiA show.

Provision for doubtful accounts expenses were US\$24.0 million for the six months ended June 30, 2012, an increase of US\$3.7 million, or 18.2%, compared to US\$20.3 million for the six months ended June 30, 2011. The increase was mainly driven by increased business volume.

General and administrative expenses were US\$160.1 million for the six months ended June 30, 2012, an increase of US\$31.7 million, or 24.7%, compared to US\$128.4 million for the six months ended June 30, 2011. The increase was mainly attributable to the opening of Sands Cotai Central.

Corporate expenses were US\$20.8 million for the six months ended June 30, 2012, an increase of US\$5.1 million, or 32.5%, compared to US\$15.7 million for the six months ended June 30, 2011. The increase was mainly driven by royalty fees related to Sands Cotai Central, which opened in April 2012.

Pre-opening expenses were US\$94.8 million for the six months ended June 30, 2012, an increase of US\$70.8 million, or 295.0%, compared to US\$24.0 million for the six months ended June 30, 2011. The increase was primarily related to the opening of Sands Cotai Central.

Depreciation and amortization expense was US\$151.0 million for the six months ended June 30, 2012, an increase of US\$9.8 million, or 6.9%, compared to US\$141.2 million for the six months ended June 30, 2011, due to the opening of Sands Cotai Central in April 2012, partially offset by a decrease in other properties due to some assets being fully depreciated.

Net foreign exchange gains for the six months ended June 30, 2012 were US\$1.2 million, primarily associated with US\$ denominated debt held in Macao. This compares with net foreign exchange gains of US\$1.5 million for the six months ended June 30, 2011.

Impairment loss was US\$143.6 million for the six months ended June 30, 2012, as we recorded an impairment loss of US\$100.7 million during the six months ended June 30, 2012 related to the capitalized construction costs of our development on Parcels 7 and 8, and an impairment loss of US\$42.9 million related to the closure of the ZAiA show at The Venetian Macao.

2. Management Discussion and Analysis

Adjusted EBITDA⁽¹⁾

The following table summarizes information related to our segments:

	Six months ended June 30,		
	2012	2011	Percent change
	(US\$ in millions, except percentages)		
The Venetian Macao	511.5	486.8	5.1%
Sands Macao	177.8	187.4	(5.1)%
The Plaza Macao	144.0	94.9	51.7%
Sands Cotai Central	51.7	—	—%
Ferry and other operations	(11.9)	(14.2)	(16.2)%
Total adjusted EBITDA	873.0	754.9	15.6%

Adjusted EBITDA for the six months ended June 30, 2012 was US\$873.0 million, an increase of US\$118.1 million, or 15.6%, compared to US\$754.9 million for the six months ended June 30, 2011. This strong performance was driven by revenue increases in all business segments, as a result of the opening of Sands Cotai Central and management's

focus on continuing to provide high service levels to our VIP customers and driving the high-margin mass market segment. In addition, the management team continued to focus on driving operational efficiencies throughout both gaming and non-gaming areas of the business.

- (1) Adjusted EBITDA is profit before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization (net of amortization of show production costs), net foreign exchange gains/(losses), impairment loss, gain/(loss) on disposal of property and equipment, fair value losses on financial assets at fair value through profit or loss, interest, loss on early retirement of debt and income tax expense. Adjusted EBITDA is used by management as the primary measure of operating performance of the Group's properties and to compare the operating performance of the Group's properties with that of its competitors. However, adjusted EBITDA should not be considered in isolation; construed as an alternative to profit or operating profit; as an indicator of the Group's IFRS operating performance, other combined operations or cash flow data; or as an alternative to cash flow as a measure of liquidity. As a result, adjusted EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

Interest Expense

The following table summarizes information related to interest expense:

	Six months ended June 30,		
	2012	2011	Percent change
	(US\$ in millions, except percentages)		
Interest and other finance cost	59.5	99.8	(40.4)%
Less — capitalized interest	(34.3)	(68.7)	(50.1)%
Interest expense, net	25.2	31.1	(19.0)%

2. Management Discussion and Analysis

Interest and other finance cost for the six months ended June 30, 2012 was US\$59.5 million, a decrease of US\$40.3 million, or 40.4%, compared to US\$99.8 million for the six months ended June 30, 2011. The decrease was principally the result of a lower average borrowing cost after completing a US\$3.7 billion refinancing in November 2011.

Capitalized interest for the six months ended June 30, 2012 was US\$34.3 million, a decrease of US\$34.4 million, or 50.1%, compared to US\$68.7 million for the six months ended June 30, 2011. The decrease was primarily due to a decreased average borrowing cost during the period and the completion of phase I of Sands Cotai Central in April 2012.

Cash Flows — Summary

Our cash flows consisted of the following:

	Six months ended June 30,	
	2012	2011
	(US\$ in millions)	
Net cash generated from operating activities	809.9	602.7
Net cash (used in)/generated from investing activities	(531.1)	58.2
Net cash used in financing activities	(1,414.0)	(160.7)
Net (decrease)/increase in cash and cash equivalents	(1,135.1)	500.2
Cash and cash equivalents at beginning of period	2,491.3	1,040.8
Effect of exchange rate on cash and cash equivalents	4.2	2.2
Cash and cash equivalents at end of period	1,360.3	1,543.2

Cash Flows — Operating Activities

We derive most of our operating cash flows from our casino, hotel room and mall operations. Net cash generated from operating activities for the six months ended June 30, 2012 was US\$809.9 million, an increase of US\$207.2

Profit for the Period

Profit for the six months ended June 30, 2012 was US\$439.8 million, a decrease of US\$99.7 million, or 18.5%, compared to US\$539.5 million for the six months ended June 30, 2011. Excluding impairment losses related to Parcels 7 and 8 and the closure of the ZAiA show at The Venetian Macao, and pre-opening expenses related to Sands Cotai Central, adjusted profit increased 20.3% to US\$675.8 million in the first half of 2012, compared to US\$561.7 million in the first half of 2011.

2.2 Liquidity and Capital Resources

We fund our operations through cash generated from our operations and our debt financings.

As at June 30, 2012, we had cash and cash equivalents of US\$1.36 billion, which was primarily generated from our operations.

million, or 34.4%, as compared to US\$602.7 million for the six months ended June 30, 2011. The increase in net cash generated from operating activities was primarily due to the increase in our operating results.

2. Management Discussion and Analysis

Cash Flows — Investing Activities

Capital expenditures for the six months ended June 30, 2012, totaled US\$540.1 million, including US\$469.6 million for construction activities at Sands Cotai Central and US\$68.3 million for our operations, mainly at the Sands Macao, The Venetian Macao and The Plaza Macao.

Cash Flows — Financing Activities

For the six months ended June 30, 2012, net cash flows used in financing activities were US\$1.41 billion, which was primarily attributable to US\$1.20 billion in dividend payments, repayment of US\$140.3 million on the ferry financing facility, and payments of US\$50.7 million for interest and US\$23.9 million for finance lease liabilities.

2.3 Capital Expenditures

Capital expenditures were used primarily for new projects and to renovate, upgrade and maintain existing properties. Set forth below is historical information on our capital expenditures, excluding capitalized interest and construction payables:

	Six months ended June 30,	
	2012	2011
	(US\$ in millions)	
The Venetian Macao	35.6	2.8
Sands Macao	12.9	2.1
The Plaza Macao	19.3	7.7
Sands Cotai Central	469.6	278.8
Ferry and other operations	0.5	0.7
Other developments	2.3	(0.1)
Total capital expenditures	540.1	291.9

Our capital expenditure plans are significant. We intend to fund the development and construction costs to complete phase II of Sands Cotai Central with proceeds from the 2011 VML Credit Facility and, to the extent necessary, cash flows from existing and future operations. We expect to commence construction of phase III at a future date as demand and market conditions warrant it. As at June 30, 2012, we had capitalized costs of US\$3.73 billion for the

Sands Cotai Central project, including land, and we expect to further invest US\$670 million to complete phase II.

These investment plans are preliminary and subject to change based upon the execution of our business plan, the progress of our capital projects, market conditions and the outlook on future business conditions.

2. Management Discussion and Analysis

2.4 Capital Commitments

Future commitments for property and equipment that are not recorded in the financial statements herein are as follows:

	June 30, 2012	December 31, 2011
	(US\$ in millions)	
Contracted but not provided for	355.4	572.4
Authorized but not contracted for	576.0	760.4
Total capital commitments	931.4	1,332.8

2.5 Dividends

On February 28, 2012, the Company paid an interim dividend of HK\$0.58 (equivalent to US\$0.075) per share for the year ended December 31, 2011, amounting in aggregate to HK\$4.67 billion (equivalent to US\$599.8 million), to shareholders of record on February 20, 2012.

On June 1, 2012, the shareholders approved a final dividend of HK\$0.58 (equivalent to US\$0.075) per share for the year ended December 31, 2011 to shareholders of record on June 11, 2012. This final dividend, amounting in aggregate to HK\$4.67 billion (equivalent to US\$601.7 million), was paid on June 22, 2012.

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2012.

As we disclosed in our announcement on February 2, 2012, we anticipate considering declaring an interim and a final dividend each year. It is anticipated that the Board will consider declaring an interim dividend for the year ended December 31, 2012 in the first quarter of 2013.

2.6 Pledge of Fixed Assets

We have pledged a substantial portion of our fixed assets to secure our loan facilities. We have pledged leasehold interests in land; buildings; building, land and leasehold improvements; furniture, fittings and equipment; construction in progress and vehicles with an aggregate net book value of approximately US\$6.99 billion as at June 30, 2012 (December 31, 2011: US\$6.78 billion).

2.7 Contingent Liabilities and Risk Factors

The Group has contingent liabilities arising in the ordinary course of business. Management has made certain 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 condition, results of operations or cash flows.

The Group had commenced pre-construction on Parcel 3 and had capitalized costs of approximately US\$122.8 million including land of US\$85.2 million as at June 30, 2012. Under the terms of the land concession for Parcels 1, 2 and 3, the Group was initially required to complete the development of Parcel 3 by August 2011. In 2009, the Group was granted an extension from the Macao Government, which extended the deadline to complete the development of Parcel 3 until April 2013. In July 2012, the Macao Government granted the Group an additional extension, which now requires the development to be completed by April 2016. The Group intends to commence construction after the necessary government approvals are obtained. The land concession for Sands Cotai Central contains a similar requirement that the corresponding development be completed by May 2014. The Group had capitalized costs of approximately US\$3.73 billion including land of US\$286.1 million, as at June 30, 2012, related to Sands Cotai Central. Should the Group determine that it is unable to complete the developments by their respective deadlines, the Group intends to apply for extensions from

2. Management Discussion and Analysis

the Macao Government; however, no assurances can be given that extensions will be granted. If the Group is unable to meet these deadlines and the deadlines are not extended, it could lose its land concessions for Sands Cotai Central or Parcel 3, which would prohibit the Group from operating any facilities developed under the respective land concessions. As a result, the Group could record a charge for all or some portion of its capitalized construction costs including land related to Sands Cotai Central and Parcel 3.

2.8 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, which includes borrowings (including current and non-current borrowings as shown in note 15 to the financial information), 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, 2012	December 31, 2011
(US\$ in millions, except percentages)		
Interest bearing borrowings, net of deferred financing costs	3,110.7	3,234.6
Less: cash and cash equivalents	(1,360.3)	(2,491.3)
restricted cash and cash equivalents	(3.9)	(3.4)
Net debt	1,746.4	739.8
Total equity	4,772.4	5,515.8
Total capital	6,518.8	6,255.6
Gearing ratio	26.8%	11.8%

The increase in the gearing ratio during the six months ended June 30, 2012 was primarily due to payments of US\$1.20 billion of dividends.

2.9 Foreign Exchange Risk

The Group's foreign currency transactions are mainly denominated in US\$. The majority of assets and liabilities

are denominated in US\$, HK\$ and MOP. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognized assets and liabilities that are denominated in a currency other than MOP, which is the functional currency of major operating companies within the Group. The Group currently does not have a foreign currency hedging policy.

2. Management Discussion and Analysis

2.10 Business Review and Prospects

Our business strategy is to continue to successfully execute our Cotai Strip developments and to leverage our integrated resort business model to create Asia's premier gaming, leisure and convention destination. The Company continues to execute on the strategies outlined in our 2011 Annual Report. These strategies have proven to be successful in the first half of 2012 and we are confident they will continue to be so throughout the rest of the year.

Sands Cotai Central

On April 11, 2012, we opened phase I of Sands Cotai Central, the newest addition to our Cotai Strip development, which features more than 600 rooms and suites under the Conrad hotel brand and more than 1,200 rooms under the Holiday Inn hotel brand.

Phase I of the project also included completion of the structural work of an adjacent hotel tower, located on parcel 6, to be managed by Starwood Asia Pacific Hotels and Resorts Pte Ltd. and Sheraton Overseas Management Co. under the Sheraton brand, a variety of retail offerings, more than 300,000 square feet of meeting space, several food and beverage establishments, along with the 106,000-square-foot casino and VIP gaming areas. Phase IIA, which is scheduled to open on September 20, 2012, includes the opening of the first hotel tower on parcel 6, featuring 1,829 Sheraton-branded hotel rooms and suites, along with additional gaming area and the remaining retail, entertainment, dining and MICE facilities. Phase IIB, which is projected to open in early 2013, consists of the second hotel tower on parcel 6 and will feature 2,067 additional Sheraton-branded hotel rooms and suites. We expect to invest a further US\$670 million to complete phase II.

Phase III of the project is expected to include a fourth luxury St. Regis-branded hotel and mixed-use tower. The total cost to complete phase III is expected to be approximately US\$450 million. We intend to commence construction of phase III of the project as demand and market conditions warrant it.

Parcel 3

Our next phase of expansion after opening Sands Cotai Central is the integrated resort to be developed on Parcel 3. By a letter dated July 13, 2012, the Macao Government informed us that, by a decision of the Secretary for Transport and Public Works, our application to extend the Parcel 3 development deadline was approved up to April 17, 2016. We intend to commence construction on Parcel 3 after the designs for this integrated resort have been finalized and approved and all necessary government construction approvals, permits and licenses have been obtained. Parcel 3 is expected to contain an integrated resort that will be connected to The Plaza Macao and The Venetian Macao and contain hotel rooms, gaming areas, MICE facilities and other integrated resort amenities.

Parcels 7 and 8

On May 30, 2012, we withdrew the judicial appeal filed with the Court of Second Instance in Macao in relation to the December 2, 2010 decision of the Macao Government not to approve our application for a land concession for Parcels 7 and 8. The appeal was withdrawn in accordance with articles 84(d) and 86 of Macao's Administrative Litigation Procedure Code.

3. Corporate Governance

3.1 Human Resources

As of June 30, 2012, our team member profile was as follows:

Number of full-time team members:	22,676
Average age:	37
Average years of service:	3.26
Gender ratio:	Male 48%
	Female 52%
Number of nationalities in management team:	37
Total number of nationalities:	55

Save as disclosed in this 2012 Interim Report, there have been no material changes to the information disclosed in the 2011 Annual Report in respect of the remuneration of the employees, remuneration policies, bonus and share option schemes and staff development.

3.2 Environment

We recognize the impact our business has on the environment and we continue to strive to achieve the goals we have set ourselves in the areas of resource conservation and reducing our environmental footprint. We encourage and are grateful to those Shareholders who have elected to receive our annual and interim reports via electronic means, thereby reducing the need to print hard copies of our reports. Should you wish to start receiving an electronic copy of our annual and interim reports, please refer to page 57 of this report for more information.

To minimize the impact on our environment, this 2012 Interim Report is printed on recycled paper using soy ink.

3.3 Corporate Governance Practices

Our Company is relatively young as a listed company. Nonetheless, we recognize the importance of good corporate governance for many reasons. The Board has a key role to play in setting strategy and overseeing the Company's financial and operational performance: an effective governance framework enables the Board to exercise direction and oversight. We also want to give our

investors confidence that we are exercising our stewardship responsibilities with due skill and care, and that we have adopted and applied the principles of good governance. We believe that communicating how we achieve this openly and transparently is the best way of achieving this. Please refer to the Corporate Governance Report in our 2011 Annual Report for more information about how we achieve our corporate governance objectives.

In late 2011, the Listing Rules related to the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "Code") were revised. The Board fully supports the changes that were introduced. Many of the changes that were introduced as Code amendments reflect practices that the Company already follows. Where they did not, we have made or planned changes. Corporate governance principles, however, need to be applied in a way that is fit-for-purpose for each organization so we have done this in a way that supports the performance of our business and enables effective oversight, whilst reflecting our specific circumstances.

During the period from January 1, 2012 to March 31, 2012, the Company fully complied with all the code provisions and certain recommended best practices set out in the former Code.

Except as disclosed below, the Company fully complied with all the code provisions and certain recommended best practices set out in the revised Code for the period from April 1, 2012 to June 30, 2012.

3.4 Code Provisions

Code Provision A.6.7

Under code provision A.6.7 of the revised Code, the Independent Non-Executive Directors and Non-Executive Directors should attend general meetings of the Company. Mr. David Muir Turnbull (Independent Non-Executive Director) and Mr. Lau Wong William (Non-Executive Director) attended the annual general meeting held on June 1, 2012. The remaining Independent Non-Executive Directors and Non-Executive Directors were absent from that annual general meeting due to business commitments.

3. Corporate Governance

Code Provision E.1.2

Under code provision E.1.2 of the revised Code, the Chairman of the Board should attend the annual general meeting. The Chairman of the Board was absent from the annual general meeting held on June 1, 2012 due to business commitments.

3.5 Model Code for Securities Transactions

As reported in our 2011 Annual Report, the Company has devised its own securities trading code for securities transactions (the "Company Code") by the Directors and

relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Company Code and, therefore, with the Model Code during the six months ended June 30, 2012.

3.6 Board and Board Committees Composition

There were no changes to the composition of the Board during the first half of 2012.

As at June 30, 2012, the composition of the Board was as follows:

	Title	Note
Executive Directors		
Edward Matthew Tracy	President and Chief Executive Officer	Appointed July 27, 2011
Toh Hup Hock	Chief Financial Officer and Executive Vice President	Appointed June 30, 2010
Non-Executive Directors		
Sheldon Gary Adelson	Chairman of the Board	Appointed August 18, 2009
Michael Alan Leven		Redesignated July 27, 2011
Jeffrey Howard Schwartz		Appointed October 14, 2009
Irwin Abe Siegel		Appointed October 14, 2009
Lau Wong William		Appointed July 27, 2011
Independent Non-Executive Directors		
Iain Ferguson Bruce		Appointed October 14, 2009
Chiang Yun		Appointed October 14, 2009
David Muir Turnbull		Appointed October 14, 2009
Alternate Director		
David Alec Andrew Fleming	General Counsel, Company Secretary and alternate director to Michael Alan Leven	Appointed March 1, 2011

3. Corporate Governance

The composition of the Board Committees as at June 30, 2012 was as follows:

Director	Audit Committee	Remuneration Committee	Nomination Committee	Sands China Capital Expenditure Committee
Sheldon Gary Adelson	—	—	Chairman ⁽¹⁾	—
Edward Matthew Tracy	—	—	—	Member ⁽²⁾
Michael Alan Leven	—	—	—	Chairman ⁽³⁾
Jeffrey Howard Schwartz	—	Member ⁽⁴⁾	—	Member ⁽³⁾
Irwin Abe Siegel	Member ⁽⁴⁾	—	—	—
Iain Ferguson Bruce	Chairman ⁽⁴⁾	Member ⁽⁴⁾	Member ⁽¹⁾	Member ⁽³⁾
Chiang Yun	Member ⁽⁴⁾	—	—	—
David Muir Turnbull	—	Chairman ⁽⁴⁾	Member ⁽¹⁾	—

⁽¹⁾ Appointed by a resolution of the Board on March 2, 2012

⁽²⁾ Appointed by a resolution of the Board on July 27, 2011

⁽³⁾ Appointed by a resolution of the Board on March 1, 2011

⁽⁴⁾ Appointed by a resolution of the Board on October 14, 2009

3.7 Disclosure of Director's Information pursuant to Rule 13.51B(1) of the Listing Rules

On May 10, 2012, the service contract of Mr. Edward Matthew Tracy was renewed so that his term as President and Chief Executive Officer of the Company will expire on August 26, 2013 (unless renewed). Pursuant to the renewal, Mr. Tracy's previous service contract (as described in the Company's announcement dated July 27, 2011) remains in effect except that:

- (A) Mr. Tracy will receive a salary of US\$1,200,000 per annum plus a discretionary incentive opportunity as follows:
- (i) 75% of his annual base salary for 2011; and
 - (ii) 85% of his annual base salary for 2012 and 2013, increasing to 100% for 2013 if his service contract is renewed in 2013; and

- (B) in the event that the Company terminates Mr. Tracy's service contract without cause or the service contract is terminated by reason of Mr. Tracy's death or disability, all stock options previously granted and to be granted to Mr. Tracy will vest on the date of such termination.

As at June 30, 2012, Mr. Tracy is appointed as director of some of our subsidiaries.

3.8 Audit Committee Review

The Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated interim financial information for the six months ended June 30, 2012. All of the Audit Committee members are Non-Executive Directors, with the Chairman and Mr. Siegel possessing the appropriate professional qualifications and accounting and related financial management expertise. No member of the Audit Committee is a former partner of the Company's existing external auditors.

3. Corporate Governance

3.9 Disclosure of Interests

Interests of Directors and Chief Executives

The interests of each of the Directors and Chief Executives in the shares, underlying shares and debentures of the Company and any of the Company's associated corporations (within the meaning of Part XV of the SFO) as at June 30, 2012, as recorded in the register required to be kept under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out in the table and explanatory notes below:

Name of Director	Company	Nature of Interest	Number of Ordinary Shares	Approximate percentage of shareholding interest
Sheldon Gary Adelson	Company	Interest in a controlled corporation	5,657,814,885(L)	70.3%
Toh Hup Hock	Company	Beneficial owner	1,078,000(L) ⁽⁵⁾	0.01%
David Alec Andrew Fleming (alternate director to Michael Alan Leven)	Company	Beneficial owner	1,040,400(L) ⁽⁷⁾	0.01%
Edward Matthew Tracy	Company	Beneficial owner	1,485,000(L) ⁽⁸⁾	0.02%

Name of Director	Associated Corporation	Nature of Interest	Number of Securities	Approximate percentage of shareholding interest
Sheldon Gary Adelson	LVS	Beneficial owner	104,220,127(L) ⁽¹⁾	12.66%
		Family Interest	317,349,521(L) ⁽²⁾	38.56%
Jeffrey Howard Schwartz	LVS	Beneficial owner	118,490(L) ⁽³⁾	0.01%
Irwin Abe Siegel	LVS	Beneficial owner	42,443(L) ⁽⁴⁾	0.01%
Toh Hup Hock	LVS	Beneficial owner	60,000(L) ⁽⁵⁾	0.01%
Michael Alan Leven	LVS	Beneficial owner	2,163,612(L) ⁽⁶⁾	0.26%
Edward Matthew Tracy	LVS	Beneficial owner	78(L) ⁽⁸⁾	0.00%

The letter "L" denotes the person's long position in such securities.

3. Corporate Governance

- (1) This amount includes (a) 42,227,770 shares of LVS's common stock (see note 9), (b) 61,160 unvested shares of LVS's restricted stock, (c) 328,407 unvested options to purchase 328,407 shares in LVS's common stock, and (d) 61,602,790 shares of LVS's common stock held by various trusts for the benefit of Mr. Adelson and his family members over which Mr. Adelson, as trustee, retains sole dispositive control. Mr. Adelson and his wife together are entitled to control the exercise of one-third or more of the voting power at stockholders' meetings of LVS. LVS's interests in our Company are set out below.
- (2) This amount includes (a) 90,772,522 shares of LVS's common stock held by Dr. Miriam Adelson, (b) 186,656,812 shares of LVS's common stock held by trusts for the benefit of Dr. Adelson and her family members over which Dr. Adelson, as trustee, retains sole voting control, (c) 27,116,993 shares of LVS's common stock held by trusts for the benefit of Dr. Adelson and her family members over which Dr. Adelson, as trustee, retains sole dispositive control, (d) 236,484 shares of LVS's common stock held by trusts or custodial accounts for the benefit of Dr. Adelson's family members over which Dr. Adelson, as trustee or in another fiduciary capacity, retains sole voting and dispositive control, and (e) 12,566,710 shares of LVS's common stock held by Adfam Investment Company LLC over which Dr. Adelson, as co-manager, shares voting and dispositive control with Mr. Adelson.
- (3) This amount includes (a) 9,205 shares of LVS's common stock (see note 9), (b) 1,641 unvested shares of LVS's restricted stock, and (c) 107,644 options to purchase 107,644 shares in LVS's common stock, of which 62,086 options are vested and exercisable.
- (4) This amount includes (a) 13,202 shares of LVS's common stock (see note 9), (b) 1,641 unvested shares of LVS's restricted stock, and (c) 27,600 options to purchase 27,600 shares of LVS's common stock, of which 13,100 options are vested and exercisable.
- (5) This amount includes (a) 78,000 shares of the Company, (b) 1,000,000 options to purchase 1,000,000 shares of the Company, of which 500,000 options are vested and exercisable, and (c) 60,000 options to purchase 60,000 shares of LVS's common stock, of which 50,000 options are vested and exercisable.
- (6) This amount includes (a) 3,612 shares of LVS's common stock (see note 9), (b) 350,000 unvested shares of LVS's restricted stock, (c) 300,000 unvested LVS's restricted stock units, and (d) 1,510,000 options to purchase 1,510,000 shares of LVS's common stock, of which 1,508,000 options are vested and exercisable.
- (7) This amount includes (a) 400 shares of the Company, and (b) 1,040,000 options to purchase 1,040,000 shares of the Company, of which 227,500 options are vested and exercisable.
- (8) This amount includes (a) 1,485,000 options to purchase 1,485,000 shares of the Company, of which 150,000 options are vested and exercisable, and (b) 78 shares of LVS's common stock.
- (9) In the previous annual and interim reports, the Company has disclosed LVS's common stock and vested restricted stock separately. From this interim report, the total number of LVS's common stock will include the number of vested LVS's restricted stock and LVS's common stock.

None of the Directors or the Chief Executives had short positions in respect of shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at June 30, 2012.

Save as disclosed above, so far as was known to any Director, as at June 30, 2012, none of the Directors or the Chief Executives of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that were required to be notified to the Company and the Stock Exchange, or any interests which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at June 30, 2012, save as disclosed above, none of the Directors nor the Chief Executives of the Company (including their spouses and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for Shares (or warrants or debentures, if applicable) of the Company and its associated corporations within the meaning of the SFO.

3. Corporate Governance

Interests of Substantial Shareholders

The interests of Substantial Shareholders in the shares and underlying shares of the Company as at June 30, 2012, as recorded in the register required to be kept under Section 336 of Part XV of the SFO or as the Company is aware, are set out in the table below:

The Company had been notified of the following Substantial Shareholders' interests in the shares as at June 30, 2012:

Name of Substantial Shareholder	Capacity/Nature of Interest	Number of shares interested	% of issued share capital
Sheldon Gary Adelson	Interested in a controlled corporation	5,657,814,885(L)	70.3%
Las Vegas Sands Corp.	Interested in a controlled corporation	5,657,814,885(L)	70.3%
Las Vegas Sands, LLC	Interested in a controlled corporation	5,657,814,885(L)	70.3%
Venetian Casino Resort, LLC	Interested in a controlled corporation	5,657,814,885(L)	70.3%
LVS (Nevada) International Holdings, Inc.	Interested in a controlled corporation	5,657,814,885(L)	70.3%
LVS Dutch Finance CV	Interested in a controlled corporation	5,657,814,885(L)	70.3%
LVS Dutch Holding BV	Interested in a controlled corporation	5,657,814,885(L)	70.3%
Sands IP Asset Management BV	Interested in a controlled corporation	5,657,814,885(L)	70.3%
Venetian Venture Development Intermediate II	Beneficial owner	5,657,814,885(L)	70.3%

The letter "L" denotes the person's long position in such securities.

As at June 30, 2012, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Interests of Any Other Persons

Save as disclosed above, as at June 30, 2012, the Company had not been notified of any persons who had interests or short positions in the shares or underlying shares of the Company, as recorded in the register required to be kept under Section 336 of Part XV of the SFO.

3.10 Share Option Scheme

On November 8, 2009, our Company adopted a share option scheme (the "Share Option Scheme") for the purpose of attracting able persons to enter and remain in the employment of our Group. The Share Option Scheme also provides a means whereby employees, Directors and consultants of our Group can acquire and maintain share ownership, thereby strengthening their commitment to the welfare of our Group and promoting an identity of interest between Shareholders and these persons.

As at June 30, 2012, 40,657,491 options to purchase shares in the Company had been granted under the Share Option Scheme of which 3,325,450 options had been exercised and 12,231,650 options had lapsed.

3. Corporate Governance

Details of the grant of share options and a summary of movements of the outstanding share options during the period under the Share Option Scheme were as follows:

Options to Subscribe for Ordinary Shares Granted under the Company's Share Option Scheme

Directors & eligible employees	Date granted	Options granted	Exercise price per share HK\$	Closing price of shares immediately before the date of grant HK\$	Exercise period	Options outstanding as at January 1, 2012	Options granted during the period	Options vested during the period	Options lapsed during the period	Options exercised during the period	Options outstanding as at June 30, 2012	Weighted average closing price of shares immediately before the dates on which options were exercised HK\$
Edward Matthew Tracy	26/8/2010	800,000	12.28	11.90	26/8/2011-25/8/2020	700,000	—	—	—	—	700,000	—
	21/10/2010	200,000	15.38	14.72	21/10/2011-20/10/2020	200,000	—	—	—	—	200,000	—
	1/9/2011	325,000	24.05	24.20	1/9/2012-31/8/2021	325,000	—	—	—	—	325,000	—
Toh Hup Hock	11/5/2012	260,000	29.29	28.45	11/5/2013-10/5/2022	—	260,000	—	—	—	260,000	—
	31/3/2010	1,000,000	12.40	12.10	31/3/2011-30/3/2020	1,000,000	—	250,000	—	—	1,000,000	—
	17/11/2010	910,000	17.10	16.84	1/11/2011-31/10/2020	910,000	—	—	—	—	910,000	—
David Alec Andrew Fleming	1/9/2011	130,000	24.05	24.20	1/9/2012-31/8/2021	130,000	—	—	—	—	130,000	—
Other eligible employees	31/3/2010	16,876,100	12.40	12.10	31/3/2011-30/3/2020	9,701,925	—	2,606,775	698,800	1,387,825	7,615,300	28.34
	11/5/2010	2,500,000	11.83	11.30	1/1/2011-10/5/2020	—	—	—	—	—	—	—
	6/7/2010	330,000	11.47	11.08	6/7/2011-5/7/2020	165,000	—	—	—	—	165,000	—
	26/8/2010	750,000	12.28	11.90	26/8/2011-25/8/2020	750,000	—	—	—	—	750,000	—
	30/9/2010	2,672,500	14.00	14.32	30/9/2011-29/9/2020	1,168,950	—	—	157,950	92,525	918,475	29.28
	21/10/2010	150,000	15.38	14.72	21/10/2011-20/10/2020	150,000	—	—	—	—	150,000	—
	17/11/2011	2,746,300	19.34	19.14	17/11/2012-16/11/2021	2,089,800	—	522,450	243,750	336,425	1,509,625	28.80
	11/5/2011	2,530,591	22.50	21.40	11/5/2012-10/5/2021	2,270,591	—	567,647	190,125	90,475	1,989,991	25.38
	30/8/2011	1,584,400	23.25	22.80	30/8/2012-29/8/2021	1,584,400	—	—	—	—	1,584,400	—
	24/11/2011	2,671,000	21.00	20.95	24/11/2012-23/11/2021	2,671,000	—	—	—	—	2,671,000	—
	5/3/2012	1,434,500	29.00	29.25	5/3/2013-4/3/2022	—	1,434,500	—	—	—	1,434,500	—
	5/3/2012	1,000,000	29.00	29.25	1/8/2014-4/3/2022	—	1,000,000	—	—	—	1,000,000	—
14/5/2012	1,787,100	28.91	28.90	14/5/2013-13/5/2022	—	1,787,100	—	—	—	1,787,100	—	

Notes:

- The exercise price of the share options is determined upon the offer of grant of the options and which should not be less than the higher of (a) the average closing price per share of the Company for the five business days immediately preceding the date of offer of such options; (b) the closing price per share of the Company on the date of offer of such options, which must be a business day; and (c) the nominal value per share of the Company.
- Save as disclosed in Note 3 below, the proportion of underlying shares in respect of which the above share options will vest is as follows:

Date	Proportion of underlying shares in respect of which the above share options will vest is as follows:
Before the first anniversary of the date of grant of the option (the "Offer Anniversary")	None
From the first Offer Anniversary to the date immediately before the second Offer Anniversary	One-quarter
From the second Offer Anniversary to the date immediately before the third Offer Anniversary	Two-quarters
From the third Offer Anniversary to the date immediately before the fourth Offer Anniversary	Three-quarters
From the fourth Offer Anniversary to the date immediately before the fifth Offer Anniversary	All

3. Corporate Governance

3. 100% of the 1,000,000 share options granted on March 5, 2012 will vest on August 1, 2014. If the employment of the Grantee is terminated for any reasons other than cause, the share options shall be vested pro-rata for each completed year of employment.

Save as disclosed herein, no options were granted under the Share Option Scheme or any share option scheme of the Group as at June 30, 2012 and no options were cancelled during the period. When the options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based compensation reserve will be transferred to retained earnings.

The Company estimates the fair value of options granted using the Black-Scholes option-pricing model. The weighted average fair value of options granted during the six months ended June 30, 2012, measured as at the date of grant, was approximately US\$1.63.

Significant estimates and assumptions are required to be made in determining the parameters for applying the Black-Scholes option-pricing model, including estimates and assumptions regarding the risk-free rate of return, expected dividend yield and volatility of the underlying shares and the expected life of the options. These estimates and assumptions could have a material effect on the determination of the fair value of the share options and the amount of such equity awards expected to vest, which may in turn significantly impact the determination of the share-based compensation expense. The following assumptions were used to derive the fair values:

Weighted average volatility	70.3%
Expected term (in years)	6.2
Risk-free rate	0.6%
Expected dividends	4.1%

3.11 Purchase, Sale or Redemption of the Company's Listed Shares

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended June 30, 2012.

4. Interim Financial Information

4.1 Report on Review of Interim Financial Information



羅兵咸永道

To the Board of Directors of Sands China Ltd.
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 23 to 55 which comprises the interim consolidated balance sheet of Sands China Ltd. (the "Company") and its subsidiaries (together, the "Group") as at June 30, 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 27, 2012

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
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4.2 Condensed Consolidated Interim Financial Information

Consolidated Income Statement

	Note	Six months ended June 30,	
		2012	2011
		US\$'000, except per share data	
		(Unaudited)	
Net revenues	5	2,920,532	2,360,840
Gaming tax		(1,304,631)	(1,014,180)
Inventories consumed		(29,851)	(21,950)
Employee benefit expenses		(358,878)	(248,162)
Depreciation and amortization		(150,981)	(141,212)
Gaming promoter/agency commissions		(162,697)	(125,068)
Other expenses	6	(455,212)	(240,440)
Operating profit		458,282	569,828
Interest income		9,312	1,914
Interest expense, net of amounts capitalized	7	(25,169)	(31,059)
Loss on early retirement of debt	15	(1,752)	—
Profit before income tax		440,673	540,683
Income tax expense	8	(884)	(1,142)
Profit for the period attributable to equity holders of the Company		439,789	539,541
Earnings per share for profit attributable to equity holders of the Company			
— Basic	9	US5.46 cents	US6.70 cents
— Diluted	9	US5.46 cents	US6.70 cents

The notes on pages 29 to 55 form an integral part of this condensed consolidated interim financial information.

4.2 Condensed Consolidated Interim Financial Information

Consolidated Statement of Comprehensive Income

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Profit for the period attributable to equity holders of the Company	439,789	539,541
Other comprehensive income/(loss), net of tax:		
Currency translation differences	7,959	(112)
Total comprehensive income for the period attributable to equity holders of the Company	447,748	539,429

The notes on pages 29 to 55 form an integral part of this condensed consolidated interim financial information.

4.2 Condensed Consolidated Interim Financial Information

Consolidated Balance Sheet

		June 30, 2012	December 31, 2011
		US\$'000	
	Note	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Investment properties, net		770,958	747,126
Property and equipment, net	11	6,535,596	6,249,686
Intangible assets, net		15,130	31,824
Deferred income tax assets		61	30
Financial assets at fair value through profit or loss		1	64
Other assets, net		31,590	27,039
Trade and other receivables and prepayments, net		11,148	9,297
Total non-current assets		7,364,484	7,065,066
Current assets			
Inventories		13,971	10,489
Trade and other receivables and prepayments, net	12	696,921	557,398
Restricted cash and cash equivalents		3,906	3,448
Cash and cash equivalents		1,360,340	2,491,284
Total current assets		2,075,138	3,062,619
Total assets		9,439,622	10,127,685

The notes on pages 29 to 55 form an integral part of this condensed consolidated interim financial information.

4.2 Condensed Consolidated Interim Financial Information

Consolidated Balance Sheet

		June 30, 2012	December 31, 2011
		US\$'000	
	Note	(Unaudited)	(Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	80,512	80,493
Reserves		4,691,897	5,435,279
Total equity		4,772,409	5,515,772
LIABILITIES			
Non-current liabilities			
Trade and other payables	14	28,440	20,670
Borrowings	15	3,221,532	3,328,843
Total non-current liabilities		3,249,972	3,349,513
Current liabilities			
Trade and other payables	14	1,368,130	1,179,875
Current income tax liabilities		1,266	2,153
Borrowings	15	47,845	80,372
Total current liabilities		1,417,241	1,262,400
Total liabilities		4,667,213	4,611,913
Total equity and liabilities		9,439,622	10,127,685
Net current assets		657,897	1,800,219
Total assets less current liabilities		8,022,381	8,865,285

Approved by the Board of Directors on August 27, 2012 and signed on behalf of the Board by

Edward Matthew Tracy
Director

Toh Hup Hock
Director

The notes on pages 29 to 55 form an integral part of this condensed consolidated interim financial information.

4.2 Condensed Consolidated Interim Financial Information

Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Share premium	Statutory reserve	Share-based compensation reserves	Currency translation reserve	Retained earnings	Total
US\$'000 (Unaudited)								
For the six months ended								
June 30, 2011								
Balance at January 1, 2011	80,479	87,435	2,127,537	6,315	37,399	(10,586)	2,033,788	4,362,367
Total comprehensive income	—	—	—	—	—	(112)	539,541	539,429
Exercise of share options	8	—	1,292	—	—	—	—	1,300
Transfer to share premium upon exercise of share options	—	—	856	—	(856)	—	—	—
Share-based compensation of the Company	—	—	—	—	3,588	—	—	3,588
Share-based compensation charged by LVS	—	—	—	—	2,686	—	—	2,686
Balance at June 30, 2011	80,487	87,435	2,129,685	6,315	42,817	(10,698)	2,573,329	4,909,370
For the six months ended								
June 30, 2012								
Balance at January 1, 2012	80,493	87,435	2,131,283	6,315	45,652	(2,244)	3,166,838	5,515,772
Total comprehensive income	—	—	—	—	—	7,959	439,789	447,748
Transfer to statutory reserve	—	—	—	1	—	—	(1)	—
Exercise of share options	19	—	3,400	—	—	—	—	3,419
Transfer to share premium upon exercise of share options	—	—	2,195	—	(2,195)	—	—	—
Share-based compensation of the Company	—	—	—	—	5,062	—	—	5,062
Share-based compensation charged by LVS	—	—	—	—	1,896	—	—	1,896
Dividends to equity holders of the Company (Note 10)	—	—	—	—	—	—	(1,201,488)	(1,201,488)
Balance at June 30, 2012	80,512	87,435	2,136,878	6,316	50,415	5,715	2,405,138	4,772,409

The notes on pages 29 to 55 form an integral part of this condensed consolidated interim financial information.

4.2 Condensed Consolidated Interim Financial Information

Condensed Consolidated Statement of Cash Flows

	Six months ended June 30,	
	2012	2011
	US\$'000 (Unaudited)	
Net cash generated from operating activities	809,893	602,720
Cash flows from investing activities		
(Increase)/decrease in restricted cash and cash equivalents	(453)	343,889
Purchases of property and equipment and investment properties	(530,648)	(291,554)
Purchases of intangible assets	(9,490)	(345)
Proceeds from disposal of property and equipment	449	4,302
Interest received	9,081	1,914
Net cash (used in)/generated from investing activities	(531,061)	58,206
Cash flows from financing activities		
Proceeds from exercise of share options	3,419	1,300
Repayments of borrowings	(140,336)	(42,508)
Dividend paid	(1,201,488)	—
Repayments of finance lease liabilities	(23,870)	(23,032)
Payments for deferred financing costs	(962)	(59)
Interest paid	(50,720)	(96,404)
Net cash used in financing activities	(1,413,957)	(160,703)
Net (decrease)/increase in cash and cash equivalents	(1,135,125)	500,223
Cash and cash equivalents at beginning of period	2,491,284	1,040,761
Effect of exchange rate on cash and cash equivalents	4,181	2,201
Cash and cash equivalents at end of period	1,360,340	1,543,185
Cash and cash equivalents comprised:		
Cash at bank and on hand	530,286	1,273,165
Short-term bank deposits	830,054	270,020
	1,360,340	1,543,185

The notes on pages 29 to 55 form an integral part of this condensed consolidated interim financial information.

4.3 Notes to the Condensed Consolidated Interim Financial Information

I. General information

Principal activities

Sands China Ltd. (the “Company”) and its subsidiaries (collectively the “Group”) are principally engaged in the operation of casino games of chance or games of other forms and the development and operation of integrated resorts and other ancillary services in the Macao Special Administrative Region of the People’s Republic of China (“Macao”). The Group’s immediate holding company is Venetian Venture Development Intermediate II (“VVDI (II)”). Las Vegas Sands Corp. (“LVS”) is the Group’s ultimate holding company.

The Company was incorporated in the Cayman Islands on July 15, 2009 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Islands. The Company’s principal place of business in Hong Kong registered under Part XI of the Hong Kong Companies Ordinance is Level 28, Three Pacific Place, 1 Queen’s Road East, Hong Kong.

The Group owns and operates The Venetian Macao Resort Hotel (“The Venetian Macao”), which anchors the Cotai Strip, the Group’s master-planned development of integrated resort properties in Macao. In August 2008, the Group opened The Plaza Macao, which is located adjacent and connected to The Venetian Macao. The Plaza Macao is an integrated resort that includes the Four Seasons Hotel Macao, the Plaza Casino, the Shoppes at Four Seasons and Paiza Mansions (which opened in July 2009). The Plaza Macao will also feature an apart-hotel tower consisting of Four Seasons-serviced and -branded luxury apartment-hotel units and common areas. The Group also owns and operates the Sands Macao, the first Las Vegas-style casino in Macao, situated on the Macao peninsula near the New Macau Maritime Ferry Terminal. In April 2012, the Group opened the first phase of the Sands Cotai Central integrated resort, which is part of the Cotai Strip development. The Group’s other ancillary services include ferry operations and other related operations.

The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on November 30, 2009.

The unaudited condensed consolidated interim financial information (the “Interim Financial Information”) is presented in United States dollars (“US\$”), unless otherwise stated. The Interim Financial Information was approved and authorized for issue by the Board of Directors of the Company on August 27, 2012.

This Interim Financial Information has not been audited.

4.3 Notes to the Condensed Consolidated Interim Financial Information

1. General information (continued)

Key events

The first phase of Sands Cotai Central opened on April 11, 2012. Segment results of Sands Cotai Central are given in Note 4.

In May 2012, the Group repaid the US\$131.6 million outstanding balance under the ferry financing facility. Further details are given in Note 15.

During the six months ended June 30, 2012, the Group recorded an impairment loss of US\$100.7 million on Parcels 7 and 8 and US\$42.9 million on the closure of the ZAia show at The Venetian Macao. Further information is given in Note 6.

Under the terms of the land concession for Parcels 1, 2 and 3, the Group was initially required to complete the development of Parcel 3 by August 2011. In 2009, the Group was granted an extension from the Macao Government, which extended the deadline to complete the development of Parcel 3 until April 2013. In July 2012, the Macao Government granted the Group an additional extension, which now requires the development to be completed by April 2016. The Group intends to commence construction after the necessary government approvals are obtained. Further details are given in Note 16.

2. Basis of preparation

The Interim Financial Information for the six months ended June 30, 2012 has been prepared in accordance with the International Accounting Standard ("IAS") 34 'Interim Financial Reporting' issued by the International Accounting Standard Board ("IASB") and the applicable disclosure requirements of Appendix 16 to the Listing Rules. It should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2011, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

4.3 Notes to the Condensed Consolidated Interim Financial Information

3. Significant accounting policies

Except as described below, the accounting policies adopted in the preparation of the Interim Financial Information for the six months ended June 30, 2012 are consistent with those adopted and as described in the Group's annual financial statements for the year ended December 31, 2011.

During the period, there have been a number of new or revised standards, amendments to standards and interpretations that have come to effect, for which the Group has adopted such at their respective effective dates. The adoption of these new standards, amendments to standards and interpretations had no material impact on the results of operations and financial position of the Group.

The Group has not early adopted the following new or revised standards, amendments and interpretations that have been issued but are not yet effective for the period:

		Effective for annual periods beginning on or after
IFRSs (Amendments)	Improvements to IFRSs 2009–2011 Cycle	January 1, 2013
IAS 1 (Amendment)	Presentation of Financial Statements	July 1, 2012
IAS 19 (Amendment)	Employee Benefits	January 1, 2013
IAS 27 (Revised 2011)	Separate Financial Statements	January 1, 2013
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures	January 1, 2013
IAS 32 (Amendment)	Amendments to IAS 32 Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities	January 1, 2014
IFRS 7 (Amendment)	Financial Instruments: Disclosure — Offsetting Financial Assets and Financial Liabilities	January 1, 2013
IFRS 9	Financial Instruments	January 1, 2015
IFRS 7 and IFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurements	January 1, 2013
IFRIC – Int 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

The Group has already commenced the assessment of the impact of the above new and revised standards, amendments and interpretations to the Group and is not yet in a position to state whether these would have a significant impact on the results of operations and financial position of the Group.

The preparation of Interim Financial Information 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 this Interim Financial Information, 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 that were applied to the consolidated financial statements for the year ended December 31, 2011.

4.3 Notes to the Condensed Consolidated Interim Financial Information

3. Significant accounting policies (continued)

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Interim Financial Information does 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, 2011. There have been no changes in any risk management policies since year-end 2011.

During the six months ended June 30, 2012, there were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

4. Segment information

Management has determined the operating segments based on the reports reviewed by a group of senior management to make 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 that the Group domiciles. The Group reviews the results of operations for each of its operating segments, which are also the reportable segments: The Venetian Macao, Sands Macao, The Plaza Macao, Sands Cotai Central and ferry and other operations. The Group also reviews construction and development activities for each of its primary projects under development, some of which have been suspended, in addition to its reportable segments noted above. The Group's primary projects under development are Sands Cotai Central (phases II and III) and Cotai Strip Parcel 3.

Revenue comprises turnover from sale of goods and services in the ordinary course of the Group's activities. The Venetian Macao, Sands Macao, The Plaza Macao, Sands Cotai Central and other developments, once in operation will, derive their revenue primarily from casino, hotel, mall, food and beverage, convention, retail and other sources. Ferry and other operations mainly derive their revenue from the sale of ferry tickets for transportation between Hong Kong and Macao.

Following a change in reportable segments of "Other developments" to "Sands Cotai Central" and "Other developments" by senior management at the year end of 2011, the Group has restated the previously reported segment information for the six months ended June 30, 2011, to conform to the disclosure requirements of IFRS 8 "Operating Segments".

The Group's segment information is as follows:

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	(Restated)
Net revenues:		
The Venetian Macao	1,416,416	1,370,216
Sands Macao	616,783	650,246
The Plaza Macao	564,462	291,646
Sands Cotai Central	263,896	—
Ferry and other operations	67,105	58,225
Other developments	—	—
Inter-segment revenues	(8,130)	(9,493)
	2,920,532	2,360,840

4.3 Notes to the Condensed Consolidated Interim Financial Information

4. Segment information (continued)

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	(Restated)
Adjusted EBITDA (Note):		
The Venetian Macao	511,475	486,840
Sands Macao	177,778	187,370
The Plaza Macao	144,018	94,893
Sands Cotai Central	51,657	—
Ferry and other operations	(11,944)	(14,165)
Other developments	—	—
	872,984	754,938

Note: Adjusted EBITDA is profit before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization (net of amortization of show production costs), net foreign exchange gains/(losses), impairment loss, gain/(loss) on disposal of property and equipment, fair value losses on financial assets at fair value through profit or loss, interest, loss on early retirement of debt and income tax expense. Adjusted EBITDA is used by management as the primary measure of operating performance of the Group's properties and to compare the operating performance of the Group's properties with that of its competitors. However, adjusted EBITDA should not be considered in isolation; construed as an alternative to profit or operating profit; as an indicator of the Group's IFRS operating performance, other combined operations or cash flow data; or as an alternative to cash flow as a measure of liquidity. As a result, adjusted EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	(Restated)
Depreciation and amortization:		
The Venetian Macao	76,277	90,122
Sands Macao	15,682	16,204
The Plaza Macao	25,590	27,191
Sands Cotai Central	26,371	42
Ferry and other operations	7,061	7,653
Other developments	—	—
	150,981	141,212

4.3 Notes to the Condensed Consolidated Interim Financial Information

4. Segment information (continued)

The following is a reconciliation of adjusted EBITDA to profit for the period attributable to equity holders of the Company:

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Adjusted EBITDA	872,984	754,938
Share-based compensation granted to employees by LVS and the Company, net of amounts capitalized ⁽ⁱ⁾	(6,632)	(5,761)
Corporate expense	(20,779)	(15,700)
Pre-opening expense	(94,252)	(23,825)
Depreciation and amortization	(150,981)	(141,212)
Amortization of show production costs	566	2,164
Net foreign exchange gains	1,185	1,494
Impairment loss	(143,649)	—
Loss on disposal of property and equipment	(97)	(1,314)
Fair value losses on financial assets at fair value through profit or loss	(63)	(956)
Operating profit	458,282	569,828
Interest income	9,312	1,914
Interest expense, net of amounts capitalized	(25,169)	(31,059)
Loss on early retirement of debt	(1,752)	—
Profit before income tax	440,673	540,683
Income tax expense	(884)	(1,142)
Profit for the period attributable to equity holders of the Company	439,789	539,541

- (i) Amount includes share-based compensation of US\$552,000 (six months ended June 30, 2011: US\$223,000) related to pre-opening expense.

4.3 Notes to the Condensed Consolidated Interim Financial Information

4. Segment information (continued)

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Capital expenditures		
The Venetian Macao	35,567	2,809
Sands Macao	12,875	2,070
The Plaza Macao	19,345	7,660
Sands Cotai Central	469,589	278,800
Ferry and other operations	501	668
Other developments	2,261	(108)
	540,138	291,899

	June 30,	December 31,
	2012	2011
	US\$'000	
	(Unaudited)	(Audited)
Total assets		
The Venetian Macao	2,839,065	3,153,756
Sands Macao	491,628	487,533
The Plaza Macao	1,341,755	1,287,986
Sands Cotai Central	4,276,537	4,462,910
Ferry and other operations	358,932	505,673
Other developments	131,705	229,827
	9,439,622	10,127,685

4.3 Notes to the Condensed Consolidated Interim Financial Information

4. Segment information (continued)

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
Total non-current assets		
Held locally	7,161,516	6,855,597
Held in foreign countries	202,906	209,375
Deferred income tax assets	61	30
Financial assets at fair value through profit or loss	1	64
	7,364,484	7,065,066

5. Net revenues

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Casino	2,592,797	2,083,626
Rooms	93,860	86,732
Mall		
— Income from right of use	78,328	56,228
— Management fees and other	14,158	12,784
Food and beverage	43,436	38,820
Convention, ferry, retail and other	97,953	82,650
	2,920,532	2,360,840

4.3 Notes to the Condensed Consolidated Interim Financial Information

6. Other expenses

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Impairment loss	143,649	—
Utilities and operating supplies	85,694	68,532
Provision for doubtful accounts	24,018	20,302
Royalty fees	16,009	10,380
Management fees	14,811	13,838
Suspension costs	11,645	11,685
Operating lease payments	8,181	6,692
Auditor's remuneration	566	530
Loss on disposal of property and equipment	97	1,314
Fair value losses on financial assets at fair value through profit or loss	63	956
Net foreign exchange gains	(1,185)	(1,494)
Other support services	79,436	63,244
Other operating expenses	72,228	44,461
	455,212	240,440

The Group had commenced pre-construction activities on its Cotai Strip development referred to as Parcels 7 and 8. During December 2010, the Group received notice from the Macao Government that its application for a land concession for Parcels 7 and 8 was not approved and the Group applied to the Chief Executive of Macao for an executive review of the decision. In January 2011, the Group filed a judicial appeal with the Court of Second Instance in Macao. In May 2012, the Group withdrew its appeal and recorded an impairment loss of US\$100.7 million during the six months ended June 30, 2012, related to the capitalized construction costs of its development on Parcels 7 and 8.

During the six months ended June 30, 2012, the Group also recorded a one-time impairment loss of US\$42.9 million related to the closure of the ZAiA show at The Venetian Macao.

4.3 Notes to the Condensed Consolidated Interim Financial Information

7. Interest expense, net of amounts capitalized

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Bank borrowings	40,268	69,279
Amortization of deferred financing costs	12,169	12,774
Finance lease liabilities	5,078	6,084
Standby fee and other financing costs	1,937	11,619
	59,452	99,756
Less: interest capitalized	(34,283)	(68,697)
Interest expense, net of amounts capitalized	25,169	31,059

8. Income tax expense

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
Current income tax		
Macao complementary tax	3	131
Lump sum in lieu of Macao complementary tax on dividend	901	899
Other overseas taxes	43	3
(Over)/underprovision in prior years		
Macao complementary tax	(25)	89
Lump sum in lieu of Macao complementary tax on dividend	—	16
Other overseas taxes	(7)	—
Deferred income tax	(31)	4
Income tax expense	884	1,142

4.3 Notes to the Condensed Consolidated Interim Financial Information

8. Income tax expense (continued)

The Company's subsidiaries that carry on business in Hong Kong are subject to Hong Kong profits tax rate at 16.5% for the period ended June 30, 2012 (six months ended June 30, 2011: same). Taxation for overseas jurisdictions is charged at the appropriate prevailing rates ruling in the respective jurisdictions and the maximum rate is 12% for Macao (six months ended June 30, 2011: same) and 25% for China (six months ended June 30, 2011: same).

Pursuant to the Despach No. 250/2004 issued by the Chief Executive of the Macao Government on September 30, 2004, Venetian Macau Limited ("VML") was exempted from Macao complementary tax on its gaming activities for five years effective from the 2004 year of assessment. On May 21, 2008, VML was granted, pursuant to the Despach No. 167/2008 issued by the Chief Executive of the Macao Government, an extension of the tax exemption regarding Macao complementary tax on its gaming activities for an additional five years, which is set to expire in 2013. Regarding the other subsidiaries, during the period ended June 30, 2012, Macao complementary tax is calculated progressively at a maximum of 12% (six months ended June 30, 2011: same).

VML entered into a Shareholder Dividend Tax Agreement with the Macao Government. The agreement provides for an annual payment in lieu of Macao complementary tax otherwise due by VML's shareholders on dividend distributions to them from gaming profits.

9. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended June 30,	
	2012 (Unaudited)	2011
Profit attributable to equity holders of the Company (US\$'000)	439,789	539,541
Weighted average number of shares (thousand shares)	8,050,093	8,048,085
Earnings per share, basic	US5.46 cents	US6.70 cents
Earnings per share, basic ⁽ⁱ⁾	HK42.35 cents	HK52.14 cents

4.3 Notes to the Condensed Consolidated Interim Financial Information

9. Earnings per share (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended June 30, 2012, the Company has outstanding share options that will potentially dilute the ordinary shares. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended June 30,	
	2012 (Unaudited)	2011
Profit attributable to equity holders of the Company (US\$'000)	439,789	539,541
Weighted average number of shares (thousand shares)	8,050,093	8,048,085
Adjustments for share options (thousand shares)	6,399	1,797
Weighted average number of shares for diluted earnings per share (thousand shares)	8,056,492	8,049,882
Earnings per share, diluted	US5.46 cents	US6.70 cents
Earnings per share, diluted ⁽ⁱ⁾	HK42.35 cents	HK52.14 cents

4.3 Notes to the Condensed Consolidated Interim Financial Information

9. Earnings per share (continued)

To enable an investor to better understand the Group's results, the impairment losses related to Parcels 7 and 8 and the closure of the ZAiA show at The Venetian Macao and pre-opening expenses of Sands Cotai Central are excluded from the adjusted earnings per share as management does not consider these non-recurring expenses to be indicators of the Group's operating performance. The reconciliation of the reported earnings to the adjusted earnings (net of tax) is as follows:

	Six months ended June 30,	
	2012 (Unaudited)	2011
Profit attributable to equity holders of the Company (US\$'000)	439,789	539,541
Adjustments for:		
Impairment loss (US\$'000)	143,649	—
Pre-opening expenses of Sands Cotai Central (US\$'000)	92,359	22,146
Adjusted profit attributable to equity holders of the Company (US\$'000)	675,797	561,687
Weighted average number of shares (thousand shares)	8,050,093	8,048,085
Adjusted earnings per share, basic	US8.39 cents	US6.98 cents
Adjusted earnings per share, basic ⁽ⁱ⁾	HK65.08 cents	HK54.32 cents
Weighted average number of shares for diluted earnings per share (thousand shares)	8,056,492	8,049,882
Adjusted earnings per share, diluted	US8.39 cents	US6.98 cents
Adjusted earnings per share, diluted ⁽ⁱ⁾	HK65.08 cents	HK54.32 cents

- (i) The translation of US\$ amounts into HK\$ amounts has been made at the rate of US\$1.00 to HK\$7.7568 (six months ended June 30, 2011: US\$1.00 to HK\$7.7827). No representation is made that the HK\$ amounts have been, could have been or could be converted into US\$, or vice versa, at that rate, or at any other rates or at all.

4.3 Notes to the Condensed Consolidated Interim Financial Information

10. Dividends

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
2011 interim dividend of HK\$0.58 (equivalent to US\$0.075) per ordinary share declared on January 31, 2012 and paid	599,839	—
2011 final dividend of HK\$0.58 (equivalent to US\$0.075) per ordinary share declared on June 1, 2012 and paid	601,649	—
	1,201,488	—

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2012.

11. Property and equipment, net

	June 30,	December 31,
	2012	2011
	US\$'000	
	(Unaudited)	(Audited)
Balance, beginning of period/year	6,249,686	5,503,312
Additions	567,211	997,124
Adjustments to project costs	(428)	(8,808)
Disposals	(546)	(8,312)
Transfer to investment properties	(34,168)	—
Impairment	(115,830)	—
Depreciation	(138,129)	(245,056)
Exchange difference	7,800	11,426
Balance, end of period/year	6,535,596	6,249,686

4.3 Notes to the Condensed Consolidated Interim Financial Information

12. Trade receivables

The aging analysis of trade receivables, net of provision for doubtful accounts, is as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
0–30 days	580,841	467,279
31–60 days	19,734	24,732
61–90 days	20,527	11,980
Over 90 days	20,117	12,222
	641,219	516,213

Trade receivables mainly include casino receivables. The Group generally does not charge interest for credit granted, but requires a personal cheque or other acceptable forms of security. In respect of gaming promoters, the receivables can be offset against the commission payables. Absent special approval, the credit period granted to selected premium and mass market players is typically 15 days, while for gaming promoters, the receivable is typically repayable within one month following the granting of the credit subject to terms of the relevant credit agreement.

13. Share capital

	Ordinary shares of US\$0.01 each	US\$'000
Issued and fully paid:		
At January 1, 2011 (audited)	8,047,865,084	80,479
Shares issued upon exercise of share options	816,200	8
At June 30, 2011 (unaudited)	8,048,681,284	80,487
At January 1, 2012 (audited)	8,049,283,284	80,493
Shares issued upon exercise of share options	1,866,000	19
At June 30, 2012 (unaudited)	8,051,149,284	80,512

4.3 Notes to the Condensed Consolidated Interim Financial Information

14. Trade and other payables

		June 30, 2012	December 31, 2011
	Note	US\$'000	
		(Unaudited)	(Audited)
Trade payables		20,618	21,014
Outstanding chips and other casino liabilities		559,776	385,320
Other tax payables		225,697	207,397
Construction payables and accruals		211,432	233,016
Deposits		168,079	125,334
Accrued employee benefit expenses		71,580	78,779
Interest payables		29,151	32,696
Payables to related companies — non-trade	17(b)	10,780	16,516
Other payables and accruals		99,457	100,473
		1,396,570	1,200,545
Less: non-current portion		(28,440)	(20,670)
Current portion		1,368,130	1,179,875

The aging analysis of trade payables is as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
0–30 days	9,398	7,960
31–60 days	6,245	7,379
61–90 days	2,377	2,908
Over 90 days	2,598	2,767
	20,618	21,014

4.3 Notes to the Condensed Consolidated Interim Financial Information

15. Borrowings

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
Non-current portion		
Bank loans, secured	3,208,458	3,311,211
Finance lease liabilities on leasehold interests in land, secured	104,623	129,261
Other finance lease liabilities, secured	6,241	74
	3,319,322	3,440,546
Less: deferred financing costs	(97,790)	(111,703)
	3,221,532	3,328,843
Current portion		
Bank loans, secured	—	35,067
Finance lease liabilities on leasehold interests in land, secured	45,988	45,074
Other finance lease liabilities, secured	1,857	231
	47,845	80,372
Total borrowings	3,269,377	3,409,215

The Group's borrowings are denominated in the following currencies:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
US\$	1,468,659	1,463,675
HK\$	1,340,340	1,471,023
MOP	460,378	474,517
	3,269,377	3,409,215

4.3 Notes to the Condensed Consolidated Interim Financial Information

15. Borrowings (continued)

The estimated fair value of the Group's bank loans as at June 30, 2012 was approximately US\$3.06 billion (as at December 31, 2011: US\$3.07 billion). The maturities of bank loans are as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
Repayable within 1 year	—	35,067
Repayable between 1 and 2 years	—	35,067
Repayable between 2 and 5 years	3,208,458	3,276,144
	3,208,458	3,346,278

The movements of bank loans are analyzed as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
Balance, beginning of period/year	3,346,278	2,985,759
Proceeds from borrowings	—	3,201,535
Repayments of borrowings	(140,336)	(2,845,480)
Exchange difference	2,516	4,464
Balance, end of period/year	3,208,458	3,346,278

As at June 30, 2012, the Group had US\$500.0 million of available borrowing capacity under the 2011 VML Credit Facility (as at December 31, 2011: US\$500.0 million).

In May 2012, the Group repaid the US\$131.6 million outstanding balance under the ferry financing facility and recorded a US\$1.8 million loss on early retirement of debt during the six months ended June 30, 2012.

4.3 Notes to the Condensed Consolidated Interim Financial Information

15. Borrowings (continued)

The movements of finance lease liabilities on leasehold interests in land are analyzed as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
Balance, beginning of period/year	174,335	217,528
Repayments	(23,724)	(43,193)
Balance, end of period/year	150,611	174,335

The contractual maturities of the Group's current and future financial liabilities, based on undiscounted cash flows, are as follows:

	Within the first year	In the second year	In the third to fifth year	Over the fifth year	Total
	US\$'000				
	(Unaudited)				
At June 30, 2012					
Bank borrowings	60,134	60,134	3,317,531	—	3,437,799
Finance lease liabilities on leasehold interests in land	49,696	28,244	15,748	226,409	320,097
Other finance lease liabilities	2,104	1,724	4,892	—	8,720
Trade and other payables	1,131,507	6,897	17,926	3,617	1,159,947
	(Audited)				
At December 31, 2011					
Bank borrowings	121,290	120,058	3,468,505	—	3,709,853
Finance lease liabilities on leasehold interests in land	49,696	49,696	15,748	231,658	346,798
Other finance lease liabilities	243	75	—	—	318
Trade and other payables	963,252	6,257	10,974	3,439	983,922

4.3 Notes to the Condensed Consolidated Interim Financial Information

16. Commitments and contingencies

(a) Capital commitments

Property and equipment commitments not provided for are as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
Contracted but not provided for	355,397	572,445
Authorized but not contracted for	576,005	760,363
	931,402	1,332,808

(b) Operating lease commitments

(i) The Group as the lessee

The Group had future aggregate minimum lease payments under non-cancellable operating leases for property and equipment as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
No later than 1 year	4,095	3,906
Later than 1 year and no later than 5 years	3,082	4,352
	7,177	8,258

(ii) The Group as the lessor/grantor of the right of use

The future aggregate minimum lease/base fee receivables under non-cancellable agreements are as follows:

	June 30, 2012	December 31, 2011
	US\$'000	
	(Unaudited)	(Audited)
No later than 1 year	115,847	106,272
Later than 1 year and no later than 5 years	242,441	217,872
Later than 5 years	127,565	129,375
	485,853	453,519

4.3 Notes to the Condensed Consolidated Interim Financial Information

16. Commitments and contingencies (continued)

(c) Contingencies

The Group has contingent liabilities arising in the ordinary course of business. Management has made certain 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 condition, results of operations or cash flows.

(d) Cotai Strip development projects

The Group had commenced pre-construction on Parcel 3 and had capitalized costs of approximately US\$122.8 million including land of US\$85.2 million as at June 30, 2012. Under the terms of the land concession for Parcels 1, 2 and 3, the Group was initially required to complete the development of Parcel 3 by August 2011. In 2009, the Group was granted an extension from the Macao Government, which extended the deadline to complete the development of Parcel 3 until April 2013. In July 2012, the Macao Government granted the Group an additional extension, which now requires the development to be completed by April 2016. The Group intends to commence construction after the necessary government approvals are obtained. The land concession for Sands Cotai Central contains a similar requirement that the corresponding development be completed by May 2014. The Group had capitalized costs of approximately US\$3.73 billion including land of US\$286.1 million, as at June 30, 2012, related to Sands Cotai Central. Should the Group determine that it is unable to complete the developments by their respective deadlines, the Group intends to apply for extensions from the Macao Government; however, no assurances can be given that extensions will be granted. If the Group is unable to meet these deadlines and the deadlines are not extended, it could lose its land concessions for Sands Cotai Central or Parcel 3, which would prohibit the Group from operating any facilities developed under the respective land concessions. As a result, the Group could record a charge for all or some portion of its capitalized construction costs including land related to Sands Cotai Central and Parcel 3.

4.3 Notes to the Condensed Consolidated Interim Financial Information

17. Related party transactions

For the purposes of this Interim Financial Information, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities, and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Related companies represent the group companies of the LVS group.

Save as disclosed elsewhere in this Interim Financial Information, the Group has the following significant transactions during the period:

(a) Transactions during the period

(i) Management fee income

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
LVS	581	487
Intermediate holding company	9	—
Fellow subsidiary	529	782
	1,119	1,269

Management services are provided by the Group to LVS group companies. These services include, but are not limited to, accounting services, information technology support, sourcing of goods and services, and design, development and construction consultancy services. Management fees are charged at actual cost incurred or on a cost-plus basis, allowing a margin of 5%.

4.3 Notes to the Condensed Consolidated Interim Financial Information

17. Related party transactions (continued)

(a) Transactions during the period (continued)

(ii) Management fee expense

	Six months ended June 30,	
	2012	2011
	US\$'000	
	(Unaudited)	
LVS	6,127	4,334
Intermediate holding company	570	270
Fellow subsidiaries	5,267	6,272
	11,964	10,876

Management services are provided by LVS group companies. These services include, but are not limited to, human resources support, accounting services, sourcing of goods and services, sourcing of tenants for the malls and other various types of marketing and promotion activities for the Group. Management fees are charged at actual cost incurred or on a cost-plus basis, allowing a margin of 5%.

(iii) Key management personnel remuneration

Key management personnel includes the board of directors, which is comprised of ten members (six months ended June 30, 2011: eight members). No transaction has been entered into with the directors of the Company during the six months ended June 30, 2012 other than the emoluments paid or payable to them totaling US\$2.5 million (six months ended June 30, 2011: US\$1.2 million).

In addition, two directors of the Company received emoluments (inclusive of share-based compensation) from LVS, US\$0.4 million of which is in respect of their services to the Group for the six months ended June 30, 2012 (six months ended June 30, 2011: US\$0.4 million).

(iv) Royalty fees

There has been no change in the terms of the royalty agreement that was entered into with Las Vegas Sands, LLC in November 2009 since the last annual report. After the commencement of the operation of Sands Cotai Central in April 2012, the Group is also required to pay royalty fee in connection with this property. During the six months ended June 30, 2012, the Group incurred US\$15.3 million (six months ended June 30, 2011: US\$10.0 million) of royalty fees under this agreement.

(v) Share-based compensation

The Company adopted an equity award plan (the "SCL Equity Plan") for grants of options to purchase ordinary shares of the Company (Note 18(a)). The Group participates in the equity settled share-based compensation plans of LVS and is a party to its nonqualified share option plan, LVS 2004 Equity Award Plan (the "2004 Plan") (Note 18(b)).

4.3 Notes to the Condensed Consolidated Interim Financial Information

17. Related party transactions (continued)

(b) Period-end balances between the Group and related companies

	Note	June 30, 2012	December 31, 2011
		(Unaudited)	(Audited)
US\$'000			
Receivables from related companies:			
Fellow subsidiaries		4,557	951
Payables to related companies:			
LVS		621	2,017
Intermediate holding companies		3,646	6,714
Fellow subsidiaries		6,513	7,785
	14	10,780	16,516

The receivables and payables are unsecured, interest-free and have no fixed terms of repayment.

18. Share-based compensation

Total amounts of share-based compensation and the amounts capitalized are as follows:

	Six months ended June 30,	
	2012	2011
US\$'000		
(Unaudited)		
Share-based compensation costs:		
Charged by LVS	1,896	2,686
Incurred under the SCL Equity Plan	5,062	3,588
Less: amount capitalized as part of property and equipment	(326)	(513)
Share-based compensation expensed in the consolidated income statement	6,632	5,761

4.3 Notes to the Condensed Consolidated Interim Financial Information

18. Share-based compensation (continued)

(a) Share options of the Company

Movements in the number of share options outstanding and their related weighted average exercise prices attributable to the employees of the Group as grantees of the share options scheme operated by the Company are as follows:

	Six months ended June 30,			
	2012		2011	
	Number of options '000	Weighted average exercise price US\$ (Unaudited)	Number of options '000	Weighted average exercise price US\$
Outstanding at January 1	23,817	2.07	18,940	1.65
Granted	4,481	3.72	5,277	2.67
Exercised	(1,907)	1.82	(817)	1.59
Forfeited	(1,291)	1.97	(2,877)	1.87
Outstanding at June 30	25,100	2.39	20,523	1.88
Exercisable at June 30	4,941	1.79	2,454	1.59

4.3 Notes to the Condensed Consolidated Interim Financial Information

18. Share-based compensation (continued)**(b) Share options of LVS**

Movements in the number of share options outstanding and their related weighted average exercise prices attributable to the employees of the Group as grantees of the share option scheme operated by LVS are as follows:

	Six months ended June 30,			
	2012		2011	
	Number of options '000	Weighted average exercise price US\$ (Unaudited)	Number of options '000	Weighted average exercise price US\$
Outstanding at January 1	1,010	61.53	1,356	59.56
Granted	—	—	—	—
Transfer-in ⁽ⁱ⁾	143	50.86	—	—
Exercised	(111)	36.57	(55)	26.55
Transfer-out ⁽ⁱ⁾	—	—	—	—
Forfeited	(7)	72.91	(12)	72.75
Expired	(54)	66.78	(58)	70.36
Outstanding at June 30	981	62.42	1,231	60.39
Exercisable at June 30	897	64.74	1,000	61.43

- (i) Transfer-in and transfer-out represent movement of options owned by grantees who transferred from other subsidiaries of LVS to the Group, or vice versa.

4.3 Notes to the Condensed Consolidated Interim Financial Information

18. Share-based compensation (continued)

(b) Share options of LVS (continued)

Movements in the number of restricted shares outstanding and the respective weighted average grant date fair value attributable to the employees of the Group as grantees of the restricted shares granted by LVS are as follows:

	Six months ended June 30,			
	2012		2011	
	Number of restricted shares '000 ⁽ⁱ⁾	Weighted average grant date fair value US\$ ⁽ⁱⁱ⁾	Number of restricted shares '000 ⁽ⁱ⁾	Weighted average grant date fair value US\$ ⁽ⁱⁱ⁾
	(Unaudited)			
Outstanding at January 1	2	38.81	2	24.94
Granted	2	45.69	2	38.81
Transfer-in ⁽ⁱⁱⁱ⁾	4	47.14	—	—
Vested	(2)	38.81	(2)	24.94
Transfer-out ⁽ⁱⁱⁱ⁾	—	—	—	—
Outstanding at June 30	6	46.72	2	38.81

(i) Number of restricted shares outstanding represents the number of ordinary shares of LVS given to the employees upon vesting.

(ii) Grant date fair value represents the fair value of the ordinary shares of LVS.

(iii) Transfer-in and transfer-out represent movement of restricted shares owned by grantees who transferred from other subsidiaries of LVS to the Group, or vice versa.

5. Corporate Information

(as at the Latest Practicable Date)

Directors

Executive Directors

Mr. Edward Matthew Tracy (*President and Chief Executive Officer*)
Mr. Toh Hup Hock (*Chief Financial Officer and Executive Vice President*)

Non-Executive Directors

Mr. Sheldon Gary Adelson (*Chairman*)
Mr. Michael Alan Leven
(*Mr. David Alec Andrew Fleming as his alternate*)
Mr. Jeffrey Howard Schwartz
Mr. Irwin Abe Siegel
Mr. Lau Wong William

Independent Non-Executive Directors

Mr. Iain Ferguson Bruce
Ms. Chiang Yun
Mr. David Muir Turnbull

Registered Office in Cayman Islands

Walkers Corporate Services Limited
Walker House, 87 Mary Street
George Town, Grand Cayman KY1-9005
Cayman Islands

Principal Place of Business and Head Office in Macao

The Venetian Macao-Resort-Hotel
Executive Offices, L2
Estrada da Baia de N. Senhora da Esperanca, s/n
Taipa, Macao

Principal Place of Business in Hong Kong

Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

Company's Website

www.sandschinaltd.com

Company Secretary

Mr. David Alec Andrew Fleming

Board Committees

Audit Committee

Mr. Iain Ferguson Bruce (*Chairman*)
Ms. Chiang Yun
Mr. Irwin Abe Siegel

Remuneration Committee

Mr. David Muir Turnbull (*Chairman*)
Mr. Iain Ferguson Bruce
Mr. Jeffrey Howard Schwartz

Nomination Committee

Mr. Sheldon Gary Adelson (*Chairman*)
Mr. Iain Ferguson Bruce
Mr. David Muir Turnbull

Sands China Capital Expenditure Committee

Mr. Michael Alan Leven (*Chairman*)
Mr. Jeffrey Howard Schwartz
Mr. Iain Ferguson Bruce
Mr. Edward Matthew Tracy

Authorized Representatives

Mr. Toh Hup Hock
Mr. David Alec Andrew Fleming
The Venetian Macao-Resort-Hotel
Executive Offices, L2
Estrada da Baia de N. Senhora da Esperanca, s/n
Taipa, Macao

Cayman Islands principal share registrar and transfer office

Walkers Corporate Services Limited
Walker House, 87 Mary Street
George Town, Grand Cayman KY1-9005
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

Banco Nacional Ultramarino S.A.
Avenida Almeida Ribeiro, 22,
Macao

Bank of China Limited, Macao Branch
Bank of China Building
Avenida Doutor Mario Soares,
Macao

Stock Code

1928

6. Contact Us

Interim Report

This 2012 Interim Report is printed in English and Chinese languages and is available on our website at www.sandschinaltd.com from September 6, 2012 and was posted to Shareholders on September 7, 2012.

Those Shareholders who received our 2012 Interim Report electronically and would like to receive a printed copy or vice versa may at any time change their means of receipt of the Company's corporate communications free of charge by reasonable notice in writing to the Company c/o the Hong Kong Share Registrar by post at Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email to sandschina.ecom@computershare.com.hk.

Those Shareholders who have chosen to receive this 2012 Interim Report by electronic means and who, for any reason, have difficulty in receiving or gaining access to this 2012 Interim Report, may also request to be sent a copy of this 2012 Interim Report in printed form free of charge by submitting a written request to the Company c/o the Hong Kong Share Registrar by post or by email.

Contact Us

Address: Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong
Telephone: +853 8118 2888
Facsimile: +853 2888 3382
Email: scl-enquiries@venetian.com.mo

7. Glossary

“adjusted EBITDA”	adjusted EBITDA is profit before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization (net of amortization of show production costs), net foreign exchange gains or losses, impairment loss, gain or loss on disposal of property and equipment, fair value gains or losses on financial assets at fair value through profit or loss, interest, loss on early retirement of debt and income tax expense. With respect to adjusted EBITDA for each of our properties, we make allocations of the shared support expenses based on revenue attributable to each property. Adjusted EBITDA is used by management as the primary measure of operating performance of our Group’s properties and to compare the operating performance of our Group’s properties with that of its competitors. However, adjusted EBITDA should not be considered in isolation; construed as an alternative to profit or operating profit; as an indicator of our IFRS operating performance, other combined operations or cash flow data; or as an alternative to cash flow as a measure of liquidity. Adjusted EBITDA presented in the report may not be comparable to other similarly titled measures of other companies. In addition, our adjusted EBITDA presented in the report may differ from adjusted EBITDA presented by LVS for its Macao segment in its filings with the U.S. Securities and Exchange Commission
“ADR”	the average daily rate per occupied room in a given time period, calculated as room revenue divided by the number of rooms sold
“Board”	the board of directors of the Company
“cage”	a secure room within a casino with a facility that allows patrons to exchange cash for chips required to participate in gaming activities, or to exchange chips for cash
“CAGR”	compound annual growth rate
“casino(s)”	a gaming facility that provides casino games consisting of table games operated in VIP areas or mass market areas, electronic games, slot machines and other casino games
“Chief Executive”	a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the board of directors for the conduct of the business of the Company
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this report only, Hong Kong, Macao and Taiwan, unless the context otherwise requires
“chip(s)”	tokens issued by a casino to players in exchange for cash or credit, which may be used to place bets on gaming tables, in lieu of cash

7. Glossary

“Company,” “our,” “we,” “us,” or “Sands China”	Sands China Ltd., a company incorporated in the Cayman Islands on July 15, 2009 as an exempted company with limited liability and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the time before it became the holding company of its present subsidiaries, its present subsidiaries. When used in the context of gaming operations or the Subconcession, “we,” “us,” or “our” refers exclusively to VML
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Concessionaire(s)”	the holder(s) of a concession for the operation of casino games in the MSAR. As at the Latest Practicable Date, the Concessionaires were Galaxy, SJM and Wynn Macau
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, with respect to our Company, the controlling shareholders as referred to in “Relationship with Our Controlling Shareholders” of our Prospectus
“Cotai”	the name given to the land reclamation area in the MSAR between the islands of Coloane and Taipa
“Cotai Strip”	integrated resort projects on Cotai being developed by us and inspired by the Las Vegas Strip in Las Vegas, Nevada, U.S.A. LVS has registered the Cotai Strip trademark in Hong Kong and Macao
“DICJ”	Gaming Inspection and Coordination Bureau (“ <i>Direcção de Inspeção e Coordenação de Jogos</i> ”) under the Secretary for Economy and Finance of the MSAR
“Director(s)”	member(s) of the board of directors of the Company
“DSEC”	the Statistics and Census Service of the MSAR
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“Exchange Rate”	save as otherwise stated, amounts denominated in U.S. dollars, MOP and Hong Kong dollars have been converted, for the purposes of illustration only, in this report at: US\$1.00: HK\$7.7568 US\$1.00: MOP8.00 HK\$1.00: MOP1.03
“Four Seasons Hotel”	refers to the Four Seasons Hotel Macao, Cotai Strip®, which is managed and operated by FS Macau Lda., an affiliate of Four Seasons Hotels Limited

7. Glossary

“Galaxy”	Galaxy Casino S.A. (also known as Galaxy Casino Company Limited), a company incorporated in Macao on November 30, 2001 and one of the three Concessionaires
“gaming area(s)”	a gaming facility that provides casino games consisting of table games operated in VIP areas or mass market areas, electronic games, slot machines and other casino games but has not been designated as a casino by the Macao Government
“Gaming Promoter(s)”	individuals or corporations licensed by and registered with the Macao Government to promote games of fortune and chance to patrons, through the arrangement of certain services, including extension of credit (regulated by Law No. 5/2004), transportation, accommodation, dining and entertainment, whose activity is regulated by Administrative Regulation No. 6/2002
“GDP”	gross domestic product
“Global Offering”	the offer of Shares in the Company by subscription for cash at HK\$10.38 on November 30, 2009 on and subject to the terms outlined in the Prospectus
“Group”	our Company and its subsidiaries and, in respect of the period before our Company became the holding company of such subsidiaries, the entities that carried on the business of the present Group at the relevant time
“HIBOR”	the Hong Kong Interbank Offered Rate
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“integrated resort(s)”	a resort which provides customers with a combination of hotel accommodations, casinos or gaming areas, retail and dining facilities, MICE space, entertainment venues and spas
“Latest Practicable Date”	August 31, 2012
“LIBOR”	London Interbank Offered Rate
“Listing”	the listing of the Shares on the Main Board on November 30, 2009
“Listing Date”	November 30, 2009, the date on which dealings in the Shares first commenced on the Main Board

7. Glossary

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“LVS”	Las Vegas Sands Corp., a company incorporated in Nevada, U.S.A. in August 2004 and the common stock of which is listed on the New York Stock Exchange
“LVS Group”	LVS and its subsidiaries (excluding our Group)
“Macao” or “MSAR”	the Macao Special Administrative Region of the PRC
“Macao Government”	the local government of the MSAR, established on December 20, 1999 and the local administration before this date
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent of and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“mass market player(s)”	Non-Rolling Chip players
“Melco Crown”	Melco Crown Jogos (Macau), S.A., a private company limited by shares (“ <i>sociedade anónima</i> ”) incorporated on May 10, 2006 under the laws of Macao and one of the three Subconcessionaires
“MGM Grand Paradise”	MGM Grand Paradise, S.A. (also known as MGM Grand Paradise Limited), a private company limited by shares (“ <i>sociedade anónima</i> ”) incorporated on June 17, 2004 under the laws of Macao and one of the three Subconcessionaires
“MICE”	Meetings, Incentives, Conventions and Exhibitions, an acronym commonly used to refer to tourism involving large groups brought together for an event or corporate meeting
“MOP” or “pataca(s)”	Macao pataca, the lawful currency of Macao
“Parcel 1”	a land parcel in Cotai totaling 291,479 square meters described under Registration No. 23225 by the Macau Property Registry, on which The Venetian Macao has been constructed
“Parcel 2”	a land parcel in Cotai totaling 53,700 square meters described under Registration No. 23223 by the Macau Property Registry, on which The Plaza Macao has been constructed

7. Glossary

“Parcel 3”	a land parcel in Cotai totaling 60,479 square meters described under Registration No. 23224 by the Macau Property Registry, which is expected to contain an integrated resort that will be connected to The Plaza Macao and the CotaiExpo center at The Venetian Macao and contain hotel rooms, gaming areas, MICE facilities and other integrated resort amenities
“Parcels 5 and 6”	land parcels in Cotai totaling 150,134 square meters, including 44,576 square meters designated as a tropical garden, described under Registration No. 23288 by the Macau Property Registry, on which Sands Cotai Central has been constructed
“Parcels 7 and 8”	land parcels in Cotai totaling 110,200 square meters adjacent to Sands Cotai Central. The size of the land parcel may be subject to further surveyance
“premium player(s)”	Rolling Chip players who have a direct relationship with gaming operators and typically participate in gaming activities in casinos or gaming areas without the use of Gaming Promoters
“Prospectus”	our Listing prospectus dated November 16, 2009, which is available from our website at www.sandschinaltd.com
“PwC”	PricewaterhouseCoopers, the global professional services company
“Reporting Period”	January 1, 2012 to June 30, 2012
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“Rolling Chip play”	play by VIP and premium players (excludes Paiza cash players) using non-negotiable chips
“Rolling Chip volume”	casino revenue measurement, measured as the sum of all non-negotiable chips wagered and lost by VIP and premium players (excludes Paiza cash players)
“Sands Cotai Central”	Our integrated resort development on Parcels 5 and 6. Phase I opened on April 11, 2012 and features more than 600 rooms and suites under the Conrad hotel brand, more than 1,200 rooms under the Holiday Inn hotel brand, along with significant gaming, MICE, retail space and other integrated resort amenities. Phase IIA, which is scheduled to open on September 20, 2012, will feature 1,829 Sheraton-branded hotel rooms and suites, along with additional gaming area, retail, entertainment, dining and MICE facilities. Phase IIB, which is projected to open in early 2013, will feature 2,067 additional Sheraton-branded hotel rooms and suites. Phase III of the project is expected to include a fourth luxury St. Regis-branded hotel and mixed-use tower. We intend to commence construction of phase III of the project as demand and market conditions warrant it

7. Glossary

“Sands Macao”	the Sands Macao, which includes gaming areas, a hotel tower, restaurants and a theater
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shared Services Agreement”	the shared services agreement dated November 8, 2009 and renewed on December 21, 2011, entered into between LVS and our Company to regulate their relationship with respect to the provision of certain shared services
“Share(s)”	ordinary shares in our Company with a nominal value of US\$0.01 each
“Shareholder(s)”	holder(s) of Shares
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on November 8, 2009
“SJM”	Sociedade de Jogos de Macau, S.A., a private company limited by shares (“ <i>sociedade anónima</i> ”), incorporated on November 28, 2001 under the laws of Macao and one of the three Concessionaires
“SOX”	the United States federal law Sarbanes Oxley Act of 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subconcession” or “Subconcession Contract”	the tripartite Subconcession Contract for the operation of casino games dated December 26, 2002 among Galaxy, the Macao Government and VML
“Subconcessionaire(s)”	the holder(s) of a subconcession for the operation of casino games in the MSAR. As at the Latest Practicable Date, the Subconcessionaires were VML (one of our subsidiaries), Melco Crown and MGM Grand Paradise
“subsidiary(ies)”	has the meaning ascribed to it under Section 2 of the Companies Ordinance
“table games”	typical casino games, including card games such as baccarat, blackjack and hi-lo (also known as “Sic bo”) as well as craps and roulette
“The Plaza Macao”	an integrated resort which includes (i) the Four Seasons Hotel; (ii) the Plaza Casino gaming area operated by VML; (iii) the Paiza Mansions, The Shoppes at Four Seasons, restaurants and a spa, each of which are operated by us; and (iv) a luxury apart-hotel tower, which is anticipated to be branded and serviced by Four Seasons; except where the context indicates otherwise

7. Glossary

“The Venetian Macao”	The Venetian® Macao-Resort-Hotel, an integrated resort that includes casino and gaming areas, a hotel, MICE space, The Grand Canal Shoppes, over 50 different restaurants and food outlets, a 15,000-seat arena and other entertainment venues
“United States,” “U.S.” or “U.S.A.”	the United States of America, including its territories and possessions and all areas subject to its jurisdiction
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“VIP player(s)”	Rolling Chip players who play almost exclusively in dedicated VIP rooms or designated casino or gaming areas and are sourced from Gaming Promoters
“VIP room(s)”	rooms or designated areas within a casino or gaming area where VIP players and premium players gamble
“visit(s)” or “visitation(s)”	with respect to visitation of our properties, the number of times a property is entered during a fixed time period. Estimates of the number of visits to our properties is based on information collected from digital cameras placed above every entrance in our properties which use video signal image processor detection and include repeat visitors to our properties on a given day
“VML”	our subsidiary, Venetian Macau, S.A. (also known as Venetian Macau Limited), a private company limited by shares (“ <i>sociedade anónima</i> ”) incorporated on June 21, 2002 under the laws of Macao, one of the three Subconcessionaires and the holder of the Subconcession
“VOL”	Venetian Orient Limited, a wholly owned subsidiary of the Company and owner and developer of Sands Cotai Central
“VVDIL”	our subsidiary, Venetian Venture Development Intermediate Limited, a company incorporated in the Cayman Islands on June 21, 2002 as an exempted company with limited liability
“VVDI (II)”	Venetian Venture Development Intermediate II, a company incorporated in the Cayman Islands on January 23, 2003 as an exempted company with limited liability and an indirect, wholly owned subsidiary of LVS and our immediate Controlling Shareholder
“Wynn Macau”	Wynn Resorts (Macau) S.A., a private company limited by shares (“ <i>sociedade anónima</i> ”) incorporated on October 17, 2001 under the laws of Macao and one of the three Concessionaires