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# **SANDS CHINA LTD.**

## **金沙中國有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1928 and Note Stock Codes: 5140, 5141, 5142)**

### **INSIDE INFORMATION**

## **RESULTS OF OUR CONTROLLING SHAREHOLDER, LAS VEGAS SANDS CORP., FOR THE FISCAL FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2018**

This announcement is issued by Sands China Ltd. (“SCL” or our “Company” or “Sands China”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2017 Annual Report.

Our Company’s controlling shareholder, Las Vegas Sands Corp. (“LVS” or “Las Vegas Sands”), is a company listed on the New York Stock Exchange (the “NYSE”) in the United States. As at the date of this announcement, LVS beneficially owns approximately 70% of the issued share capital of our Company.

LVS files quarterly and annual reports, including quarterly and annual financial information and certain operating statistics under Form 8-K, Form 10-Q and Form 10-K, respectively, with the United States Securities and Exchange Commission (the “SEC”), in accordance with the ongoing disclosure obligations applicable to a publicly traded NYSE-listed company. Such filings include segment financial information about the Macao operations of LVS, which Macao operations are owned by our Company, and the filings are available in the public domain.

LVS has, on or about January 24, 2019 (5 a.m. Hong Kong time), announced its financial results for the fiscal fourth quarter and full year ended December 31, 2018 (the “Quarterly Financial Results”), held its fourth quarter 2018 Earnings Conference Call (the “Earnings Call”) and posted a fourth quarter earnings call presentation and supplemental materials on its website (the “Presentations”). If you wish to review the Quarterly Financial Results prepared by LVS, which were filed with the SEC, please visit [https://s21.q4cdn.com/635845646/files/doc\\_financials/2018/Q4/4Q18-Earnings-Release.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2018/Q4/4Q18-Earnings-Release.pdf) or [https://www.sec.gov/Archives/edgar/data/1300514/000130051419000003/lvs\\_ex991x12312018.htm](https://www.sec.gov/Archives/edgar/data/1300514/000130051419000003/lvs_ex991x12312018.htm). If you wish to review the Presentations, please visit [https://s21.q4cdn.com/635845646/files/doc\\_financials/2018/Q4/4Q18-Earnings-Slides.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2018/Q4/4Q18-Earnings-Slides.pdf) and [https://s21.q4cdn.com/635845646/files/doc\\_financials/2018/Q4/Supplementary-Earnings-Presentation.pdf](https://s21.q4cdn.com/635845646/files/doc_financials/2018/Q4/Supplementary-Earnings-Presentation.pdf).

The financial results of LVS and its consolidated subsidiaries, including those contained in the Quarterly Financial Results, the Earnings Call and the Presentations have been prepared in accordance with the generally accepted accounting principles of the United States (“**US GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we are subject to when preparing and presenting our stand-alone financial results and related financial information. However, following the substantial convergence of the IFRS and US GAAP accounting standards on revenue recognition with effect from January 1, 2018 onwards, the previous differences in the accounting treatment of revenue recognition between those two accounting frameworks applicable to the Company have been eliminated. Nevertheless, holders of and potential investors in our Company’s securities should consult their own professional advisers for an understanding of the difference between IFRS and US GAAP.

To ensure that all holders of and potential investors in our Company’s securities have equal and timely access to the information pertaining to our Company, set forth below are extracts and key highlights of the financial results and related financial information published by LVS in the Quarterly Financial Results and the Earnings Call that relate to our Company and our operations in Macao:

## **QUARTERLY FINANCIAL RESULTS EXTRACTS**

### **Fourth Quarter Overview**

Mr. Sheldon G. Adelson, chairman and chief executive officer of LVS, said, “We (LVS) are pleased to have delivered strong financial results in the quarter, led by record mass revenues and continued growth in every market segment in Macao. Our integrated resort property portfolio in Macao delivered adjusted property EBITDA of US\$786 million, an increase of 7.7% compared to the fourth quarter of 2017.

We also continued to invest in growth initiatives in each of our markets. We remain confident in the future opportunity in Macao and are progressing with our investments in the Four Seasons Tower Suites Macao, St. Regis Tower Suites Macao and The Londoner Macao. We believe our market-leading interconnected integrated resort portfolio in Macao, including the additional destination retail, luxurious hotel suite offerings and world class entertainment attractions created by these investments, will provide an ideal platform for growth in Macao in the years ahead.”

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

On a US GAAP basis, total net revenues for SCL increased 9% to US\$2.25 billion in the fourth quarter of 2018, compared to US\$2.06 billion in the fourth quarter of 2017. Net income for SCL decreased 11% to US\$465 million in the fourth quarter of 2018, compared to US\$519 million in the fourth quarter of 2017.

On a US GAAP basis, full year 2018 total net revenues for SCL increased 14% to US\$8.67 billion, compared to US\$7.59 billion in 2017. Net income for SCL increased 19% to US\$1.90 billion in 2018, compared to US\$1.60 billion in 2017.

## **Other Factors Affecting Earnings**

Depreciation and amortization expense was US\$289 million in the fourth quarter of 2018, compared to US\$258 million in the fourth quarter of 2017.

Interest expense, net of amounts capitalized, was US\$138 million for the fourth quarter of 2018, compared to US\$87 million in the prior-year quarter. Our weighted average borrowing cost in the fourth quarter of 2018 was approximately 4.5%, compared to 3.4% during the fourth quarter of 2017. The increase in net weighted average borrowing cost relates to the issuance of unsecured notes by SCL in the third quarter of 2018 and increases in interest rates globally. Our outstanding debt also increased in connection with the unsecured notes issued by SCL in the third quarter of 2018.

The net income attributable to noncontrolling interests during the fourth quarter of 2018 decreased to US\$130 million and was principally related to SCL.

## **Capital Expenditures**

Capital expenditures during the fourth quarter totaled US\$326 million, including construction, development and maintenance activities of US\$184 million in Macao.

**Supplemental Data**  
(Unaudited)

<b>The Venetian Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>December 31,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
Revenues:				
Casino	\$ 747	\$ 664	\$ 83	12.5%
Rooms	56	53	3	5.7%
Food and Beverage	19	21	(2)	(9.5)%
Mall	65	59	6	10.2%
Convention, Retail and Other	32	25	7	28.0%
Net Revenues	\$ 919	\$ 822	\$ 97	11.8%
Adjusted Property EBITDA	\$ 355	\$ 324	\$ 31	9.6%
EBITDA Margin %	38.6%	39.4%		(0.8) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 9,393	\$ 8,021	\$ 1,372	17.1%
Rolling Chip Win % <sup>(1)</sup>	3.20%	2.73%		0.47 pts
Non-Rolling Chip Drop	\$ 2,404	\$ 2,084	\$ 320	15.4%
Non-Rolling Chip Win %	25.1%	26.8%		(1.7) pts
Slot Handle	\$ 841	\$ 877	\$ (36)	(4.1)%
Slot Hold %	5%	5.3%		(0.3) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	96.5%	95.5%		1.0 pts
Average Daily Rate (ADR)	\$ 222	\$ 232	\$ (10)	(4.3)%
Revenue per Available Room (RevPAR)	\$ 214	\$ 222	\$ (8)	(3.6)%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

- (1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>Sands Cotai Central</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>December 31,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 418	\$ 417	\$ 1	0.2%
Rooms	86	84	2	2.4%
Food and Beverage	25	28	(3)	(10.7)%
Mall	21	15	6	40.0%
Convention, Retail and Other	8	7	1	14.3%
<b>Net Revenues</b>	<b>\$ 558</b>	<b>\$ 551</b>	<b>\$ 7</b>	<b>1.3%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 194</b>	<b>\$ 202</b>	<b>\$ (8)</b>	<b>(4.0)%</b>
EBITDA Margin %	34.8%	36.7%		(1.9) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 2,875	\$ 2,354	\$ 521	22.1%
Rolling Chip Win % <sup>(1)</sup>	3.72%	3.68%		0.04 pts
Non-Rolling Chip Drop	\$ 1,678	\$ 1,718	\$ (40)	(2.3)%
Non-Rolling Chip Win %	21.7%	21.2%		0.5 pts
Slot Handle	\$ 1,164	\$ 1,293	\$ (129)	(10.0)%
Slot Hold %	4.0%	4.2%		(0.2) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	96.5%	92.3%		4.2 pts
Average Daily Rate (ADR)	\$ 160	\$ 160	\$ —	—%
Revenue per Available Room (RevPAR)	\$ 154	\$ 148	\$ 6	4.1%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

- (1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>The Parisian Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>December 31,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 345	\$ 251	\$ 94	37.5%
Rooms	33	34	(1)	(2.9)%
Food and Beverage	17	15	2	13.3%
Mall	14	16	(2)	(12.5)%
Convention, Retail and Other	5	5	—	—%
<b>Net Revenues</b>	<b>\$ 414</b>	<b>\$ 321</b>	<b>\$ 93</b>	<b>29.0%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 132</b>	<b>\$ 89</b>	<b>\$ 43</b>	<b>48.3%</b>
EBITDA Margin %	31.9%	27.7%		4.2 pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 4,816	\$ 3,845	\$ 971	25.3%
Rolling Chip Win % <sup>(1)</sup>	3.16%	2.75%		0.41 pts
Non-Rolling Chip Drop	\$ 1,135	\$ 1,016	\$ 119	11.7%
Non-Rolling Chip Win %	22.6%	19.8%		2.8 pts
Slot Handle	\$ 1,234	\$ 1,014	\$ 220	21.7%
Slot Hold %	3.3%	2.9%		0.4 pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	97.0%	98.4%		(1.4) pts
Average Daily Rate (ADR)	\$ 160	\$ 151	\$ 9	6.0%
Revenue per Available Room (RevPAR)	\$ 156	\$ 148	\$ 8	5.4%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

- (1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>The Plaza Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>December 31,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 108	\$ 118	\$ (10)	(8.5)%
Rooms	10	10	—	—%
Food and Beverage	8	8	—	—%
Mall	48	37	11	29.7%
Convention, Retail and Other	1	1	—	—%
<b>Net Revenues</b>	<b>\$ 175</b>	<b>\$ 174</b>	<b>\$ 1</b>	<b>0.6%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 64</b>	<b>\$ 71</b>	<b>\$ (7)</b>	<b>(9.9)%</b>
EBITDA Margin %	<b>36.6%</b>	40.8%		(4.2) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
Rolling Chip Volume	\$ 3,365	\$ 2,662	\$ 703	26.4%
Rolling Chip Win % <sup>(1)</sup>	<b>2.65%</b>	2.88%		(0.23) pts
Non-Rolling Chip Drop	\$ 345	\$ 389	\$ (44)	(11.3)%
Non-Rolling Chip Win %	<b>22.2%</b>	21.9%		0.3 pts
Slot Handle	\$ 153	\$ 125	\$ 28	22.4%
Slot Hold %	<b>4.5%</b>	8.2%		(3.7) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
Occupancy %	<b>90.0%</b>	86.2%		3.8 pts
Average Daily Rate (ADR)	\$ 343	\$ 330	\$ 13	3.9%
Revenue per Available Room (RevPAR)	\$ 309	\$ 285	\$ 24	8.4%

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

- (1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

<b>Sands Macao</b> <i>(US\$ in millions)</i>	<b>Three Months Ended</b> <b>December 31,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Revenues:</b>				
Casino	\$ 144	\$ 136	\$ 8	5.9%
Rooms	5	4	1	25.0%
Food and Beverage	7	8	(1)	(12.5)%
Convention, Retail and Other	—	2	(2)	(100.0)%
<b>Net Revenues</b>	<b>\$ 156</b>	<b>\$ 150</b>	<b>\$ 6</b>	<b>4.0%</b>
<b>Adjusted Property EBITDA</b>	<b>\$ 38</b>	<b>\$ 40</b>	<b>\$ (2)</b>	<b>(5.0)%</b>
EBITDA Margin %	24.4%	26.7%		(2.3) pts
<b>Gaming Statistics</b> <i>(US\$ in millions)</i>				
<b>Rolling Chip Volume</b>	<b>\$ 1,635</b>	<b>\$ 748</b>	<b>\$ 887</b>	<b>118.6%</b>
Rolling Chip Win % <sup>(1)</sup>	2.61%	3.48%		(0.87) pts
<b>Non-Rolling Chip Drop</b>	<b>\$ 630</b>	<b>\$ 615</b>	<b>\$ 15</b>	<b>2.4%</b>
Non-Rolling Chip Win %	18.5%	18.5%		— pts
<b>Slot Handle</b>	<b>\$ 643</b>	<b>\$ 609</b>	<b>\$ 34</b>	<b>5.6%</b>
Slot Hold %	3.0%	3.4%		(0.4) pts
<b>Hotel Statistics</b> <i>(US\$)</i>				
<b>Occupancy %</b>	<b>98.9%</b>	<b>98.5%</b>		<b>0.4 pts</b>
<b>Average Daily Rate (ADR)</b>	<b>\$ 176</b>	<b>\$ 177</b>	<b>\$ (1)</b>	<b>(0.6)%</b>
<b>Revenue per Available Room (RevPAR)</b>	<b>\$ 175</b>	<b>\$ 174</b>	<b>\$ 1</b>	<b>0.6%</b>

Note: The prior period presentation has been adjusted for the adoption of ASC 606, Revenue from Contracts with Customers, and conformed to the current period presentation.

- (1) This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated discounts, commissions, deferring revenue associated with the company's loyalty programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).



## Asian Retail Mall Operations

	For The Three Months Ended December 31, 2018					Trailing Twelve Months December 31, 2018
	Gross Revenue <sup>(1)</sup>	Operating Profit	Operating Profit Margin	Gross Leasable Area (sq. ft.)	Occupancy % at End of Period	Tenant Sales Per Sq. Ft. <sup>(2)</sup>
<i>(US\$ in millions except per square foot data)</i>						
Shoppes at Venetian	\$ 65	\$ 57	87.7%	813,376	90.3%	\$ 1,746
Shoppes at Four Seasons						
Luxury Retail	34	32	94.1%	125,566	100.0%	5,836
Other Stores	14	13	92.9%	115,982	97.9%	2,046
Total	48	45	93.8%	241,548	99.0%	4,373
Shoppes at Cotai Central <sup>(3)</sup>	21	18	85.7%	519,681	91.5%	892
Shoppes at Parisian	13	10	76.9%	295,915	89.8%	649
Total Cotai in Macao	147	130	88.4%	1,870,520	91.7%	1,778
The Shoppes at Marina Bay Sands <sup>(4)</sup>	51	44	86.3%	606,362	95.4%	1,898
Total	<u>\$ 198</u>	<u>\$ 174</u>	87.9%	<u>2,476,882</u>	92.6%	\$ 1,808

Note: This table excludes the results of our mall operations at Sands Macao.

- (1) Gross revenue figures are net of intersegment revenue eliminations.
- (2) Tenant sales per square foot reflect sales from tenants only after the tenant has been open for a period of 12 months.
- (3) The Shoppes at Cotai Central will feature up to an estimated 600,000 square feet of gross leasable area at completion of all phases of Sands Cotai Central's renovation, rebranding and expansion to The Londoner Macao.
- (4) Marina Bay Sands is not part of the SCL group.

## EARNINGS CALL SUMMARY

### **A summary of the statements of Mr. Robert Glen Goldstein, President and Chief Operating Officer of LVS:**

We had a very good quarter.

In Macao, adjusted EBITDA was US\$786 million. We achieved record mass revenues and we increased our market share of revenue in our most important market.

Our growth in Macao is coming from every gaming and non-gaming segment.

Margins in every segment in Macao were stable or growing during the quarter, with the exception of our rolling premium direct business, where low hold negatively impacted our EBITDA. The strong top line growth in our rolling business of 34.6% for the quarter will positively contribute to our bottom line as hold normalizes in that segment.

In 2018, our Macao operations delivered adjusted property EBITDA of over US\$3 billion, an increase of 18 % over 2017.

Overall the Macao market showed strength in 2018, growing gross gaming revenue (GGR) by 14% year-on-year. Our Macao properties generated 17% growth in GGR over that same period.

It is clear the Macao market is evolving and Sheldon's vision more than a decade ago to create the critical mass of our hotel, retail, entertainment and MICE offerings positions us perfectly well for future growth.

The opening of the Hong Kong Zhuhai Macao Bridge is a major milestone that will help Macao grow tourism and MICE business in the years ahead. It is an engineering feat of unprecedented scale and creates a direct connection between the Hong Kong International Airport, one of the largest and most important transportation hubs in all of Asia, and Macao.

We couldn't be more excited about our planned investment of US\$2.2 billion to expand our critical mass of hotel room, retail and entertainment offerings in Macao.

We look forward to participating in the benefit from the growing infrastructure in Macao that will continue to increase leisure and business tourism visitation from China.

Looking ahead, we believe there is no better market in the world than Macao with regard to the continued deployment of our capital. We look forward to making additional investments in Macao as we contribute to Macao's diversification and evolution into Asia's leading leisure and business tourism destination.

We see meaningful long-term value in the LVS and SCL equity.

## FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, competition, new development, construction and ventures, substantial leverage and debt service, fluctuations in currency exchange rates and interest rates, government regulation, tax law changes, legalization of gaming, natural or man-made disasters, terrorist acts or war, outbreaks of infectious diseases, insurance, gaming promoters, risks relating to our gaming licenses, certificate and subconcession, infrastructure in Macao, our subsidiaries' ability to make distribution payments to us, and other factors detailed in our Company's prospectus dated November 16, 2009 and our 2017 Annual Report. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

Holders of our Company's securities, potential investors and readers are advised not to place undue reliance on the LVS Quarterly Financial Results, the Earnings Call and the Presentations and to exercise caution in dealing in securities in our Company.

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

Macao, January 24, 2019

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

*Executive Directors:*

Sheldon Gary Adelson  
Wong Ying Wai

*Non-Executive Directors:*

Robert Glen Goldstein  
Charles Daniel Forman

*Independent Non-Executive Directors:*

Chiang Yun  
Victor Patrick Hoog Antink  
Steven Zygmunt Strasser  
Kenneth Patrick Chung

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