



Sands China Ltd.
金沙中國有限公司

(Incorporated in the Cayman Islands with limited liability)



www.sandschina.com

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INTERIM
REPORT
2020

Stock Code : 1928

*From Luxury Duty
Free Shopping, Exciting
Entertainment and
Fabulous Dining
to World-Class Hotel
Suites and MICE,
Come and Discover
Everything at Sands China.*



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Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2019 annual report.

In case of any inconsistency between the English version and the Chinese version of this Interim Report, the English version shall prevail.



A photograph of a luxurious hotel suite. The room features a large window with a view of a city skyline at night. The suite includes a living area with a sofa and armchair, a dining table with chairs, and a desk with a chair. A glass railing separates the living area from the dining area. A vase of blue hydrangeas is visible in the foreground. The text "our Luxurious Hotel Rooms and Suites await you." is overlaid on the image.

our
Luxurious
Hotel Rooms and
Suites
await you.

1.1 FINANCIAL RESULTS

- All of our operating segments and business categories were significantly impacted by the COVID-19 Pandemic resulting in materially lower operating results and cash flows from operations.
- Adjusted property EBITDA loss for the Group was US\$243 million (HK\$1.90 billion) in the first half of 2020, a decrease of 115.0%, compared to adjusted property EBITDA of US\$1.63 billion (HK\$12.70 billion) in the first half of 2019.
- Total net revenues for the Group were US\$848 million (HK\$6.57 billion) in the first half of 2020, a decrease of 81.0%, compared to US\$4.47 billion (HK\$34.92 billion) in the first half of 2019.
- Loss for the Group was US\$716 million (HK\$5.55 billion) in the first half of 2020, a decrease of 167.1%, compared to a profit of US\$1.07 billion (HK\$8.34 billion) in the first half of 2019.

Note: The translation of US\$ amounts into HK\$ amounts or vice versa has been made at the exchange rate of US\$1.00 to HK\$7.7504 (six months ended June 30, 2019: US\$1.00 to HK\$7.8152) for the purpose of illustration only.

Something
Sumptuous
To Suit Every
Taste.



2.1 BUSINESS OVERVIEW AND OUTLOOK

Our business strategy is to develop Cotai and to leverage our large-scale integrated resort business model to create Asia's premier gaming, leisure, convention and meetings destination. The Company continues to execute on the strategies outlined in our 2019 annual report.

As our integrated resorts mature, we will continue to reinvest in our portfolio of properties to maintain our high-quality products and remain competitive in the markets in which we operate. We are constantly evaluating opportunities to improve our product offerings, such as refreshing our hotels, restaurants, and gaming areas.

The Venetian Macao

Redevelopment of the VIP and premium mass gaming areas in The Venetian Macao is ongoing, and once complete will provide the best possible service and amenities to our VIP and premium players. Contemporary in style and designed in conjunction with leading design firms, these areas will take full advantage of the space we have available and allow us to feature a range of gaming and non-gaming facilities including an increased number of private gaming rooms. Construction is expected to be completed in phases throughout 2020. A new Shanghainese restaurant, Jiang Nan, is expected to open in late 2020 featuring renowned chef Jereme Leung.

The Plaza Macao

Construction of The Grand Suites at Four Seasons is now complete. This unique apart-hotel features 289 luxury suites for the growing segment of affluent visitors who travel with family for extended periods. We have initiated approved gaming operations in this space and are utilizing suites on a simulation basis for trial and feedback purposes.

The Parisian Macao

Our upgraded suites in The Parisian Macao have been very well received by our premium mass guests. The new casino restaurant Emerald House is now fully open for business, and features north-eastern Chinese cuisine.

Sands Cotai Central

Construction work on the conversion of Sands Cotai Central into the new integrated resort The Londoner Macao is continuing. The Londoner Macao will include some of London's most recognizable landmarks such as the Houses of Parliament and Big Ben. The resort will feature two new hotels — Londoner Court with approximately 370 luxury suites, and The Londoner Macao Hotel with approximately 600 suites. Suites are being utilized as they are completed on a simulation basis for trial and feedback purposes. A number of new restaurants will open progressively from late 2020 including North Palace offering traditional but contemporary cuisine from Northern China, The Mews featuring authentic Thai food, the Gordon Ramsey Pub & Grill, and all day dining and a unique dessert experience at Churchill's Table. Our retail offerings will be expanded and rebranded as the Shoppes at Londoner. We expect the Londoner Court suites to be completed in late 2020, and overall The Londoner Macao project to be delivered in phases throughout 2020 and 2021.

2.1 BUSINESS OVERVIEW AND OUTLOOK

COVID-19 PANDEMIC

In early January 2020, an outbreak of a respiratory illness caused by a novel coronavirus was identified and the disease has since spread rapidly across the world causing the World Health Organization to declare the outbreak of a pandemic on March 12, 2020 (the "COVID-19 Pandemic"). As a result, people across the globe have been advised to avoid non-essential travel. Steps have also been taken by various countries to restrict inbound international travel and implement closures of non-essential operations to contain the spread of the virus.

Visitation to Macao has decreased substantially, driven by various government policies limiting travel. The China Individual Visit Scheme to Macao ("China IVS") and tour group visas have been suspended, and a complete ban on entry or a need to undergo enhanced quarantine requirements depending on the person's residency and their recent travel history, has been enacted by the Macao government for Macao residents, citizens of the People's Republic of China, Hong Kong residents, foreigner workers residing in Macao and international travelers.

The Macao government suspended all gaming operations beginning on February 5, 2020. The Group's casino operations resumed on February 20, 2020, except for casino operations at Sands Cotai Central, which resumed on February 27, 2020. Certain health safeguards, however, such as limiting the number of seats per table game, slot machine spacing, temperature checks, mask protection, health declarations showing green health-codes, and negative COVID-19 test results, remain in effect at the present time. The Group is currently unable to determine when these measures will be modified or cease to be necessary.

Some of the Group's hotel facilities were also closed during the casino suspension in response to the drop in visitation and, with the exception of the Conrad Macao, Cotai Strip at Sands Cotai Central (the "Conrad hotel"), these hotels were gradually reopened from February 20, 2020, in line with operational needs and demand. The Conrad hotel reopened on June 13, 2020. Additionally, in support of the Macao government's initiatives to fight the COVID-19 Pandemic, the Group provided one tower (approximately 2,000 hotel rooms) at the Sheraton Grand Macao Hotel, Cotai Strip at Sands Cotai Central to the Macao government to house individuals who return to Macao for quarantine purposes during two different periods in 2020.

A limited number of restaurants across the Group's properties have reopened. The majority of retail outlets in the Group's various shopping malls are open with reduced operating hours. The timing and manner in which these areas will return to full operation are currently unknown.

The Hong Kong government temporarily closed the Hong Kong China Ferry Terminal in Kowloon on January 30, 2020 and the Hong Kong Macau Ferry Terminal in Hong Kong on February 4, 2020. In response, the Group suspended its Macao ferry operations between Macao and Hong Kong. From June 17, 2020 until July 16, 2020, Cotai Water Jet operated a special sailing service between the Taipa Ferry Terminal and Hong Kong International Airport to facilitate the return of Macao residents from overseas and to enable the return of those located in Macao to their place of origin. The timing and manner in which the Group's normal ferry operations will be able to resume are currently unknown.

As of June 30, 2020, Macao has had 46 confirmed cases of COVID-19 and no deaths attributed to COVID-19 according to data published by the Macao government.

2.1 BUSINESS OVERVIEW AND OUTLOOK

The Macao government announced total visitation from mainland China to Macao on a monthly basis decreased by 14.9% (with an 83.3% decrease in visitation over the first seven days of Chinese New Year Holiday) in January 2020 and decreased in a range of 96.3% to 99.6% in February to June 2020, as compared to the same periods in 2019. It also announced monthly gross gaming revenue decreased by 11.3% in January 2020 and decreased in a range of 79.7% to 97.0% in February to June 2020 as compared to the same periods in 2019.

Current Impact of the COVID-19 Pandemic on the Group's Liquidity and Financial Results

The disruptions arising from the COVID-19 Pandemic had a significant adverse impact on the Group's operations during the six months ended June 30, 2020. Net revenues for the six months ended June 30, 2020, totaled US\$848 million compared to US\$4.47 billion for the six months ended June 30, 2019, representing a decrease of 81.0%. We recorded an operating loss of US\$609 million and a net loss of US\$716 million in the first half of 2020, as compared to an operating income of US\$1.19 billion and a net income of US\$1.07 billion in the same period in the prior year. Adjusted property EBITDA loss totaled US\$243 million in the half year ended June 30, 2020, as compared to adjusted property EBITDA of US\$1.63 billion in the same period in the prior year.

As of June 30, 2020, the Group had total liquidity of US\$3.63 billion, consisting of US\$1.61 billion of total cash and cash equivalents and US\$2.02 billion of available borrowing capacity under the 2018 SCL Revolving Facility. The Group believes it will be able to support its continuing operations, complete the major construction projects that are underway, and respond to the current COVID-19 Pandemic challenges. The Group has taken various mitigating measures to manage through the current environment, including a cost and capital expenditure reduction program to minimize cash outflow of non-essential items. On April 17, 2020, the Company announced that the Board resolved not to recommend the payment of a final dividend in respect of the year ended December 31, 2019.

If the Group's integrated resorts are not permitted to resume normal operations, travel restrictions such as those related to the China IVS and other global restrictions on inbound travel from other countries are not modified or eliminated or the global response to contain the COVID-19 Pandemic escalates or is unsuccessful, the Group's operations, cash flows and financial condition will be further materially impacted. The duration and intensity of this global health emergency and related disruptions are uncertain. Given the dynamic nature of these circumstances, the impact on the Company's consolidated results of operations, cash flows and financial condition in 2020 will be material. The Group cannot reasonably estimate the impact at this time. It is unknown when the COVID-19 Pandemic will end, when or how quickly the current travel restrictions will be modified or cease to be necessary and the resulting impact on the Group's business and the willingness of the Group's customers to spend on travel, entertainment and MICE.

Outlook

Despite the current impact from the COVID-19 Pandemic, the Group is encouraged by recent announcements regarding changes to travel policies, which we believe represent the first steps towards the recovery of tourism in Macao. On July 13, 2020, it was announced that Chinese nationals with negative COVID-19 test result and green health-code, traveling between any of the nine designated cities in Guangdong province and Macao, are exempt from the 14-day mandatory quarantine effective from July 15, 2020. This was subsequently extended to all cities within the Guangdong province effective from July 29, 2020, followed by all of mainland China effective from August 12, 2020. China's National Immigration Administration announced that it will resume reviewing applications under the China IVS and tour group visas for residents of Zhuhai from August 12, 2020. Conditional upon continuing improvement of the COVID-19 situation in mainland China and Macao, the resumption of China IVS and tour group visas' applications is expected to be extended to all of Guangdong province effective from August 26, 2020 and subsequently to all of mainland China effective from September 23, 2020.

The Group remains steadfast in its commitments to the health and safety of its team members and customers and to providing assistance to Macao's local community. The Group remains confident that travel and tourism spending in Macao will eventually fully recover. The Group has made progress in the execution of the US\$2.2 billion capital investment program for The Londoner Macao and The Grand Suites at Four Seasons. The Group believes these capital investment programs will strengthen its leadership position in the market and will provide a larger platform for future growth as travel and tourism spending return.

2.1 BUSINESS OVERVIEW AND OUTLOOK

The Group remains unwavering in its commitment to long-term investment in Macao. The scale of its existing and ongoing investments enables the Group to play its part in supporting the local economy in Macao, including its support of local employment and for small and medium-sized businesses.

INDUSTRY

The disruptions arising from the COVID-19 Pandemic has impacted the Macao gaming industry in the first six months of 2020. The Macao government announced total gross gaming revenues in Macao were US\$4.2 billion for the six months ended June 30, 2020, a 77.3% decrease compared to the six months ended June 30, 2019. In addition, total visitation to Macao for the six months ended June 30, 2020 was 3.3 million, a 83.9% decrease compared to the six months ended June 30, 2019. The duration and intensity of this global health emergency and related disruptions is uncertain.

Proximity to Major Asian Cities

Visitors from Hong Kong, Southeast China, Taiwan and other locations in Asia can reach Macao in a relatively short time, using a variety of transportation methods, and visitors from more distant locations in Asia can take advantage of short travel times by air to Zhuhai, Shenzhen, Guangzhou or Hong Kong, followed by a road, ferry or helicopter trip to Macao. In addition, numerous air carriers fly directly to Macau International Airport from many major cities in Asia.

Macao draws a significant number of customers who are visitors or residents of Hong Kong. One of the major methods of transportation to Macao from Hong Kong is the jetfoil ferry service, including our ferry services, Cotai Water Jet. The Hong Kong Zhuhai Macao Bridge (the "HZMB") which connects Hong Kong, Macao and Zhuhai has reduced the travel time between Hong Kong and Macao from one hour by ferry to approximately 45 minutes on the road. The HZMB is part of the Greater Bay Area Initiatives and plays a key role in connecting the cities in the Greater Bay Area, facilitating the visitation to Macao. Macao is also accessible from Hong Kong by helicopter.

Competition in Macao

There have been no material changes to the information disclosed in the Company's 2019 annual report regarding the competition in Macao.

LEGAL PROCEEDINGS

On January 19, 2012, Asian American Entertainment Corporation, Limited ("AAEC") filed a claim with the Macao Judicial Court (Tribunal Judicial de Base) against VML, LVS Nevada, LVS LLC and Venetian Casino (collectively, the "Defendants"). The claim was for 3.0 billion patacas (approximately US\$376 million at exchange rates in effect on June 30, 2020) as compensation for damages resulting from the alleged breach of agreements entered into between AAEC and the Defendants for their joint presentation of a bid in response to the public tender held by the Macao government for the award of gaming concessions at the end of 2001. On April 24, 2014, the Macao Judicial Court issued a decision holding that AAEC's claim against VML is unfounded and that VML be removed as a party to the proceedings, and that the claim should proceed exclusively against the three U.S. Defendants. On May 8, 2014, AAEC lodged an appeal against that decision. On July 15, 2019, AAEC submitted a request to the Macao Judicial Court to increase the amount of its claim to 96.45 billion patacas (approximately US\$12.08 billion at exchange rates in effect on June 30, 2020), allegedly representing lost profits from 2004 to 2018 and reserving its right to claim for lost profits up to 2022 in due course at the enforcement stage. On September 4, 2019, the Macao Judicial Court allowed AAEC's request to increase the claim, and on September 17, 2019 the U.S. Defendants appealed this decision, which appeal is currently pending. On June 18, 2020, the U.S. Defendants moved to reschedule the trial, which had been scheduled to begin on September 16, 2020, due to travel disruptions and other extraordinary circumstances resulting from the ongoing COVID-19 Pandemic. The Macao Judicial Court granted that motion and has rescheduled the trial to begin on June 16, 2021. This action is in a preliminary stage and management has determined based on proceedings to date that it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

The Company is involved in other litigation in addition to those described above, 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 the Company's financial condition, results of operations and cash flows.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

Net Revenues

Our net revenues consisted of the following:

	Six months ended June 30,		
	2020	2019	Percent change
	US\$ in millions		
Casino	625	3,586	(82.6)%
Rooms	71	364	(80.5)%
Mall	99	240	(58.8)%
Food and beverage	27	154	(82.5)%
Convention, ferry, retail and other	26	124	(79.0)%
Total net revenues	848	4,468	(81.0)%

Net revenues were US\$848 million for the six months ended June 30, 2020, a decrease of 81.0%, compared to US\$4.47 billion for the six months ended June 30, 2019. Net revenues decreased in all business categories, mainly driven by significant decreases in visitation due to travel restrictions as a result of the COVID-19 Pandemic.

Our net casino revenues for the six months ended June 30, 2020 were US\$625 million, a decrease of 82.6%, compared to US\$3.59 billion for the six months ended June 30, 2019. The decrease was driven by decrease in volume in all gaming offerings as a result of the COVID-19 Pandemic described above.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

The following table summarizes the results of our casino activity:

	Six months ended June 30,		Change
	2020	2019	
	US\$ in millions		
The Venetian Macao			
Total net casino revenues	256	1,438	(82.2)%
Non-Rolling Chip drop	832	4,612	(82.0)%
Non-Rolling Chip win percentage	26.9%	26.6%	0.3pts
Rolling Chip volume	2,378	13,945	(82.9)%
Rolling Chip win percentage ⁽ⁱ⁾	2.96%	3.18%	(0.2)pts
Slot handle	497	1,912	(74.0)%
Slot hold percentage	4.2%	4.7%	(0.5)pts
Sands Cotai Central			
Total net casino revenues	124	803	(84.6)%
Non-Rolling Chip drop	561	3,326	(83.1)%
Non-Rolling Chip win percentage	21.8%	22.7%	(0.9)pts
Rolling Chip volume	167	3,216	(94.8)%
Rolling Chip win percentage ⁽ⁱ⁾	5.85%	3.85%	2.0pts
Slot handle	377	2,077	(81.8)%
Slot hold percentage	4.4%	4.2%	0.2pts
The Parisian Macao			
Total net casino revenues	85	730	(88.4)%
Non-Rolling Chip drop	396	2,276	(82.6)%
Non-Rolling Chip win percentage	23.7%	23.0%	0.7pts
Rolling Chip volume	2,272	8,063	(71.8)%
Rolling Chip win percentage ⁽ⁱ⁾	0.99%	3.99%	(3.0)pts
Slot handle	451	2,141	(78.9)%
Slot hold percentage	3.5%	3.6%	(0.1)pts
The Plaza Macao			
Total net casino revenues	91	335	(72.8)%
Non-Rolling Chip drop	229	688	(66.7)%
Non-Rolling Chip win percentage	28.0%	24.3%	3.7pts
Rolling Chip volume	2,189	7,726	(71.7)%
Rolling Chip win percentage ⁽ⁱ⁾	2.73%	3.71%	(1.0)pts
Slot handle	37	280	(86.8)%
Slot hold percentage	4.7%	6.2%	(1.5)pts
Sands Macao			
Total net casino revenues	69	280	(75.4)%
Non-Rolling Chip drop	278	1,362	(79.6)%
Non-Rolling Chip win percentage	19.1%	17.5%	1.6pts
Rolling Chip volume	726	2,462	(70.5)%
Rolling Chip win percentage ⁽ⁱ⁾	3.29%	1.88%	1.4pts
Slot handle	353	1,306	(73.0)%
Slot hold percentage	3.1%	3.3%	(0.2)pts

Note: As a result of the COVID-19 Pandemic, gaming operations were closed from February 5–19, 2020, except for Sands Cotai Central which was closed from February 5–26, 2020.

- (i) This compares to our expected Rolling Chip win percentage of 3.15% to 3.45% (calculated before discounts, commissions, deferring revenue associated with our loyalty program and allocating casino revenues related to goods and services provided to patrons on a complimentary basis). The expected target and range was revised due to the increase in Rolling Chip win percentage experienced over the last several years.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

In our experience, average win percentages remain fairly consistent when measured over extended periods of time with a significant volume of wagers, but can vary considerably within shorter time periods as a result of the statistical variances associated with games of chance in which large amounts are wagered.

Room revenues for the six months ended June 30, 2020 were US\$71 million, a decrease of 80.5%, compared to US\$364 million for the six months ended June 30, 2019. The decrease was mainly driven by decreased demand as a result of the COVID-19 Pandemic described above.

The following table summarizes the results of our room activity:

	Six months ended June 30,		
	2020	2019	Change
US\$ in millions, except average daily rate and revenue per available room			
The Venetian Macao			
Total room revenues	22	110	(80.0)%
Occupancy rate	22.3%	95.3%	(73.0)pts
Average daily rate (in US\$)	237	225	5.3%
Revenue per available room (in US\$)	53	214	(75.2)%
Sands Cotai Central			
Total room revenues	27	161	(83.2)%
Occupancy rate	23.0%	96.1%	(73.1)pts
Average daily rate (in US\$)	174	156	11.5%
Revenue per available room (in US\$)	40	150	(73.3)%
The Parisian Macao			
Total room revenues	14	64	(78.1)%
Occupancy rate	21.9%	97.2%	(75.3)pts
Average daily rate (in US\$)	167	158	5.7%
Revenue per available room (in US\$)	37	153	(75.8)%
The Plaza Macao			
Total room revenues	5	20	(75.0)%
Occupancy rate	26.4%	89.8%	(63.4)pts
Average daily rate (in US\$)	332	335	(0.9)%
Revenue per available room (in US\$)	88	301	(70.8)%
Sands Macao			
Total room revenues	3	9	(66.7)%
Occupancy rate	35.9%	99.7%	(63.8)pts
Average daily rate (in US\$)	176	174	1.1%
Revenue per available room (in US\$)	63	173	(63.6)%

Note: As a result of the COVID-19 Pandemic, some of our hotel operations were closed for a period in the first half of 2020, with a number of rooms utilized for government quarantine purposes and to provide lodging for team members restricted from traveling between their residences and Macao. These rooms were excluded from the calculation of hotel statistics above.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Mall revenues for the six months ended June 30, 2020 were US\$99 million, a decrease of 58.8%, compared to US\$240 million for the six months ended June 30, 2019. The decrease was primarily driven by US\$135 million of rent concessions granted to our mall tenants in response to the COVID-19 Pandemic.

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

	Six months ended June 30,		
	2020	2019	Change
	US\$ in millions, except per square foot amount		
Shoppes at Venetian			
Total mall revenues	47	118	(60.2)%
Mall gross leasable area (in square feet)	812,934	812,966	—%
Occupancy	85.6%	91.3%	(5.7)pts
Base rent per square foot (in US\$)	292	270	8.1%
Tenant sales per square foot (in US\$) ⁽ⁱ⁾	1,224	1,688	(27.5)%
Shoppes at Cotai Central⁽ⁱⁱ⁾			
Total mall revenues	16	32	(50.0)%
Mall gross leasable area (in square feet)	525,497	523,511	0.4%
Occupancy	87.6%	91.3%	(3.7)pts
Base rent per square foot (in US\$)	102	106	(3.8)%
Tenant sales per square foot (in US\$) ⁽ⁱ⁾	603	967	(37.6)%
Shoppes at Parisian			
Total mall revenues	10	27	(63.0)%
Mall gross leasable area (in square feet)	295,963	295,915	—%
Occupancy	86.8%	89.9%	(3.1)pts
Base rent per square foot (in US\$)	150	151	(0.7)%
Tenant sales per square foot (in US\$) ⁽ⁱ⁾	561	650	(13.7)%
Shoppes at Four Seasons			
Total mall revenues	26	62	(58.1)%
Mall gross leasable area (in square feet)	242,425	241,548	0.4%
Occupancy	94.6%	97.6%	(3.0)pts
Base rent per square foot (in US\$)	544	465	17.0%
Tenant sales per square foot (in US\$) ⁽ⁱ⁾	3,775	4,505	(16.2)%

Note: This table excludes the results of our mall operations at Sands Macao. As a result of the COVID-19 Pandemic, tenants were provided rent concessions during the six months ended June 30, 2020. Base rent per square foot presented above excludes the impact of these rent concessions.

- (i) Tenant sales per square foot reflects sales from tenants only after the tenant has been opened for a period of 12 months.
- (ii) Shoppes at Cotai Central will be rebranded to Shoppes at Londoner and feature up to approximately 600,000 square feet of gross leasable area upon completion of all phases of Sands Cotai Central's renovation, rebranding and expansion to The Londoner Macao.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Food and beverage revenues for the six months ended June 30, 2020 were US\$27 million, a decrease of 82.5%, compared to US\$154 million for the six months ended June 30, 2019. The decrease was primarily driven by a decrease in property visitation as a result of the COVID-19 Pandemic described above.

Convention, ferry, retail and other revenues for the six months ended June 30, 2020 were US\$26 million, a decrease of 79.0%, compared to US\$124 million for the six months ended June 30, 2019. The decrease was primarily driven by a decrease of US\$41 million in our ferry operations due to the temporary closure of the Hong Kong China Ferry Terminal in late January 2020 and the Hong Kong Macau Ferry Terminal in early February 2020 in response to the COVID-19 Pandemic, as well as decreases in other business categories, such as convention, entertainment and retail as a result of the COVID-19 Pandemic described above.

Operating Expenses

Our operating expenses consisted of the following:

	Six months ended June 30,		
	2020	2019	Percent change
	US\$ in millions		
Casino	635	2,156	(70.5)%
Rooms	54	93	(41.9)%
Mall	20	24	(16.7)%
Food and beverage	65	131	(50.4)%
Convention, ferry, retail and other	41	89	(53.9)%
Provision for expected credit losses, net	9	14	(35.7)%
General and administrative	274	343	(20.1)%
Corporate expense	29	66	(56.1)%
Pre-opening expense	5	10	(50.0)%
Depreciation and amortization	338	364	(7.1)%
Net foreign exchange gains	(20)	(12)	66.7%
Loss on disposal of property and equipment, investment properties and intangible assets	7	3	133.3%
Operating expenses	1,457	3,281	(55.6)%

Operating expenses were US\$1.46 billion for the six months ended June 30, 2020, a decrease of 55.6%, compared to US\$3.28 billion for the six months ended June 30, 2019. The decrease in operating expenses was primarily due to a decrease in business volume across all business categories. Although management has implemented certain cost reduction programs, operating margins in each business segment were negatively impacted due to employee and other costs incurred during this period of decreased visitation and property closures. We have maintained our staffing levels amid significantly reduced visitation. We have implemented payroll cost saving initiatives across each of our properties, including utilization of paid time off and unpaid leave.

Casino expenses for the six months ended June 30, 2020 were US\$635 million, a decrease of 70.5%, compared to US\$2.16 billion for the six months ended June 30, 2019. The decrease was primarily due to decrease in gaming taxes as a result of decreased casino revenues.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Room expenses for the six months ended June 30, 2020 were US\$54 million, a decrease of 41.9%, compared to US\$93 million for the six months ended June 30, 2019. The decrease was primarily driven by decreases in payroll, management fees and other operating expenses as a result of lower hotel occupancy.

Mall expenses for the six months ended June 30, 2020 were US\$20 million, a decrease of 16.7%, compared to US\$24 million for the six months ended June 30, 2019. The decrease was primarily driven by decreases in payroll and common area maintenance cost.

Food and beverage expenses for the six months ended June 30, 2020 were US\$65 million, a decrease of 50.4%, compared to US\$131 million for the six months ended June 30, 2019. The decrease was primarily driven by decreases in payroll, cost of sales and other operating expenses consistent with lower business volumes.

Convention, ferry, retail and other expenses for the six months ended June 30, 2020 were US\$41 million, a decrease of 53.9%, compared to US\$89 million for the six months ended June 30, 2019. The decrease was primarily driven by a decrease in ferry expenses resulting from the closure of the ferry terminals in response to the COVID-19 Pandemic.

Provision for expected credit losses, net for the six months ended June 30, 2020 were US\$9 million, compared to US\$14 million for the six months ended June 30, 2019. The decrease was primarily due to decrease in provision for premium players driven by lower credit issuance.

General and administrative expenses were US\$274 million for the six months ended June 30, 2020, a decrease of 20.1%, compared to US\$343 million for the six months ended June 30, 2019. The decrease was primarily driven by decreases in marketing, payroll and property operating costs.

Corporate expenses were US\$29 million for the six months ended June 30, 2020, a decrease of 56.1%, compared to US\$66 million for the six months ended June 30, 2019. The decrease was primarily driven by a decrease in royalty fees due to decreased revenues for the operation of all properties.

Depreciation and amortization expenses were US\$338 million for the six months ended June 30, 2020, a decrease of 7.1%, compared to US\$364 million for the six months ended June 30, 2019. The decrease was primarily due to a decrease of US\$52 million from the acceleration of depreciation in the prior year on certain assets to be replaced in conjunction with The Londoner Macao project, partially offset by the additions from The Grand Suites at Four Seasons and The Londoner Macao for those areas which were completed, as well as the addition of shuttle bus, limousine and gaming equipment.

Net foreign exchange gains for the six months ended June 30, 2020 were US\$20 million and were primarily associated with U.S. dollar denominated debt. This is compared with net foreign exchange gains of US\$12 million for the six months ended June 30, 2019.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Adjusted property EBITDA⁽ⁱ⁾

The following table summarizes information related to our segments:

	Six months ended June 30,		
	2020	2019	Percent change
	US\$ in millions		
The Venetian Macao	(48)	697	(106.9)%
Sands Cotai Central	(79)	377	(121.0)%
The Parisian Macao	(84)	302	(127.8)%
The Plaza Macao	10	168	(94.0)%
Sands Macao	(32)	83	(138.6)%
Ferry and other operations	(10)	(2)	N.M.
Total adjusted property EBITDA	(243)	1,625	(115.0)%

Adjusted property EBITDA for the six months ended June 30, 2020 decreased 115.0% to a loss of US\$243 million, compared to an adjusted property EBITDA of US\$1.63 billion for the six months ended June 30, 2019. The decrease was driven by the decline in revenue in all business categories as a result of the COVID-19 Pandemic described above. Management continues to focus on operational efficiencies and cost control measures throughout the gaming and non-gaming areas of our business.

N.M. — not meaningful

- (i) Adjusted property EBITDA, which is a non-IFRS financial measure, is profit or loss attributable to equity holders of the Company before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization, net foreign exchange gains or losses, impairment loss on property and equipment, gain or loss on disposal of property and equipment, investment properties and intangible assets, interest, gain or loss on modification or early retirement of debt and income tax benefit or expense. Management utilizes adjusted property EBITDA to compare the operating profitability of its operations with those of its competitors, as well as a basis for determining certain incentive compensation. Integrated resort companies have historically reported adjusted property EBITDA as a supplemental performance measure to IFRS financial measures. In order to view the operations of their properties on a more stand-alone basis, integrated resort companies, including the Group, have historically excluded certain expenses that do not relate to the management of specific properties, such as pre-opening expense and corporate expense, from their adjusted property EBITDA calculations. Adjusted property EBITDA should not be interpreted as an alternative to profit or operating profit (as an indicator of operating performance) or to cash flows from operations (as a measure of liquidity), in each case, as determined in accordance with IFRS. The Group has significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, adjusted property EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

Interest Expense

The following table summarizes information related to interest expense:

	Six months ended June 30,		
	2020	2019	Percent change
	US\$ in millions		
Interest and other finance costs	124	150	(17.3)%
Less: interest capitalized	(8)	(3)	166.7%
Interest expense, net	116	147	(21.1)%

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Interest expense, net of amounts capitalized, was US\$116 million for the six months ended June 30, 2020, compared to US\$147 million for the six months ended June 30, 2019. The decrease was primarily due to an increase of US\$35 million benefit related to interest rate swaps on the US\$5.5 billion of Senior Notes issued in August 2018. These interest rate swaps expire in August 2020. This benefit was partially offset by a total of US\$6 million increase in interest expense from US\$1.5 billion of Senior Notes issued in June 2020 and fundings from the revolving loan in the second quarter of 2020 repaid as of June 30, 2020.

Our weighted average interest rate for the six months ended June 30, 2020 was approximately 4.1%, compared to 5.3% for the six months ended June 30, 2019. As noted above, the decrease in the weighted average interest rate related to the impact of the interest rate swaps. The weighted average interest rates are calculated based on total interest expense (including the impact of the interest rate swaps, amortization of deferred financing costs, standby fees and other financing costs and interest capitalized) and total weighted average borrowings.

(Loss)/Profit for the Period

Loss for the six months ended June 30, 2020 was US\$716 million, compared to a profit of US\$1.07 billion for the six months ended June 30, 2019.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

We fund our operations through cash generated from our operations and our debt financing. As at June 30, 2020, we held total cash and cash equivalents of US\$1.61 billion. Such cash and cash equivalents were primarily held in HK\$ and US\$.

As at June 30, 2020, we had US\$2.02 billion of available borrowing capacity under the 2018 SCL Revolving Facility.

Cash Flows — Summary

Our cash flows consisted of the following:

	Six months ended June 30,	
	2020	2019
	US\$ in millions	
Net cash (used in)/generated from operating activities	(644)	1,486
Net cash used in investing activities	(561)	(201)
Net cash from/(used in) financing activities	328	(2,178)
Net decrease in cash and cash equivalents	(877)	(893)
Cash and cash equivalents at beginning of period	2,471	2,676
Effect of exchange rate on cash and cash equivalents	(2)	2
Cash and cash equivalents at end of period	1,592	1,785

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flows — Operating Activities

Net cash used in operating activities for the six months ended June 30, 2020 was US\$644 million, compared to US\$1.49 billion of net cash generated from operating activities for the six months ended June 30, 2019. We derive most of our operating cash flows from our casino, mall and hotel operations. The decrease in net cash generated from operating activities of US\$2.13 billion was primarily attributable to the impact of the COVID-19 Pandemic on our operations, which significantly reduced visitation to our properties and significantly decreased operating income during the first six months of 2020 as described above. The COVID-19 Pandemic also impacted our working capital, which was a cash outflow during the six months ended June 30, 2020 as the amount of receivables collected was less than the settlement of operating accrued liabilities and a reduction to outstanding chips.

Cash Flows — Investing Activities

Net cash used in investing activities for the six months ended June 30, 2020 was US\$561 million and was primarily attributable to capital expenditures for the major development projects. Capital expenditures for the six months ended June 30, 2020, totaled US\$571 million, include US\$368 million for Sands Cotai Central related primarily to The Londoner Macao, US\$127 million for The Plaza Macao related primarily to The Grand Suites at Four Seasons, US\$66 million for The Venetian Macao and US\$10 million for our other operations, mainly at The Parisian Macao and Sands Macao.

Cash Flows — Financing Activities

Net cash from financing activities for the six months ended June 30, 2020 was US\$328 million, which was primarily attributable to US\$1.50 billion in Senior Notes issuance, partially offset by US\$1.03 billion in dividend payments and US\$120 million in interest payment.

CAPITAL EXPENDITURES

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

	Six months ended June 30,	
	2020	2019
	US\$ in millions	
The Venetian Macao	66	38
Sands Cotai Central	368	107
The Parisian Macao	7	14
The Plaza Macao	127	59
Sands Macao	3	6
Ferry and other operations	—	1
Total capital expenditures	571	225

Capital expenditures are used primarily for new projects and to renovate, upgrade and maintain existing properties.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

Construction work on the conversion of Sands Cotai Central into the new integrated resort The Londoner Macao is progressing. The Londoner Macao will include some of London's most recognizable landmarks such as the Houses of Parliament and the Big Ben. The resort will feature two hotels, the Londoner Court with approximately 370 luxury suites and The Londoner Macao Hotel with approximately 600 suites. Suites are being utilized as they are completed on a simulation basis for trial and feedback purposes. A number of new restaurants will open progressively from late 2020, our retail offerings will be expanded and rebranded as the Shoppes at Londoner. We expect the Londoner Court suites to be completed in late 2020, and overall The Londoner Macao project to be delivered in phases throughout 2020 and 2021.

Construction of The Grand Suites at Four Seasons is now complete and features 289 luxury suites. We have initiated approved gaming operations in this space and are utilizing suites on a simulation basis for trial and feedback purposes.

We anticipate the total costs associated with these development projects to be approximately US\$2.2 billion. The ultimate costs and completion dates for these projects are subject to change as we complete construction. We expect to fund our developments through a combination of the remaining balance of the net proceeds from the issuance of the US\$1.5 billion Senior Notes in June 2020, borrowings from the 2018 SCL Revolving Facility and surplus from operating cash flows.

CAPITAL COMMITMENTS

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

	June 30, 2020	December 31, 2019
	US\$ in millions	
Contracted but not provided for	615	1,001

DIVIDENDS

On January 17, 2020, the Board declared an interim dividend of HK\$0.99 (equivalent to US\$0.127) per share. The interim dividend, amounting in aggregate to HK\$8.01 billion (equivalent to US\$1.03 billion), was paid on February 21, 2020.

On April 17, 2020, the Board resolved not to recommend the payment of a final dividend in respect of the year ended December 31, 2019.

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2020.

CONTINGENT LIABILITIES AND RISK FACTORS

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

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

The COVID-19 Pandemic has adversely affected the number of visitors to our facilities and disrupted our operations, resulting in lower revenues and cash flows. This adverse impact is anticipated to continue until the global COVID-19 Pandemic is contained.

The impact of the COVID-19 Pandemic and measures to prevent its spread are expected to continue to impact our results, operations, cash flows and liquidity.

We expect the impact of these disruptions, including the extent of their adverse impact on our financial and operational results, will be dictated by the length of time that such disruptions continue. Although all our properties are currently open, we cannot predict whether future closures would be appropriate or could be mandated. Even once travel advisories and restrictions are modified or cease to be necessary, demand for integrated resorts may remain weak for a significant length of time and we cannot predict if or when the gaming and non-gaming activities of our properties will return to pre-outbreak levels of volume or pricing. In particular, future demand for integrated resorts may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth or reduced business spending for MICE resulting from the impact of the COVID-19 Pandemic. In addition, we cannot predict the impact the COVID-19 Pandemic will have on our mall tenants.

We are a holding company with limited business operations of our own. Our main assets consist of our direct and indirect shareholdings in our operating subsidiaries through which we conduct most of our business operations. If the global response to contain COVID-19 escalates, or is unsuccessful, our subsidiaries' ability to generate sufficient earnings and cash flow to pay dividends or distributions in the future will be negatively impacted.

Our businesses would also be impacted should the disruptions from the COVID-19 Pandemic lead to prolonged changes in consumer behavior or could impact our current construction projects in Macao. There are certain limitations on our ability to mitigate the adverse financial impact of these matters, such as the fixed costs at our properties, the access to construction labor due to immigration restrictions or construction materials due to vendor supply chain delays. The COVID-19 Pandemic also makes it more challenging for management to estimate the future performance of our businesses, particularly over the near to medium term. Any of these events may continue to disrupt our ability to staff our business adequately, could continue to generally disrupt our operations or construction projects and if the global response to contain the COVID-19 Pandemic escalates or is unsuccessful, would have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we are required to raise additional capital in the future, our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. If our credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt financing would be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations. We have entered into a waiver and amendment request letter with our lenders to waive certain of the financial requirements through July 1, 2021. While we currently anticipate we will continue to be in compliance with the financial requirements under our 2018 SCL Credit Facility, we cannot assure you that the impact of the COVID-19 Pandemic will not cause us to no longer be able to comply with the financial covenants, nor can we assure you that we would be able to obtain waivers from our lenders.

The COVID-19 Pandemic has had, and will continue to have, an adverse effect on our results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the COVID-19 Pandemic and around the imposition or relaxation of protective measures, we cannot reasonably estimate the impact on our future results of operations, cash flows or financial condition.

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.

2.2 MANAGEMENT DISCUSSION AND ANALYSIS

The capital structure of the Group consists of net debt, which includes borrowings (including current and non-current borrowings as shown in Note 12 to the condensed consolidated financial statements) net of cash and cash equivalents, and equity attributable to Shareholders, comprising issued share capital and reserves.

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

	June 30, 2020	December 31, 2019
	US\$ in millions	
Interest bearing borrowings, net of deferred financing costs	6,927	5,461
Less: cash and cash equivalents restricted cash and cash equivalents	(1,592) (16)	(2,471) (15)
Net debt	5,319	2,975
Total equity	2,729	4,446
Total capital	8,048	7,421
Gearing ratio	66.1%	40.1%

The increase in the gearing ratio during the six months ended June 30, 2020 was due to a significant decrease in operating income during the six months ended June 30, 2020. The current travel restrictions due to the COVID-19 Pandemic resulted in a net operating cash outflow during the six month ended June 30, 2020 which reduced the cash and cash equivalent balance to US\$1.59 billion as at June 30, 2020, compared to US\$2.47 billion as at December 31, 2019.

INTEREST RATE AND FOREIGN EXCHANGE RATE RISKS

The Group's primary exposures to market risk are interest rate risk associated with its long-term borrowings and interest rate swap contracts, and foreign currency exchange rate risk associated with the Group's operations. The Group has a policy aimed at managing interest rate risk associated with its current and anticipated future borrowings and foreign currency exchange rate risk. This policy enables the Group to use any combination of interest rate swaps, futures, options, caps, forward contracts and similar instruments.

The Group's foreign currency transactions are mainly denominated in US\$. The majority of assets and liabilities are denominated in US\$, HK\$ and MOP, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognized assets and liabilities denominated in a currency other than MOP, which is the functional currency of the major operating companies within the Group.

For the six months ended June 30, 2020, the Group held derivative financial instruments, which consisted of fixed-to-variable interest rate swap contracts with a total notional value of US\$5.50 billion, and have been designated as hedging instruments against the fixed rate US\$5.50 billion Senior Notes issued in August 2018 for accounting purposes. These interest rate swap contracts expire in August 2020.

MATERIAL ACQUISITION AND DISPOSAL

There has been no material acquisition or disposal of subsidiaries, associates or joint ventures by the Group during the six months ended June 30, 2020.

2.3 STAKEHOLDER INFORMATION

HUMAN RESOURCES

As at June 30, 2020, our team member profile was as follows:

Number of full-time team members:	27,980 (inclusive of 2,424 employed by hotel partners)
Average age:	42
Gender ratio:	Male 48% Female 52%
Total number of nationalities:	59

In spite of the COVID-19 Pandemic, we are dedicated to provide continuous training and development to all our team members. The Company has made training programs more readily available whilst not compromising its training effectiveness through e-learning.

In 2020, the Company has developed and delivered various courses to team members through live webcast training. These e-learning programs include:

- “Manager Competence Development Program”: designed for our future leaders to continuously develop their skillsets on hospitality management in integrated resorts
- “Personal Effectiveness Series”: designed for all Sands China team members to inspire and develop our team members to achieve their potential and maximize effectiveness at work
- “Be a Professional Retailer”: launched for the Sands Retail Academy to strengthen our mall’s service quality
- “E-Learning Essentials: Design & Deliver Live Webcast Training”: designed to equip department trainers with essential skills to design, deliver and engage participants in a live webcast training setting

The Company has also launched e-learning platforms such as LinkedIn Learning during the first half of 2020, with an average of 7.5 courses completed per activated learner to date. In addition to the above online training programs, Learning Lab has been introduced to cultivate our team member’s self-learning habit through selected e-learning materials delivered in various e-learning environment settings in order to cater for the different self-learning styles.

Despite the significant reduction in visitation due to the COVID-19 Pandemic, we have maintained our staffing levels and implemented flexible workforce arrangements across each of our properties to reduce costs and minimize cash outflow.

The Company remains steadfast in its commitment to the health and safety of its team members and is prepared for an eventual business recovery. At the time when Macao was hit the hardest by the COVID-19 Pandemic, some of our team members who live in mainland China could not return to their home as the travel restrictions were enforced shortly after it was announced. The Company provided accommodation at our hotels to those team members in need during that period. These team members are mostly from Housekeeping, Security and related departments. Health safeguarding measures such as social distancing requirements were enforced in team member restaurants, heart-of-the-house (“HOH”) facilities and team member shuttle buses. The Company has established the “Hygiene Patrol Team” formed by representatives from different departments to perform daily site inspections in the HOH to ensure team members are following the health guidelines.

Save as disclosed above, there have been no changes to the information disclosed in the 2019 annual report and the 2019 sustainability report regarding remuneration of team members, remuneration policies, and team members’ development and training schemes.

2.3 STAKEHOLDER INFORMATION

ENVIRONMENT

Our responsibility to the planet is as important to us as our commitment to the comfort and well-being of our guests and team members. The Sands ECO360 global sustainability strategy is designed to help minimize our environmental impact. It reflects our vision to lead the way in sustainable building development and resort operations. Driven by an aspirational idea, made possible through the dedication and hard work of our team members, we continue our journey to a more sustainable future.

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 section 6 of this Interim Report for more information.

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

We have published our 2019 sustainability report in April 2020, which is available at <https://www.sandschina.com/community-affairs/download-reports.html>.



Entertainment
That Is Simply
Out Of This
World.

3. CORPORATE GOVERNANCE

3.1 CORPORATE GOVERNANCE PRACTICES

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

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

Throughout the six months ended June 30, 2020 and up to the Latest Practicable Date, save as disclosed below, the Board considers the Company fully complied with all the code provisions and certain recommended best practices as set out in the Code.

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

Code Provision A.2.1 provides the roles of Chairman and Chief Executive Officer should be separate and not performed by the same individual. At Sands China, both roles have been performed by Mr. Sheldon Gary Adelson since March 2015. The Company believes the combined roles of Mr. Adelson provide for better leadership of the Board and management and allow for more focus on developing strategies and implementation of policies and objectives.

Code Provision E.1.2 — Annual General Meeting attendance

Code Provision E.1.2 provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Sheldon Gary Adelson was unable to attend the annual general meeting held on June 19, 2020 due to the travel restrictions in place as a result of the COVID-19 Pandemic. In his absence, the annual general meeting was chaired by Dr. Wong Ying Wai, who liaised with Mr. Adelson on all key matters prior to the meeting. Mr. Adelson was also debriefed on the meeting and any matters arising to ensure any matters raised at the annual general meeting were followed up and considered by the Board.

3.2 MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has developed the Company Code for securities transactions by the Directors and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code. Following specific enquiry by the Company, all Directors have confirmed they have complied with the Company Code and, therefore, with the Model Code throughout the six months ended June 30, 2020 and up to the date of the announcement of interim results for the six month ended June 30, 2020.

3. CORPORATE GOVERNANCE

3.3 BOARD AND BOARD COMMITTEES COMPOSITION

There were no changes to the composition of the Board and the Board Committees of the Company during the six months ended June 30, 2020 and up to the Latest Practicable Date.

The Directors of the Company during the six months ended June 30, 2020 and as at the Latest Practicable Date are:

Executive Directors	Title	Note
Sheldon Gary Adelson	Chairman of the Board and Chief Executive Officer	Re-designated March 6, 2015
Wong Ying Wai	President	Appointed January 22, 2016
Non-Executive Directors		
Robert Glen Goldstein		Re-designated November 1, 2015
Charles Daniel Forman		Elected May 30, 2014
Independent Non-Executive Directors		
Chiang Yun		Appointed October 14, 2009
Victor Patrick Hoog Antink		Appointed December 7, 2012
Steven Zygmunt Strasser		Elected May 31, 2013
Kenneth Patrick Chung		Appointed July 15, 2016

The Board has established four committees, being the Audit Committee, the Remuneration Committee, the Nomination Committee and the Capex Committee. The table below details the membership and composition of each of the four committees as at the Latest Practicable Date.

Name of Director	Audit Committee	Remuneration Committee	Nomination Committee	Capex Committee
Sheldon Gary Adelson	—	—	Chairman	—
Wong Ying Wai	—	Member	—	Member
Robert Glen Goldstein	—	—	—	Chairman
Charles Daniel Forman	—	—	—	—
Chiang Yun	Member	—	Member	—
Victor Patrick Hoog Antink	Chairman	Member	Member	Member
Steven Zygmunt Strasser	Member	Chairman	—	—
Kenneth Patrick Chung	Member	—	—	—

3. CORPORATE GOVERNANCE

3.4 AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated financial statements for the six months ended June 30, 2020 and this Interim Report and was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. All Audit Committee members are Independent Non-Executive Directors, with Mr. Victor Patrick Hoog Antink (Chairman of the Audit Committee) and Mr. Kenneth Patrick Chung possessing the appropriate professional qualifications and accounting and related financial management expertise.

3.5 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, 2020, 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 Shares	Approximate percentage of shareholding interest
Sheldon Gary Adelson	Company	Interest of a controlled corporation	5,657,814,885(L)	69.94%
Wong Ying Wai	Company	Beneficial owner	4,978,000(L) ⁽¹⁾	0.06%

Name of Director	Associated corporation	Nature of interest	Number of securities	Approximate percentage of shareholding interest
Sheldon Gary Adelson	LVS	Beneficial owner	67,246,625(L) ⁽²⁾	8.80%
		Family Interest	330,208,426(L) ⁽³⁾	43.23%
Robert Glen Goldstein	LVS	Beneficial owner	4,887,057(L) ⁽⁴⁾	0.64%
Charles Daniel Forman	LVS	Beneficial owner	212,040(L) ⁽⁵⁾	0.03%

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

Notes:

- (1) This amount includes (a) 4,000,000 options to purchase 4,000,000 Shares, of which 2,400,000 are vested and exercisable, and (b) 978,000 unvested restricted share units.
- (2) This amount includes (a) 66,551,887 shares of LVS' common stock and (b) 694,738 options to purchase 694,738 shares in LVS' common stock, of which 358,827 are vested and exercisable.
- (3) This amount includes (a) 93,779,145 shares of LVS' common stock held by Mr. Sheldon Gary Adelson's spouse, Dr. Miriam Adelson, (b) 2,208,548 shares of LVS' 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 and shares dispositive power, (c) 3,751,705 shares of LVS' 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 control and dispositive power, (d) 217,902,318 shares of LVS' common stock held by trusts for the benefit of Dr. Adelson and her family members over which Dr. Adelson, as trustee, shares dispositive power, and (e) 12,566,710 shares of LVS' common stock held by Adfam Investment Company LLC over which Dr. Adelson, as co-manager, shares voting and dispositive control with Mr. Adelson.
- (4) This amount includes (a) 137,057 shares of LVS' common stock, and (b) 4,750,000 options to purchase 4,750,000 shares in LVS' common stock, of which 2,250,000 are vested and exercisable.
- (5) This amount includes (a) 209,851 shares of LVS' common stock, and (b) 2,189 unvested shares of LVS' restricted stock.

3. CORPORATE GOVERNANCE

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, 2020.

Save as disclosed above, so far as was known to the Directors, as at June 30, 2020, none of the Directors or the Chief Executives 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 that were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests that were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at June 30, 2020, save as disclosed above, none of the Directors nor the Chief Executives (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 Part XV of the SFO).

3.6 INTERESTS OF SUBSTANTIAL SHAREHOLDERS

The interests of substantial Shareholders in the Shares and underlying shares of the Company as at June 30, 2020, as recorded in the register required to be kept under Section 336 of Part XV of the SFO or as the Company is aware or had been notified of, are set out in the table below.

Name of substantial Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued share capital
Sheldon Gary Adelson	Interest of a controlled corporation	5,657,814,885(L)	69.94%
Las Vegas Sands Corp.	Interest of a controlled corporation	5,657,814,885(L)	69.94%
Las Vegas Sands, LLC	Interest of a controlled corporation	5,657,814,885(L)	69.94%
Venetian Casino Resort, LLC	Interest of a controlled corporation	5,657,814,885(L)	69.94%
LVS (Nevada) International Holdings, Inc.	Interest of a controlled corporation	5,657,814,885(L)	69.94%
LVS Dutch Finance C.V.	Interest of a controlled corporation	5,657,814,885(L)	69.94%
LVS Dutch Holding B.V.	Interest of a controlled corporation	5,657,814,885(L)	69.94%
Sands IP Asset Management B.V.	Interest of a controlled corporation	5,657,814,885(L)	69.94%
Venetian Venture Development Intermediate II	Beneficial owner	5,657,814,885(L)	69.94%

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

3. CORPORATE GOVERNANCE

As at June 30, 2020, VVDI (II) was a substantial Shareholder which held 5,657,814,885 Shares (representing approximately 69.94% of the total issued share capital of the Company). VVDI (II) was a wholly-owned subsidiary of Sands IP. Sands IP was a wholly-owned subsidiary of LVS Dutch Holding, which was in turn wholly-owned by LVS Dutch Finance. LVS Dutch Finance was 99% owned by LVS Nevada, with the remaining 1% owned by a wholly-owned subsidiary of LVS Nevada, which was in turn wholly-owned by Venetian Casino. Venetian Casino was a wholly-owned subsidiary of LVS LLC, which was in turn wholly-owned by LVS. Mr. Sheldon Gary Adelson, his family members and trusts and other entities established for the benefit of Mr. Adelson and/or his family members beneficially owned approximately 57% of the outstanding common stock of LVS as at June 30, 2020.

As at June 30, 2020, 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.

3.7 INTERESTS OF ANY OTHER PERSONS

Save as disclosed above, as at June 30, 2020, 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.

3.8 EQUITY AWARD PLANS

The Company maintained the 2009 Equity Award Plan and the 2019 Equity Award Plan (collectively the “Plans”) for the purpose of attracting able persons to enter and remain in the employ of our Group. They also provide a means whereby employees, directors and consultants of our Group can acquire and maintain Share ownership, or be paid incentive compensation measured by reference to the value of Shares, thereby strengthening their commitment to the welfare of our Group and promoting an identity of interest between Shareholders and these persons.

2009 Equity Award Plan

The Company adopted the 2009 Equity Award Plan on November 8, 2009 (amended on February 19, 2016) which expired on November 30, 2019, being the tenth anniversary of November 30, 2009. On and after November 30, 2019, no awards may be granted under the 2009 Equity Award Plan. However, all existing awards granted under the 2009 Equity Award Plan which are unexercised or unvested will remain valid and (where applicable) exercisable in accordance with their respective terms of grant despite the expiry of the 2009 Equity Award Plan.

2019 Equity Award Plan

The 2019 Equity Award Plan was approved by the Shareholders at the Company’s annual general meeting held on May 24, 2019, and became effective on December 1, 2019. There is no material difference between the terms of the 2009 Equity Award Plan and the terms of the 2019 Equity Award Plan. Unless otherwise terminated, the 2019 Equity Award Plan will be valid and effective for a period of ten years from December 1, 2019. The 2019 Equity Award Plan is subject to the administration of the Remuneration Committee.

Share Options

As at June 30, 2020, 140,932,591 options to purchase Shares had been granted under the 2009 Equity Award Plan of which 41,202,032 options had been exercised and 39,699,909 options had lapsed. No options to purchase Shares were granted under the 2019 Equity Award Plan during the six months ended June 30, 2020.

3. CORPORATE GOVERNANCE

Details of the grant of options and a summary of movements of the outstanding options during the six months ended June 30, 2020 under the 2009 Equity Award Plan were as follows:

Director & other eligible persons	Date granted	Options granted	Exercise price per Share ⁽¹⁾ HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	Number of options					outstanding as at June 30, 2020	Weighted average closing price of Shares immediately before the dates on which options were exercised HK\$
						outstanding as at January 1, 2020	granted during the period	vested during the period ⁽²⁾	lapsed during the period	exercised during the period		
Wong Ying Wai	November 2, 2015	4,000,000 ⁽³⁾	28.59	28.15	November 2, 2016–November 1, 2025	4,000,000	—	—	—	—	4,000,000	—
Other eligible employees	March 31, 2010	16,692,400	11.63	12.10	March 31, 2011–March 30, 2020	138,000	—	—	—	138,000	—	38.10
	September 30, 2010	2,672,500	13.23	14.32	September 30, 2011–September 29, 2020	71,950	—	—	—	30,000	41,950	31.28
	August 30, 2011	1,584,400	22.48	22.80	August 30, 2012–August 29, 2021	15,825	—	—	—	—	15,825	—
	November 24, 2011	2,108,800	20.23	20.95	November 24, 2012–November 23, 2021	60,400	—	—	—	—	60,400	—
	May 14, 2012	1,787,100	28.14	28.90	May 14, 2013–May 13, 2022	176,575	—	—	—	—	176,575	—
	August 31, 2012	1,538,100	26.82	27.50	August 31, 2013–August 30, 2022	330,100	—	—	—	—	330,100	—
	February 15, 2013	1,486,800	36.73	36.50	February 15, 2014–February 14, 2023	742,150	—	—	—	—	742,150	—
	May 16, 2013	1,241,900	40.26	40.45	May 16, 2014–May 15, 2023	396,900	—	—	—	—	396,900	—
	February 24, 2014	2,602,300	59.35	58.90	February 24, 2015–February 23, 2024	637,100	—	—	—	—	637,100	—
	March 18, 2014	3,238,800	62.94	62.25	March 18, 2015–March 17, 2024	2,038,500	—	—	198,800	—	1,839,700	—
	May 21, 2014	2,723,800	57.75	57.40	May 21, 2015–May 20, 2024	1,461,000	—	—	523,900	—	937,100	—
	June 18, 2014	857,100	53.64	53.10	June 18, 2015–June 17, 2024	585,300	—	—	—	—	585,300	—
	August 29, 2014	1,063,100	52.33	51.35	August 29, 2015–August 28, 2024	450,500	—	—	—	—	450,500	—
	September 26, 2014	195,000	43.27	41.30	September 26, 2015–September 25, 2024	195,000	—	—	—	—	195,000	—
	December 29, 2014	213,600	38.90	38.50	December 29, 2015–December 28, 2024	53,400	—	—	—	—	53,400	—
	May 5, 2015	795,600	33.15	32.80	May 5, 2016–May 4, 2025	165,000	—	—	—	—	165,000	—
	May 22, 2015	1,300,000	32.35	32.05	May 22, 2016–May 21, 2025	325,000	—	—	—	—	325,000	—
	February 24, 2016	14,484,400	26.97	27.05	February 24, 2017–February 23, 2026	5,172,300	—	2,382,100	18,900	354,300	4,799,100	34.33
	March 23, 2016	2,520,400	31.00	30.35	March 23, 2017–March 22, 2026	1,102,400	—	437,000	24,200	—	1,078,200	—
	May 20, 2016	317,600	27.55	27.25	May 20, 2017–May 19, 2026	123,400	—	57,000	—	—	123,400	—
	September 13, 2016	433,600	34.03	34.45	September 13, 2017–September 12, 2026	295,000	—	—	42,000	—	253,000	—
	February 24, 2017	12,929,200	32.15	32.25	February 24, 2018–February 23, 2027	7,762,650	—	2,480,300	350,900	168,300	7,243,450	37.21
	March 23, 2017	2,626,400	35.25	35.05	March 23, 2018–March 22, 2027	1,755,400	—	501,800	92,400	—	1,663,000	—
	May 19, 2017	494,000	34.31	33.80	May 19, 2018–May 18, 2027	384,500	—	99,600	71,400	—	313,100	—
	September 13, 2017	889,600	37.90	37.20	September 13, 2018–September 12, 2027	671,200	—	—	126,800	—	544,400	—
	February 26, 2018	13,051,200	44.85	44.00	February 26, 2019–February 25, 2028	11,200,200	—	2,784,300	671,800	—	10,528,400	—
	March 23, 2018	2,478,000	44.31	43.65	March 23, 2019–March 22, 2028	2,042,000	—	510,500	173,000	—	1,869,000	—
	May 21, 2018	1,035,200	47.95	47.10	May 21, 2019–May 20, 2028	986,800	—	210,700	119,800	—	867,000	—
	September 13, 2018	1,866,400	33.80	31.70	September 13, 2019–September 12, 2028	1,743,900	—	—	129,200	—	1,614,700	—
	February 25, 2019	12,975,200	39.25	39.00	February 25, 2020–February 24, 2029	12,558,400	—	3,139,600	701,700	—	11,856,700	—
	April 23, 2019	2,582,400	43.60	43.05	April 23, 2020–April 22, 2029	2,542,800	—	611,000	185,800	—	2,357,000	—
	May 20, 2019	1,705,600	39.93	38.85	May 20, 2020–May 19, 2029	1,705,600	—	414,600	119,800	—	1,585,800	—
	September 5, 2019	1,936,800	36.45	36.85	September 5, 2020–September 4, 2029	1,936,800	—	—	105,600	—	1,831,200	—

3. CORPORATE GOVERNANCE

Director & other eligible persons	Date granted	Options granted	Exercise price per Share ⁽¹⁾ HK\$	Closing price of Shares immediately before the date of grant HK\$	Exercise period	Number of options					outstanding as at June 30, 2020	Weighted average closing price of Shares immediately before the dates on which options were exercised HK\$
						outstanding as at January 1, 2020	granted during the period	vested during the period ⁽²⁾	lapsed during the period	exercised during the period		
Consultants	February 24, 2016	335,200	26.97	27.05	February 24, 2017– February 23, 2026	83,800	—	83,800	—	24,300	59,500	31.95
	March 23, 2016	88,800	31.00	30.35	March 23, 2017– March 22, 2026	56,100	—	22,200	10,900	—	45,200	—
	February 24, 2017	335,200	32.15	32.25	February 24, 2018– February 23, 2027	189,200	—	83,800	97,300	—	91,900	—
	March 23, 2017	89,600	35.25	35.05	March 23, 2018– March 22, 2027	67,400	—	22,400	22,200	—	45,200	—
	February 26, 2018	349,600	44.85	44.00	February 26, 2019– February 25, 2028	349,600	—	87,400	198,600	—	151,000	—
	March 23, 2018	92,400	44.31	43.65	March 23, 2019– March 22, 2028	92,400	—	23,100	44,400	—	48,000	—
	February 25, 2019	156,400	39.25	39.00	February 25, 2020– February 24, 2029	156,400	—	39,100	99,200	—	57,200	—
	April 23, 2019	53,200	43.60	43.05	April 23, 2020– April 22, 2029	53,200	—	13,300	—	—	53,200	—

Notes:

- (1) The exercise price per Share of the options is determined at the time of grant of the options and should not be less than the highest of (a) the official closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the options, which must be a business day; (b) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant of the options; and (c) the nominal value of a Share.
- (2) Save as disclosed in note (3) below, the proportion of underlying shares in respect of which the above options will vest is as follows:

	Proportion of underlying shares in respect of which the above 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 and thereafter	All

- (3) Among the 4,000,000 options granted to Dr. Wong Ying Wai on November 2, 2015, 266,666 options vested on November 2, 2016, 533,334 options vested on November 2, 2017, 800,000 options vested on November 2, 2018, 800,000 options vested on November 2, 2019 and 1,600,000 options will vest on September 30, 2020.

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.

Restricted Share Units

As at June 30, 2020, 3,749,600 restricted share units (under which no new Shares will be issued) had been granted under the Plans, of which 63,200 restricted share units had lapsed.

Save as disclosed herein, no options, restricted share units or any other share-based awards were granted under the Plans or any equity award plan of the Group as at June 30, 2020 and no options, restricted share units or any other share-based awards were cancelled during the six months ended June 30, 2020.

3. CORPORATE GOVERNANCE

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed shares of the Company during the six months ended June 30, 2020.

4.1 REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF SANDS CHINA LTD.

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Sands China Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 34 to 55, which comprise the consolidated balance sheet as of June 30, 2020 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain 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” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 14, 2020

4.2 CONSOLIDATED INCOME STATEMENT

Six months ended June 30,

2020

2019

US\$ in millions, except per share data

	Notes	(Unaudited)	
Net revenues	4	848	4,468
Gaming tax		(336)	(1,757)
Employee benefit expenses		(554)	(651)
Depreciation and amortization	4	(338)	(364)
Inventories consumed		(11)	(50)
Other expenses and losses		(218)	(459)
Operating (loss)/profit		(609)	1,187
Interest income		9	21
Interest expense, net of amounts capitalized		(116)	(147)
(Loss)/profit before income tax		(716)	1,061
Income tax benefit	5	—	6
(Loss)/profit for the period attributable to equity holders of the Company		(716)	1,067
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company			
— Basic	6	(US8.85 cents)	US13.20 cents
— Diluted	6	(US8.85 cents)	US13.19 cents

4.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
	2020	2019
	US\$ in millions	
	(Unaudited)	
(Loss)/profit for the period attributable to equity holders of the Company	(716)	1,067
Other comprehensive income		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Currency translation differences	15	4
Total comprehensive (expense)/income for the period attributable to equity holders of the Company	(701)	1,071

4.2 CONSOLIDATED BALANCE SHEET

		June 30, 2020	December 31, 2019
		US\$ in millions	
	Notes	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Investment properties, net		561	587
Property and equipment, net	8	8,684	8,361
Intangible assets, net		46	48
Other assets, net		32	34
Other receivables and prepayments, net		20	23
Total non-current assets		9,343	9,053
Current assets			
Inventories		16	16
Other assets		13	35
Trade and other receivables and prepayments, net	9	355	510
Restricted cash and cash equivalents		16	15
Cash and cash equivalents		1,592	2,471
Total current assets		1,992	3,047
Total assets		11,335	12,100

4.2 CONSOLIDATED BALANCE SHEET

		June 30, 2020	December 31, 2019
		US\$ in millions	
	Notes	(Unaudited)	(Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	10	81	81
Reserves		2,648	4,365
Total equity		2,729	4,446
LIABILITIES			
Non-current liabilities			
Trade and other payables	11	119	122
Borrowings	12	7,054	5,589
Deferred income tax liabilities		42	45
Total non-current liabilities		7,215	5,756
Current liabilities			
Trade and other payables	11	1,370	1,874
Current income tax liabilities		2	5
Borrowings	12	19	19
Total current liabilities		1,391	1,898
Total liabilities		8,606	7,654
Total equity and liabilities		11,335	12,100
Net current assets		601	1,149
Total assets less current liabilities		9,944	10,202

Approved by the Board of Directors on August 14, 2020 and signed on behalf of the Board by

Sheldon Gary Adelson
Chairman of the Board and Chief Executive Officer
Director

Wong Ying Wai
President
Director

4.2 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\$ in millions (Unaudited)							
For the six months ended June 30, 2019								
Balance at January 1, 2019	81	87	1,457	6	92	(28)	2,714	4,409
Profit for the period	—	—	—	—	—	—	1,067	1,067
Other comprehensive income for the period	—	—	—	—	—	4	—	4
Total comprehensive income	—	—	—	—	—	4	1,067	1,071
Exercise of share options	—	—	23	—	—	—	—	23
Transfer to share premium upon exercise of share options	—	—	4	—	(4)	—	—	—
Forfeiture of share options	—	—	—	—	(1)	—	1	—
Share-based compensation of the Company	—	—	—	—	7	—	—	7
Dividends to equity holders of the Company (Note 7)	—	—	—	—	—	—	(2,054)	(2,054)
Balance at June 30, 2019	81	87	1,484	6	94	(24)	1,728	3,456
For the six months ended June 30, 2020								
Balance at January 1, 2020	81	87	1,491	6	97	(12)	2,696	4,446
Loss for the period	—	—	—	—	—	—	(716)	(716)
Other comprehensive income for the period	—	—	—	—	—	15	—	15
Total comprehensive income/(expense)	—	—	—	—	—	15	(716)	(701)
Exercise of share options	—	—	2	—	—	—	—	2
Transfer to share premium upon exercise of share options	—	—	1	—	(1)	—	—	—
Forfeiture of share options	—	—	—	—	(3)	—	3	—
Share-based compensation of the Company	—	—	—	—	7	—	—	7
Dividends to equity holders of the Company (Note 7)	—	—	—	—	—	—	(1,025)	(1,025)
Balance at June 30, 2020	81	87	1,494	6	100	3	958	2,729

4.2 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended June 30,	
	2020	2019
	US\$ in millions	
	(Unaudited)	
Net cash (used in)/generated from operating activities	(644)	1,486
Cash flows from investing activities		
Increase in restricted cash and cash equivalents	(1)	(1)
Purchases of property and equipment	(561)	(212)
Additions to investment properties	(3)	(6)
Purchases of intangible assets	(7)	(7)
Proceeds from disposal of property and equipment	—	1
Interest received	11	24
Net cash used in investing activities	(561)	(201)
Cash flows from financing activities		
Proceeds from exercise of share options	2	23
Proceeds from Senior Notes	1,496	—
Proceeds from bank loans	403	—
Repayments of bank loans	(404)	—
Dividends paid	(1,030)	(2,051)
Repayments of lease liabilities	(7)	(8)
Payments for deferred financing costs	(12)	(2)
Interest paid	(120)	(140)
Net cash from/(used in) financing activities	328	(2,178)
Net decrease in cash and cash equivalents	(877)	(893)
Cash and cash equivalents at beginning of period	2,471	2,676
Effect of exchange rate on cash and cash equivalents	(2)	2
Cash and cash equivalents at end of period	1,592	1,785
Cash and cash equivalents comprised:		
Cash at bank and on hand	202	485
Short-term bank deposits	1,390	1,300
	1,592	1,785

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Principal activities

The Group is 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 Macao. The Group's immediate holding company is Venetian Venture Development Intermediate II. Las Vegas Sands Corp., a company incorporated in Nevada, U.S.A. which indirectly holds 69.9% ownership interest in the Group as at June 30, 2020, 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 Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The Company's principal place of business is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The Group owns and operates The Venetian Macao, Sands Cotai Central, The Parisian Macao, The Plaza Macao and Sands Macao. The Group's properties collectively feature some of the world's largest casinos, luxury suites and hotel rooms, different restaurants and food outlets, spas and theaters for live performances, as well as other integrated resort amenities.

In 2020, the Group continued to progress on key development projects for the conversion of Sands Cotai Central into The Londoner Macao. The Group expects the Londoner Court to be completed in late 2020 and The Londoner Macao project to be completed in phases throughout 2020 and 2021. The construction of The Grand Suites at Four Seasons is now complete and features 289 luxury suites. We have initiated approved gaming operations in this space and are utilizing suites on a simulation basis for trial and feedback purposes.

The unaudited condensed consolidated financial statements are presented in millions of units of United States dollars ("US\$ in millions"), unless otherwise stated. The condensed consolidated financial statements were approved for issue by the Board of Directors of the Company on August 14, 2020.

These condensed consolidated financial statements have not been audited.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

Recent developments

COVID-19 Pandemic

In early January 2020, an outbreak of a respiratory illness caused by a novel coronavirus was identified and the disease has since spread rapidly across the world causing the World Health Organization to declare the outbreak of a pandemic on March 12, 2020. As a result, people across the globe have been advised to avoid non-essential travel. Steps have also been taken by various countries to restrict inbound international travel and implement closures of non-essential operations to contain the spread of the virus.

Visitation to Macao has decreased substantially, driven by various government policies limiting travel. The China IVS and tour group visas have been suspended, and a complete ban on entry or a need to undergo enhanced quarantine requirements depending on the person's residency and their recent travel history, has been enacted by the Macao government for Macao residents, citizens of the People's Republic of China, Hong Kong residents, foreigner workers residing in Macao and international travelers. On July 13, 2020, it was announced Chinese nationals with negative COVID-19 test result and green health-code, traveling between any of the nine designated cities in Guangdong province and Macao, are exempt from the 14-day mandatory quarantine effective from July 15, 2020. This was subsequently extended to all cities within the Guangdong province effective from July 29, 2020, followed by all of mainland China effective from August 12, 2020. China's National Immigration Administration announced that it will resume reviewing applications under the China IVS and tour group visas for residents of Zhuhai from August 12, 2020. Conditional upon continuing improvement of the COVID-19 situation in mainland China and Macao, the resumption of China IVS and tour group visas' applications is expected to be extended to all of Guangdong province effective from August 26, 2020 and subsequently to all of mainland China effective from September 23, 2020.

The Macao government suspended all gaming operations beginning on February 5, 2020. The Group's casino operations resumed on February 20, 2020, except for casino operations at Sands Cotai Central, which resumed on February 27, 2020. Certain health safeguards, however, such as limiting the number of seats per table game, slot machine spacing, temperature checks, mask protection, health declarations, showing green health-codes, and negative COVID-19 test results remain in effect at the present time. The Group is currently unable to determine when these measures will be modified or cease to be necessary.

Some of the Group's hotel facilities were also closed during the casino suspension in response to the drop in visitation and, with the exception of the Conrad Macao, Cotai Strip at Sands Cotai Central (the "Conrad hotel"), these hotels were gradually reopened from February 20, 2020, in line with operational needs and demand. The Conrad hotel reopened on June 13, 2020. Additionally, in support of the Macao government's initiatives to fight the COVID-19 Pandemic, the Group provided one tower (approximately 2,000 hotel rooms) at the Sheraton Grand Macao Hotel, Cotai Strip at Sands Cotai Central to the Macao government to house individuals who return to Macao for quarantine purposes during two different periods in 2020.

A limited number of restaurants across the Group's properties have reopened. The majority of retail outlets in the Group's various shopping malls are open with reduced operating hours. The timing and manner in which these areas will return to full operation are currently unknown.

The Hong Kong government temporarily closed the Hong Kong China Ferry Terminal in Kowloon on January 30, 2020 and the Hong Kong Macau Ferry Terminal in Hong Kong on February 4, 2020. In response, the Group suspended its Macao ferry operations between Macao and Hong Kong. The timing and manner in which the Group's normal ferry operations will be able to resume are currently unknown.

The Macao government announced total visitation from mainland China to Macao on a monthly basis decreased by 14.9% (with an 83.3% decrease in visitation over the first seven days of Chinese New Year Holiday) in January 2020 and decreased in a range of 96.3% to 99.6% in February to June 2020, as compared to the same periods in 2019. It also announced monthly gross gaming revenue decreased by 11.3% in January 2020 and decreased in a range of 79.7% to 97.0% in February to June 2020 as compared to the same periods in 2019.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION (CONTINUED)

Recent developments (continued)

Current impact of the COVID-19 Pandemic on the Group's Liquidity and Financial Results

The disruptions arising from the COVID-19 Pandemic had a significant adverse impact on the Group's operations during the six months ended June 30, 2020. Net revenues for the six months ended June 30, 2020, totaled US\$848 million compared to US\$4.47 billion for the six months ended June 30, 2019, representing a decrease of 81.0%. We recorded an operating loss of US\$609 million and a net loss of US\$716 million in the first half of 2020, as compared to an operating income of US\$1.19 billion and a net income of US\$1.07 billion in the same period in the prior year. Adjusted property EBITDA loss totaled US\$243 million in the half year ended June 30, 2020, as compared to adjusted property EBITDA of US\$1.63 billion in the same period in the prior year.

As of June 30, 2020, the Group had total liquidity of US\$3.63 billion, consisting of US\$1.61 billion of total cash and cash equivalents and US\$2.02 billion of available borrowing capacity under the 2018 SCL Revolving Facility. The Group believes it will be able to support its continuing operations, complete the major construction projects that are underway, and respond to the current COVID-19 Pandemic challenges. The Group has taken various mitigating measures to manage through the current environment, including a cost and capital expenditure reduction program to minimize cash outflow of non-essential items. On April 17, 2020, the Company announced that the Board resolved not to recommend the payment of a final dividend in respect of the year ended December 31, 2019.

If the Group's integrated resorts are not permitted to resume normal operations, travel restrictions such as those related to the China IVS and other global restrictions on inbound travel from other countries are not modified or eliminated or the global response to contain the COVID-19 Pandemic escalates or is unsuccessful, the Group's operations, cash flows and financial condition will be further materially impacted. The duration and intensity of this global health emergency and related disruptions are uncertain. Given the dynamic nature of these circumstances, the impact on the Company's consolidated results of operations, cash flows and financial condition in 2020 will be material. The Group cannot reasonably estimate the impact at this time. It is unknown when the COVID-19 Pandemic will end, when or how quickly the current travel restrictions will be modified or cease to be necessary and the resulting impact on the Group's business and the willingness of the Group's customers to spend on travel, entertainment and MICE.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended June 30, 2020 have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") and the applicable disclosure requirements of Appendix 16 to the Listing Rules. They should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Audited figures as indicated in this condensed consolidated financial statements for the six months ended June 30, 2020 are derived from the audited consolidated financial statement of the Group as at and for the year ended December 31, 2019 on which an auditor's report was issued on April 17, 2020.

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

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation used in the preparation of the condensed consolidated financial statements for the six months ended June 30, 2020 are consistent with those adopted and as described in the Group's annual financial statements for the year ended December 31, 2019.

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

The preparation of condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated financial statements, the significant judgments made by management in the process of applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2019.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2019. There have been no significant changes in any risk management policies since the year ended December 31, 2019.

4. SEGMENT INFORMATION

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

The Group's principal operating and developmental activities occur in Macao, which is the sole geographic area in which the Group is domiciled. The Group reviews the results of operations for each of its key operating segments, which are also the reportable segments: The Venetian Macao, Sands Cotai Central, The Parisian Macao, The Plaza Macao and Sands Macao. The Group also reviews construction and development activities for each of its primary projects currently under development, in addition to its reportable segments noted above, which include the renovation, expansion and rebranding of Sands Cotai Central to The Londoner Macao, The Grand Suites at Four Seasons and the Londoner Court. The Group has included Ferry and other operations (comprised primarily of the Group's ferry operations and various other operations that are ancillary to its properties) to reconcile to consolidated results of operations and financial condition.

The Venetian Macao, Sands Cotai Central, The Parisian Macao, The Plaza Macao and Sands Macao derive their revenues primarily from casino wagers, room sales, rental income from the Group's mall tenants, food and beverage transactions, convention sales and entertainment. Ferry and other operations mainly derive their revenues from the sale of ferry tickets for transportation between Hong Kong and Macao.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONTINUED)

The Group's segment information is as follows:

	Casino	Rooms	Mall ^{(i), (iii)}	Food and beverage	Convention, ferry, retail and other	Total net revenues
	US\$ in millions (Unaudited)					
Net Revenues						
Six months ended						
June 30, 2020						
The Venetian Macao	256	22	47	6	12	343
Sands Cotai Central	124	27	16	9	4	180
The Parisian Macao	85	14	10	6	3	118
The Plaza Macao	91	5	26	4	—	126
Sands Macao	69	3	1	2	1	76
Ferry and other operations	—	—	—	—	13	13
Inter-segment revenues ⁽ⁱ⁾	—	—	(1)	—	(7)	(8)
	625	71	99	27	26	848
Six months ended						
June 30, 2019						
The Venetian Macao	1,438	110	118	39	46	1,751
Sands Cotai Central	803	161	32	50	14	1,060
The Parisian Macao	730	64	27	35	12	868
The Plaza Macao	335	20	62	16	2	435
Sands Macao	280	9	2	14	2	307
Ferry and other operations	—	—	—	—	55	55
Inter-segment revenues ⁽ⁱ⁾	—	—	(1)	—	(7)	(8)
	3,586	364	240	154	124	4,468

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

(ii) Of this amount, US\$64 million and US\$35 million (six months ended June 30, 2019: US\$203 million and US\$37 million) are related to income from right of use and management fee and other, respectively. Income from right of use is recognized in accordance with IFRS 16 *Leases*.

(iii) For the six months ended June 30, 2020, rent concessions of US\$135 million were provided to tenants as a result of the COVID-19 Pandemic and the impact on mall operations.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONTINUED)

	Six months ended June 30,	
	2020	2019
	US\$ in millions	
	(Unaudited)	
Adjusted property EBITDA⁽ⁱ⁾		
The Venetian Macao	(48)	697
Sands Cotai Central	(79)	377
The Parisian Macao	(84)	302
The Plaza Macao	10	168
Sands Macao	(32)	83
Ferry and other operations	(10)	(2)
Total adjusted property EBITDA	(243)	1,625
Share-based compensation, net of amount capitalized ⁽ⁱⁱ⁾	(8)	(7)
Corporate expense ⁽ⁱⁱⁱ⁾	(28)	(66)
Pre-opening expense	(5)	(10)
Depreciation and amortization	(338)	(364)
Net foreign exchange gains	20	12
Loss on disposal of property and equipment, investment properties and intangible assets	(7)	(3)
Operating (loss)/profit	(609)	1,187
Interest income	9	21
Interest expense, net of amounts capitalized	(116)	(147)
(Loss)/profit before income tax	(716)	1,061
Income tax benefit	—	6
(Loss)/profit for the period attributable to equity holders of the Company	(716)	1,067

- (i) Adjusted property EBITDA, which is a non-IFRS financial measure, is profit or loss attributable to equity holders of the Company before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization, net foreign exchange gains or losses, impairment loss on property and equipment, gain or loss on disposal of property and equipment, investment properties and intangible assets, interest, gain or loss on modification or early retirement of debt and income tax benefit or expense. Management utilizes adjusted property EBITDA to compare the operating profitability of its operations with those of its competitors, as well as a basis for determining certain incentive compensation. Integrated resort companies have historically reported adjusted property EBITDA as a supplemental performance measure to IFRS financial measures. In order to view the operations of their properties on a more stand-alone basis, integrated resort companies, including the Group, have historically excluded certain expenses that do not relate to the management of specific properties, such as pre-opening expense and corporate expense, from their adjusted property EBITDA calculations. Adjusted property EBITDA should not be interpreted as an alternative to profit or operating profit (as an indicator of operating performance) or to cash flows from operations (as a measure of liquidity), in each case, as determined in accordance with IFRS. The Group has significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, adjusted property EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.
- (ii) The amount comprises of US\$6 million equity-settled share-based payment expense, net of amounts capitalized and US\$2 million cash-settled share-based payment expense, net of amounts capitalized (six months ended June 30, 2019: US\$7 million and nil respectively).
- (iii) The amount excludes share-based payment expense of US\$1 million (six months ended June 30, 2019: nil).

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONTINUED)

	Six months ended June 30,	
	2020	2019
	US\$ in millions (Unaudited)	
Depreciation and amortization		
The Venetian Macao	87	79
Sands Cotai Central	118	164
The Parisian Macao	84	79
The Plaza Macao	30	19
Sands Macao	13	13
Ferry and other operations	6	10
	338	364

	Six months ended June 30,	
	2020	2019
	US\$ in millions (Unaudited)	
Capital expenditures		
The Venetian Macao	66	38
Sands Cotai Central	368	107
The Parisian Macao	7	14
The Plaza Macao	127	59
Sands Macao	3	6
Ferry and other operations	—	1
	571	225

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONTINUED)

	June 30, 2020 US\$ in millions (Unaudited)	December 31, 2019 (Audited)
Total assets		
The Venetian Macao	3,052	3,236
Sands Cotai Central	4,046	4,531
The Parisian Macao	2,253	2,372
The Plaza Macao	1,257	1,255
Sands Macao	268	323
Ferry and other operations	459	383
	11,335	12,100

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

5. INCOME TAX BENEFIT

	Six months ended June 30, 2020 US\$ in millions (Unaudited)	
	2020	2019
Current income tax		
Lump sum in lieu of Macao complementary tax on dividends	2	2
Deferred income tax	(2)	(8)
Income tax benefit	—	(6)

6. (LOSS)/EARNINGS PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. (LOSS)/EARNINGS PER SHARE (CONTINUED)

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

	Six months ended June 30,	
	2020 (Unaudited)	2019
(Loss)/profit attributable to equity holders of the Company (US\$ in millions)	(716)	1,067
Weighted average number of shares for basic (loss)/earnings per share (thousand shares)	8,088,743	8,082,946
Adjustment for share options (thousand shares) ⁽ⁱ⁾	—	5,686
Weighted average number of shares for diluted (loss)/earnings per share (thousand shares)	8,088,743	8,088,632
(Loss)/earnings per share, basic ⁽ⁱⁱ⁾	(US8.85 cents) (HK68.59 cents)	US13.20 cents HK103.16 cents
(Loss)/earnings per share, diluted ⁽ⁱⁱ⁾	(US8.85 cents) (HK68.59 cents)	US13.19 cents HK103.08 cents

(i) The computation of the diluted loss per share for the six months ended June 30, 2020 did not assume the exercise of the Company's share options because the exercise would result in a decrease in loss per share. For the six months ended June 30, 2019, the Company had outstanding share options that will potentially dilute the ordinary shares.

(ii) The translation of US\$ amounts into HK\$ amounts has been made at the exchange rate of US\$1.00 to HK\$7.7504 (six months ended June 30, 2019: US\$1.00 to HK\$7.8152).

7. DIVIDENDS

	Six months ended June 30,	
	2020 US\$ in millions (Unaudited)	2019
2019 interim dividend of HK\$0.99 (equivalent to US\$0.127) per ordinary share declared on January 17, 2020 and paid	1,025	—
2018 interim dividend of HK\$0.99 (equivalent to US\$0.127) per ordinary share declared on January 18, 2019 and paid	—	1,023
2018 final dividend of HK\$1.00 (equivalent to US\$0.127) per ordinary share declared on May 24, 2019 and paid	—	1,031
	1,025	2,054

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. DIVIDENDS (CONTINUED)

On January 17, 2020, the Board declared an interim dividend of HK\$0.99 (equivalent to US\$0.127) per share. The interim dividend, amounting in aggregate to HK\$8.01 billion (equivalent to US\$1.03 billion), was paid on February 21, 2020.

On April 17, 2020, the Board resolved not to recommend the payment of a final dividend in respect of the year ended December 31, 2019.

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2020.

8. PROPERTY AND EQUIPMENT, NET

During the six months ended June 30, 2020, the Group had additions of property and equipment with a cost of US\$609 million and disposed property and equipment with a net book value of US\$17 million (six months ended June 30, 2019: US\$285 million and US\$2 million, respectively).

9. TRADE RECEIVABLES, NET

The aging analysis of trade receivables, net of provision for expected credit losses of US\$112 million (as at December 31, 2019: US\$106 million), is as follows:

	June 30, 2020	December 31, 2019
	US\$ in millions	
	(Unaudited)	(Audited)
0–30 days	107	259
31–60 days	4	42
61–90 days	2	26
Over 90 days	116	73
	229	400

Trade receivables mainly consist of casino receivables. Absent special approval, the credit period granted to selected premium and mass market players is typically 7–15 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.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. SHARE CAPITAL

	Ordinary shares of US\$0.01 each	US\$ in millions
Issued and fully paid:		
At January 1, 2019 (audited)	8,080,603,691	81
Shares issued upon exercise of share options	6,091,900	—
At June 30, 2019 (unaudited)	8,086,695,591	81
At January 1, 2020 (audited)	8,088,352,216	81
Shares issued upon exercise of share options	714,900	—
At June 30, 2020 (unaudited)	8,089,067,116	81

11. TRADE AND OTHER PAYABLES

	Notes	June 30, 2020 US\$ in millions (Unaudited)	December 31, 2019 (Audited)
Trade payables		22	47
Customer deposits and other deferred revenue ⁽ⁱ⁾		421	395
Outstanding chips liability ⁽ⁱ⁾		382	485
Construction payables and accruals		283	278
Interest payables		138	130
Accrued employee benefit expenses		96	174
Other tax payables		31	302
Loyalty program liability ⁽ⁱ⁾		30	31
Casino liabilities		24	41
Payables to related companies — non-trade	14(b)	8	9
Other payables and accruals		54	104
		1,489	1,996
Less: non-current portion		(119)	(122)
Current portion		1,370	1,874

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

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. TRADE AND OTHER PAYABLES (CONTINUED)

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

	June 30, 2020	December 31, 2019
	US\$ in millions	
	(Unaudited)	(Audited)
0–30 days	17	33
31–60 days	2	6
61–90 days	1	6
Over 90 days	2	2
	22	47

12. BORROWINGS

	June 30, 2020	December 31, 2019
	US\$ in millions	
	(Unaudited)	(Audited)
Non-current portion		
Senior Notes, unsecured	7,013	5,535
Lease liabilities	127	128
	7,140	5,663
Less: deferred financing costs	(86)	(74)
	7,054	5,589
Current portion		
Lease liabilities	19	19
Total borrowings	7,073	5,608

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. BORROWINGS (CONTINUED)

2018 SCL Credit Facility

On March 27, 2020, the Company entered into a waiver and amendment request letter relating to the 2018 SCL Revolving Facility with the lenders' agent (acting on behalf of the arrangers and lenders) to (i) waive the financial requirements for the Company to ensure the consolidated leverage ratio does not exceed 4.00x and the consolidated interest coverage ratio is greater than 2.50x from January 1, 2020 to July 1, 2021 (the "Relevant Period"); (ii) waive any default that may arise as a result of any breach of the financial requirements above during the Relevant Period; and (iii) extend the date by which the Company may supply the agent with its audited annual financial statements for the 2019 and 2020 financial years to April 30, 2020 and April 30, 2021 respectively. Pursuant to the waiver and amendment request letter, the Company agreed to pay a customary fee to the lenders that consented.

As at June 30, 2020, the Group had US\$2.02 billion (as at December 31, 2019: US\$2.0 billion) of available borrowing capacity under the 2018 SCL Revolving Facility.

Senior Notes

On August 9, 2018, the Company issued, in a private offering, three series of senior unsecured notes in an aggregate principal amount of US\$5.50 billion, consisting of US\$1.80 billion of 4.600% Senior Notes due August 8, 2023 (the "2023 Notes"), US\$1.80 billion of 5.125% Senior Notes due August 8, 2025 (the "2025 Notes"), and US\$1.90 billion of 5.400% Senior Notes due August 8, 2028 (the "2028 Notes").

On June 4, 2020, the Company issued, in a private offering, two series of senior unsecured notes in an aggregate principal amount of US\$1.50 billion, consisting of US\$800 million of 3.800% Senior Notes due January 8, 2026 (the "2026 Notes") and US\$700 million of 4.375% Senior Notes due June 18, 2030 (the "2030 Notes", and together with the 2023 Notes, 2025 Notes, 2026 Notes and 2028 Notes, the "Senior Notes"). Original issue discount and deferred financing costs relating to the 2026 Notes and 2030 Notes were US\$18 million, resulting in US\$1.48 billion of net proceeds for incremental liquidity and general corporate purposes. There are no interim principal payments on the 2026 Notes and 2030 Notes and interest is payable semi-annually in arrears on January 8 and July 8 of each year, beginning on January 8, 2021, with respect to the 2026 Notes, and on June 18 and December 18, commencing on December 18, 2020, with respect to the 2030 Notes.

The 2026 Notes and 2030 Notes are senior unsecured obligations of the Company. Each series of notes ranks equally in right of payment with all of the Company's existing and future senior unsecured debt and will rank senior in right of payment to all of the Company's future subordinated debt, if any. These Senior Notes will be effectively subordinated in right of payment to all of the Company's future secured debt (to the extent of the value of the collateral securing such debt), and will be structurally subordinated to all of the liabilities of the Company's subsidiaries. None of the Company's subsidiaries guarantee these Senior Notes.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

12. BORROWINGS (CONTINUED)

Senior Notes (continued)

The 2026 Notes and 2030 Notes were issued pursuant to an indenture dated June 4, 2020 (the "Indenture"), between the Company and U.S. Bank National Association, as trustee. The Indenture contains covenants, subject to customary exceptions and qualifications, that limit the ability of the Company and its subsidiaries to, among other things, incur liens, enter into sale and leaseback transactions and consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets on a consolidated basis. The Indenture also provides for customary events of default.

13. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Property and equipment commitments not provided for are as follows:

	June 30, 2020 US\$ in millions (Unaudited)	December 31, 2019 (Audited)
Contracted but not provided for	615	1,001

(b) Litigation

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

14. RELATED PARTY TRANSACTIONS

There has been no significant changes to the arrangements of related party transactions during the six months ended June 30, 2020. Refer to 2019 annual report for details on the arrangements. The Group had the following significant transactions with related parties during the period:

(a) Transactions during the period

(i) Management fee income and expenses

During the six months ended June 30, 2020, management fee income from fellow subsidiaries was US\$2 million (six months ended June 30, 2019: US\$2 million).

During the six months ended June 30, 2020, management fee expenses incurred from services provided by LVS and fellow subsidiaries were US\$7 million and US\$2 million, respectively (six months ended June 30, 2019: US\$9 million and US\$3 million, respectively).

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions during the period (continued)

(ii) Key management personnel remuneration

During the six months ended June 30, 2020, the aggregate amount of emoluments paid or payable by the Group to the Directors and key management personnel of the Company was US\$3 million (six months ended June 30, 2019: US\$3 million). In addition, Sheldon Gary Adelson and Robert Glen Goldstein received compensation (inclusive of share-based compensation) in both periods from LVS in respect of their services to LVS and its subsidiaries (including our Group). US\$1 million (six months ended June 30, 2019: US\$2 million) was charged by LVS to the Group in respect of such management and administrative services of Robert Glen Goldstein provided to the Group for the six months ended June 30, 2020.

Save as disclosed above, no other transactions have been entered into with the Directors of the Company during the six months ended June 30, 2020 and the six months ended June 30, 2019.

(iii) Royalty fees

During the six months ended June 30, 2020, the Group incurred US\$11 million (six months ended June 30, 2019: US\$56 million) of royalty fees under the agreement with Las Vegas Sands, LLC in November 2009.

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

Notes	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
US\$ in millions		
Receivables from related companies:		
Fellow subsidiaries	—	2
Payables to related companies:		
LVS	8	3
Intermediate holding company	—	5
Fellow subsidiaries	—	1
11	8	9

The payables to related companies are unsecured, interest-free and has a credit period of 45 days. As of December 31, 2019, the receivables to related companies were unsecured, interest-free and had a credit period of 45 days.

4.3 NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, restricted cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values at each balance sheet date.

The estimated fair value of the Group's Senior Notes as at June 30, 2020 was approximately US\$7.49 billion (as at December 31, 2019: US\$5.53 billion), which was based on level 2 inputs (quoted prices in markets that are not active) (as at December 31, 2019: same).

In August 2018, the Company entered into interest rate swap agreements (the "IR Swaps"), which qualified and were designated as fair value hedges, swapping fixed-rate for variable-rate interest to hedge changes in the fair value of interest payments of Senior Notes issued in August 2018. These IR Swaps have a total notional value of US\$5.50 billion and expire in August 2020. The total fair value of the IR Swaps as at June 30, 2020 was US\$73 million (as at December 31, 2019: US\$82 million). In the accompanying consolidated balance sheet, US\$13 million (as at December 31, 2019: US\$35 million) was recorded as an asset in "Other assets, net" current with an equal corresponding adjustment recorded against the carrying value of the related Senior Notes issued in August 2018, which adjustment represents the fair value of the additional interest income expected to be received subsequent to June 30, 2020, for the remaining term of the IR Swaps. The remaining US\$60 million (as at December 31, 2019: US\$47 million) was recorded as a receivable in "Trade and other receivables, net" current. The fair value of the IR Swaps was estimated using level 2 inputs obtained directly from the contractual counterparties and the final rate set was completed in May 2020 and no uncertainty in the outcome of the derivatives remains. As at December 31, 2019, the fair value of the IR Swaps was estimated using level 2 inputs from recently reported market forecasts of interest rates. Gains and losses due to changes in fair value of the IR Swaps completely offset changes in the fair value of the hedged portion of the underlying debt. Additionally, for the six months ended June 30, 2020, the Company recorded a US\$40 million (six months ended June 30, 2019: US\$5 million) reduction to interest expense related to the realized amount associated with the IR Swaps.

5. CORPORATE INFORMATION

(as at the Latest Practicable Date)

DIRECTORS

Executive Directors

Mr. Sheldon Gary Adelson
(Chairman of the Board and Chief Executive Officer)
Dr. Wong Ying Wai
(President)

Non-Executive Directors

Mr. Robert Glen Goldstein
Mr. Charles Daniel Forman

Independent Non-Executive Directors

Ms. Chiang Yun
Mr. Victor Patrick Hoog Antink
Mr. Steven Zygmunt Strasser
Mr. Kenneth Patrick Chung

REGISTERED OFFICE IN CAYMAN ISLANDS

Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue
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 54, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY'S WEBSITE

www.sandschina.com

COMPANY SECRETARY

Mr. Dylan James Williams

BOARD COMMITTEES

Audit Committee

Mr. Victor Patrick Hoog Antink (Chairman)
Ms. Chiang Yun
Mr. Steven Zygmunt Strasser
Mr. Kenneth Patrick Chung

Remuneration Committee

Mr. Steven Zygmunt Strasser (Chairman)
Mr. Victor Patrick Hoog Antink
Dr. Wong Ying Wai

Nomination Committee

Mr. Sheldon Gary Adelson (Chairman)
Ms. Chiang Yun
Mr. Victor Patrick Hoog Antink

Capex Committee

Mr. Robert Glen Goldstein (Chairman)
Mr. Victor Patrick Hoog Antink
Dr. Wong Ying Wai

AUTHORIZED REPRESENTATIVES

Dr. Wong Ying Wai
Mr. Dylan James Williams

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue
George Town, Grand Cayman KY1-9005
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKER

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

STOCK CODE

1928

6. CONTACT US

INTERIM REPORT

This 2020 Interim Report is printed in English and Chinese languages and is available on our website at www.sandschina.com and was posted to Shareholders.

Those Shareholders who received our 2020 Interim Report electronically and would like to receive a printed copy or vice versa, may at any time change their choice of the means of receipt of the Company's corporate communications free of charge by reasonable notice in writing to the Company c/o the branch share registrar in Hong Kong 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 2020 Interim Report by electronic means but, for any reason, have difficulty in receiving or gaining access to this 2020 Interim Report, may also request to be sent a copy of this 2020 Interim Report in printed form free of charge by submitting a written request to the Company c/o the branch share registrar in Hong Kong by post or by email.

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Telephone: +852 2862 8628

Facsimile: +852 2865 0990

Email: hkinfo@computershare.com.hk

CONTACT US

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

Telephone: +853 8118 2888

Facsimile: +853 2888 3382

Email: scl-enquiries@sands.com.mo

7. GLOSSARY

“2009 Equity Award Plan”	the equity award plan of the Company adopted by the Company pursuant to a resolution passed by the Shareholders on November 8, 2009 (as amended on February 19, 2016)
“2018 SCL Credit Facility”	the facility agreement, the Company, as borrower, entered into with the arrangers and lenders named therein and Bank of China Limited, Macau Branch, as agent for the lenders, on November 20, 2018, pursuant to which the lenders made available a US\$2.0 billion revolving unsecured credit facility to the Company
“2018 SCL Revolving Facility”	a US\$2.0 billion revolving unsecured credit facility made available by the lenders under the 2018 SCL Credit Facility entered into on November 20, 2018
“2019 Equity Award Plan”	the equity award plan of the Company approved by the Shareholders at the Company’s annual general meeting held on May 24, 2019, and became effective on December 1, 2019
“adjusted property EBITDA”	adjusted property EBITDA, which is a non-IFRS financial measure, is profit or loss attributable to equity holders of the Company before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization, net foreign exchange gains or losses, impairment loss on property and equipment, gain or loss on disposal of property and equipment, investment properties and intangible assets, interest, gain or loss on modification or early retirement of debt and income tax benefit or expense. Management utilizes adjusted property EBITDA to compare the operating profitability of its operations with those of its competitors, as well as a basis for determining certain incentive compensation. Integrated resort companies have historically reported adjusted property EBITDA as a supplemental performance measure to IFRS financial measures. In order to view the operations of their properties on a more stand-alone basis, integrated resort companies, including the Group, have historically excluded certain expenses that do not relate to the management of specific properties, such as pre-opening expense and corporate expense, from their adjusted property EBITDA calculations. Adjusted property EBITDA should not be interpreted as an alternative to profit or operating profit (as an indicator of operating performance) or to cash flows from operations (as a measure of liquidity), in each case, as determined in accordance with IFRS. The Group has significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, adjusted property EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies. In addition, our adjusted property EBITDA presented in the report may differ from adjusted property EBITDA presented by LVS for its Macao segment in its filings with the U.S. Securities and Exchange Commission. For a quantitative reconciliation of adjusted property EBITDA to its most directly comparable IFRS measurement, see “Note 4 — Segment Information”

7. GLOSSARY

“ADR” or “average daily rate”	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
“Capex Committee”	Sands China Capital Expenditure Committee of the Company
“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 Interim 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
“Code”	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
“Company”, “our”, “we”, “us”, “SCL” 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
“Company Code”	the Company’s own securities trading code for securities transactions by the Directors and relevant employees
“Concessionaire(s)”	the holder(s) of a concession for the operation of casino games in the MSAR
“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

7. GLOSSARY

“Cotai Strip”	large-scale integrated resort projects on Cotai 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
“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 at the exchange rate on June 30, 2020, for the purposes of illustration only, in this Interim Report at: US\$1.00: HK\$7.7504 US\$1.00: MOP7.9829 HK\$1.00: MOP1.03
“Four Seasons Hotel Macao”	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
“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
“Group”	our Company and its subsidiaries from time to time
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards as issued by the International Accounting Standards Board
“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

7. GLOSSARY

“Latest Practicable Date”	August 14, 2020
“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 Dutch Finance”	LVS Dutch Finance C.V., a company incorporated in the Netherlands
“LVS Dutch Holding”	LVS Dutch Holding B.V., a company incorporated in the Netherlands
“LVS Group”	LVS and its subsidiaries (excluding our Group)
“LVS LLC”	Las Vegas Sands, LLC, a company incorporated in Nevada, U.S.A.
“LVS Nevada”	LVS (Nevada) International Holdings, Inc., a company incorporated in Nevada, U.S.A.
“Macao” or “Macau” or “MSAR”	the Macao Special Administrative Region of the PRC
“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 and slot players
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“MOP” or “pataca(s)”	Macao pataca, the lawful currency of Macao
“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.sandschina.com

7. GLOSSARY

“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)
“Rolling Chip win”	a percentage of Rolling Chip volume
“Sands Cotai Central”	an integrated resort which currently features four hotel towers, consisting of hotel rooms and suites under the Conrad, Sheraton and St. Regis brands. Sands Cotai Central also includes gaming area, retail, entertainment, dining and MICE facilities. It is expected to be rebranded as “The Londoner Macao”
“Sands IP”	Sands IP Asset Management B.V., a company incorporated in the Netherland
“Sands Macao”	the Sands Macao, which includes gaming areas, a hotel tower, restaurants and a theater
“Senior Notes”	senior unsecured notes issued by the Company or, where relevant, any or all of: (i) the three series of senior unsecured unregistered notes in an aggregate principal amount of US\$5,500,000,000 issued on August 9, 2018, consisting of US\$1,800,000,000 of 4.600% Senior Notes due August 8, 2023, US\$1,800,000,000 of 5.125% Senior Notes due August 8, 2025 and US\$1,900,000,000 of 5.400% Senior Notes due August 8, 2028. Pursuant to an exchange offer launched on December 21, 2018 and which expired on January 25, 2019, US\$1,695,850,000 of 4.600% Senior Notes due August 8, 2023, US\$1,786,475,000 of 5.125% Senior Notes due August 8, 2025 and US\$1,892,760,000 of 5.400% Senior Notes due August 8, 2028, were exchanged for new notes that were registered under the U.S. Securities Act, on January 29, 2019, and pursuant to the filing of a Form 15F with the U.S. Securities and Exchange Commission on April 23, 2019, had their reporting obligations under Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, terminated; and (ii) the two series of senior unsecured unregistered notes in an aggregate principal amount of US\$1,500,000,000 issued on June 4, 2020, consisting of US\$800,000,000 of 3.800% Senior Notes due January 8, 2026 and US\$700,000,000 of 4.375% Senior Notes due June 18, 2030
“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
“Share(s)”	ordinary share(s) in our Company with a nominal value of US\$0.01 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

7. GLOSSARY

“Subconcession” or “Subconcession Contract”	the tripartite Subconcession Contract for the operation of casino games dated December 26, 2002 among Galaxy Casino S.A., the Macao government and VML
“Subconcessionaire(s)”	the holder(s) of a subconcession for the operation of casino games in the MSAR
“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 Parisian Macao”	an integrated resort that includes a gaming area, hotel, a shopping mall and other integrated resort amenities
“The Plaza Macao”	an integrated resort which includes (i) the Four Seasons Hotel Macao; (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) The Grand Suite at Four Seasons, which features 289 premium quality suites, except where the context indicates otherwise
“The Venetian Macao”	The Venetian® Macao-Resort-Hotel, an integrated resort that includes casino and gaming areas, a hotel, MICE space, the Shoppes at Venetian, 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
“Venetian Casino”	Venetian Casino Resort, LLC, a company incorporated in Nevada, U.S.A.
“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

7. GLOSSARY

“VML”

our subsidiary, Venetian Macau, S.A. (also known as Venetian Macau Limited), a public company limited by shares (“sociedade anónima”) incorporated on June 21, 2002 under the laws of Macao, one of the three Subconcessionaires and the holder of the Subconcession

“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