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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)

## INSIDE INFORMATION

### RESULTS OF OUR CONTROLLING SHAREHOLDER, LAS VEGAS SANDS CORP., FOR THE FISCAL SECOND QUARTER ENDED JUNE 30, 2017

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 2016 Annual Report.

Our Company’s controlling shareholder, Las Vegas Sands Corp. (“LVS”), 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 70.08% of the issued and outstanding share capital of our Company.

LVS files quarterly and annual reports, including quarterly and annual financial information and certain operating statistics under 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 July 27, 2017 (4 a.m. Hong Kong time), announced its financial results for the fiscal second quarter ended June 30, 2017 (the “Quarterly Financial Results”), held its second quarter 2017 Earnings Conference Call (the “Earnings Call”) and posted a second quarter results chart deck on its website (the “Chart Deck”). If you wish to review the Quarterly Financial Results prepared by LVS, which were filed with the SEC, please visit [http://investor.sands.com/files/doc\\_financials/2017/Q2/FINAL-2Q17-Earnings-Release.pdf](http://investor.sands.com/files/doc_financials/2017/Q2/FINAL-2Q17-Earnings-Release.pdf) or [https://www.sec.gov/Archives/edgar/data/1300514/000130051417000053/lvs\\_ex991x06302017.htm](https://www.sec.gov/Archives/edgar/data/1300514/000130051417000053/lvs_ex991x06302017.htm). If you wish to review the Chart Deck, please visit [http://investor.sands.com/files/doc\\_financials/2017/Q2/FINAL-2Q17-Earnings-Slides.pdf](http://investor.sands.com/files/doc_financials/2017/Q2/FINAL-2Q17-Earnings-Slides.pdf).

The financial results of LVS and its consolidated subsidiaries, including those contained in the Quarterly Financial Results, the Earnings Call and the Chart Deck 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. As such, the financial results and related financial information set forth in the Quarterly Financial Results, the Earnings Call and the Chart Deck are not directly comparable to the financial results and related financial information that our Company discloses as a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. In particular, Average Daily Rate (“**ADR**”) and Revenue Per Available Room (“**RevPAR**”) as presented in the Quarterly Financial Results, the Earnings Call and the Chart Deck are based on gross room revenues as reported under US GAAP, which include associated promotional allowances within room revenues. Under US GAAP, promotional allowances are then deducted from total gross revenues in presenting net revenues. Under IFRS, room revenues exclude such promotional allowances. Our shareholders and potential investors in our ordinary shares are advised that the consolidated financial results and related financial information set forth in the Quarterly Financial Results, the Earnings Call and the Chart Deck with respect to our Company’s operating results have not been prepared or presented by our Company, and there is no indication or assurance from our Company that the financial results and related financial information of our Company will be the same as that presented in the Quarterly Financial Results, the Earnings Call and the Chart Deck.

To ensure that all shareholders of and potential investors in our Company’s ordinary shares 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

### Second Quarter Overview

Mr. Sheldon G. Adelson, chairman and chief executive officer of LVS, said, “We are pleased to have delivered a strong set of financial results during the quarter, led by another quarter of growth in Macao and a record-setting performance in Singapore<sup>(1)</sup>. The benefits of our convention-based integrated resort business model remain evident in our (LVS) financial results, with adjusted property EBITDA increasing 26.5% compared to the second quarter of 2016, reaching US\$1.21 billion. We also continued to return excess capital to shareholders during the quarter.

In Macao, the recovery in the market overall continued during the quarter, with market-wide gross gaming revenues increasing 21.9% in the second quarter of 2017. Our market-leading critical mass of hotel, retail and entertainment offerings on Cotai allowed us to grow our premium mass revenues by nearly 40%, an outstanding performance in this important segment, while our mass gaming revenues overall grew by 22.5%. Strong mass revenue growth, coupled with higher hotel occupancy and growth in the VIP segment all contributed to a 23% increase in our adjusted property EBITDA in Macao, which reached US\$600 million in the quarter.

<sup>(1)</sup> LVS’ operations in Singapore is not part of the SCL group.

The Parisian Macao continued to exhibit growth, enjoying strong visitation and delivering adjusted property EBITDA of US\$106 million for the quarter. The Parisian Macao has firmly established itself as a ‘must see’ destination for visitors to Cotai, delivering sequential growth in hotel occupancy, ADR and gaming volumes, while mass win per day of US\$2.44 million was the highest result since the property’s opening last year. We expect The Parisian Macao to continue to deliver growth in the quarters and years ahead as the Macao market grows and as we continue to refine the property’s service offerings to appeal to the fastest growing and most profitable segments in the Macao market.

We have invested over US\$13 billion in Macao since 2002, while consistently contributing to Macao’s diversification and appeal as a business and leisure tourism destination. We continue to lead the market not only in integrated resort development, but in the long-term and vital investment in the marketing of Macao as Asia’s leading business and leisure tourism destination. We remain confident that our market-leading Cotai Strip portfolio of properties will continue to provide the economic benefits of diversification to Macao, help attract greater numbers of business and leisure travelers, and provide both Macao and our company with a superior platform for future growth.”

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

On a US GAAP basis, total net revenues for Sands China increased 23.0% to US\$1.82 billion in the second quarter of 2017, compared to US\$1.48 billion in the second quarter of 2016. Net income for SCL increased 37.6% to US\$326 million in the second quarter of 2017, compared to US\$237 million in the second quarter of 2016.

### **The Venetian Macao Second Quarter Operating Results**

The Venetian Macao generated revenue of US\$687 million and adjusted property EBITDA of US\$256 million in the second quarter, with an adjusted property EBITDA margin of 37.3%, reflecting 4.9% growth in adjusted property EBITDA and a 70 basis point increase in EBITDA margin compared to the second quarter of 2016. In the second quarter of 2017, there were approximately 19% fewer rooms available compared to the same quarter of the prior year. Non-Rolling Chip drop was US\$1.70 billion for the quarter, with a Non-Rolling Chip win percentage of 25.7%. Rolling Chip volume was US\$5.17 billion, with a Rolling Chip win percentage of 3.61%, above the expected range and the 2.73% experienced in the prior-year quarter. Slot handle was US\$681 million for the quarter.

The following table summarizes the key operating results for The Venetian Macao for the second quarter of 2017 compared to the second quarter of 2016:

<b>The Venetian Macao Operations</b> <i>(In US millions)</i>	<b>Three Months Ended</b>			\$	Change	Change			
	<b>June 30,</b>		2017						
	2017	2016							
<b>Revenues:</b>									
Casino	\$ <b>586</b>	\$ 568	\$ 586	\$ 18	\$ 18	3.2%			
Rooms	\$ <b>41</b>	\$ 45	\$ 41	\$ (4)	\$ (4)	(8.9)%			
Food and Beverage	\$ <b>20</b>	\$ 21	\$ 20	\$ (1)	\$ (1)	(4.8)%			
Mall	\$ <b>54</b>	\$ 51	\$ 54	\$ 3	\$ 3	5.9%			
Convention, Retail and Other	\$ <b>21</b>	\$ 18	\$ 21	\$ 3	\$ 3	16.7%			
Less — Promotional Allowances	\$ <b>(35)</b>	\$ (37)	\$ (35)	\$ 2	\$ 2	(5.4)%			
Net Revenues	\$ <b>687</b>	\$ 666	\$ 687	\$ 21	\$ 21	3.2%			
Adjusted Property EBITDA	\$ <b>256</b>	\$ 244	\$ 256	\$ 12	\$ 12	4.9%			
EBITDA Margin %	<b>37.3%</b>	36.6%	37.3%			0.7pts			
<b>Gaming Statistics</b>									
<i>(In US millions)</i>									
Rolling Chip Volume	\$ <b>5,172</b>	\$ 6,868	\$ 5,172	\$ (1,696)	\$ (1,696)	(24.7)%			
Rolling Chip Win % <sup>(1)</sup>	<b>3.61%</b>	2.73%	3.61%			0.88pts			
Non-Rolling Chip Drop	\$ <b>1,695</b>	\$ 1,657	\$ 1,695	\$ 38	\$ 38	2.3%			
Non-Rolling Chip Win %	<b>25.7%</b>	24.8%	25.7%			0.9pts			
Slot Handle	\$ <b>681</b>	\$ 979	\$ 681	\$ (298)	\$ (298)	(30.4)%			
Slot Hold %	<b>5.3%</b>	4.6%	5.3%			0.7pts			
<b>Hotel Statistics</b>									
Occupancy %	<b>93.3%</b>	81.0%	93.3%			12.3pts			
Average Daily Rate (ADR)	\$ <b>209</b>	\$ 212	\$ 209	\$ (3)	\$ (3)	(1.4)%			
Revenue per Available Room (RevPAR)	\$ <b>195</b>	\$ 172	\$ 195	\$ 23	\$ 23	13.4%			

<sup>(1)</sup> This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions). We revised the expected range due to the Rolling Chip win percentage experienced over the last several years.

## Sands Cotai Central Second Quarter Operating Results

Revenue and adjusted property EBITDA for the second quarter of 2017 at Sands Cotai Central were US\$445 million and US\$133 million, respectively, resulting in an adjusted property EBITDA margin of 29.9%.

Non-Rolling Chip drop was US\$1.37 billion in the second quarter, with a Non-Rolling Chip win percentage of 21.1%. Rolling Chip volume was US\$2.52 billion for the quarter, with a Rolling Chip win percentage of 3.15%. Slot handle was US\$1.14 billion for the quarter.

The following table summarizes our key operating results for Sands Cotai Central for the second quarter of 2017 compared to the second quarter of 2016:

<b>Sands Cotai Central Operations</b> <i>(In US millions)</i>	<b>Three Months Ended</b> <b>June 30,</b>		<b>\$ Change</b>	<b>Change</b>
	<b>2017</b>	<b>2016</b>		
<b>Revenues:</b>				
Casino	\$ <b>373</b>	\$ 405	\$ (32)	(7.9)%
Rooms	<b>65</b>	64	1	1.6%
Food and Beverage	<b>25</b>	24	1	4.2%
Mall	<b>15</b>	16	(1)	(6.3)%
Convention, Retail and Other	<b>6</b>	6	—	—%
Less — Promotional Allowances	<b>(39)</b>	(42)	3	(7.1)%
Net Revenues	<b>445</b>	\$ 473	\$ (28)	(5.9)%
Adjusted Property EBITDA	<b>133</b>	\$ 145	\$ (12)	(8.3)%
EBITDA Margin %	<b>29.9%</b>	30.7%		(0.8)pts
<b>Gaming Statistics</b> <i>(In US millions)</i>				
Rolling Chip Volume	\$ <b>2,522</b>	\$ 3,082	\$ (560)	(18.2)%
Rolling Chip Win % <sup>(1)</sup>	<b>3.15%</b>	2.48%		0.67pts
Non-Rolling Chip Drop	\$ <b>1,367</b>	\$ 1,510	\$ (143)	(9.5)%
Non-Rolling Chip Win %	<b>21.1%</b>	20.4%		0.7pts
Slot Handle	\$ <b>1,139</b>	\$ 1,485	\$ (346)	(23.3)%
Slot Hold %	<b>4.0%</b>	3.7%		0.3pts
<b>Hotel Statistics</b>				
Occupancy %	<b>81.4%</b>	76.5%		4.9pts
Average Daily Rate (ADR)	\$ <b>142</b>	\$ 149	\$ (7)	(4.7)%
Revenue per Available Room (RevPAR)	\$ <b>116</b>	\$ 114	\$ 2	1.8%

<sup>(1)</sup> This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions). We revised the expected range due to the Rolling Chip win percentage experienced over the last several years.

## The Parisian Macao Second Quarter Operating Results

The Parisian Macao opened on September 13, 2016. Revenue and adjusted property EBITDA at The Parisian Macao were US\$361 million and US\$106 million, respectively, resulting in an adjusted property EBITDA margin of 29.4%.

Non-Rolling Chip drop was US\$973 million, with a Non-Rolling Chip win percentage of 19.7%. Rolling Chip volume was US\$3.76 billion, with a Rolling Chip win percentage of 3.89%, above the expected range and the first quarter 2017 win percentage of 2.82%. Slot handle was US\$935 million for the quarter.

The following table summarizes our key operating results for The Parisian Macao in the second quarter of 2017 compared to the first quarter of 2017:

The Parisian Macao Operations <i>(In US millions)</i>	Three Months Ended					
	June 30, 2017 <sup>(1)</sup>	March 31,		\$ Change	Change	
		2017	2017			
<b>Revenues:</b>						
Casino	\$ 322	\$ 279	\$ 43		15.4%	
Rooms	32	29	3		10.3%	
Food and Beverage	16	16	—		—%	
Mall	17	17	—		—%	
Convention, Retail and Other	5	5	—		—%	
Less — Promotional Allowances	(31)	(28)	(3)		10.7%	
Net Revenues	\$ 361	\$ 318	\$ 43		13.5%	
Adjusted Property EBITDA	\$ 106	\$ 82	\$ 24		29.3%	
EBITDA Margin %	29.4%	25.8%			3.6pts	
<b>Gaming Statistics</b>						
<i>(In US millions)</i>						
Rolling Chip Volume	\$ 3,760	\$ 3,722	\$ 38		1.0%	
Rolling Chip Win % <sup>(2)</sup>	3.89%	2.82%			1.07pts	
Non-Rolling Chip Drop	\$ 973	\$ 983	\$ (10)		(1.0)%	
Non-Rolling Chip Win %	19.7%	18.2%			1.5pts	
Slot Handle	\$ 935	\$ 854	\$ 81		9.5%	
Slot Hold %	3.3%	4.0%			(0.7)pts	
<b>Hotel Statistics</b>						
Occupancy %	88.0%	81.9%			6.1pts	
Average Daily Rate (ADR)	\$ 138	\$ 136	\$ 2		1.5%	
Revenue per Available Room (RevPAR)	\$ 122	\$ 112	\$ 10		8.9%	

<sup>(1)</sup> The Parisian Macao opened in September 2016.

<sup>(2)</sup> This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions). We revised the expected range due to the Rolling Chip win percentage experienced over the last several years.

## The Plaza Macao Second Quarter Operating Results

The Plaza Macao generated revenue of US\$137 million and adjusted property EBITDA of US\$59 million, resulting in an adjusted property EBITDA margin of 43.1% in the second quarter of 2017. In the second quarter of 2017, there were approximately 21% fewer rooms available compared to the same quarter of the prior year. Non-Rolling Chip drop was US\$295 million, with a Non-Rolling Chip win percentage of 24.3%, below the 28.1% experienced in the prior-year quarter. Rolling Chip volume was US\$2.42 billion for the quarter. Rolling Chip win percentage of 1.97% in the second quarter was below the prior-year quarter and the expected range. Slot handle decreased 5.8% to US\$97 million during the quarter.

The following table summarizes our key operating results for The Plaza Macao for the second quarter of 2017 compared to the second quarter of 2016:

The Plaza Macao Operations <i>(In US millions)</i>	Three Months Ended June 30,				
	2017	2016	\$ Change	Change	
<b>Revenues:</b>					
Casino	\$ 101	\$ 89	\$ 12	13.5%	
Rooms	8	9	(1)	(11.1)%	
Food and Beverage	6	5	1	20.0%	
Mall	32	32	—	—%	
Convention, Retail and Other	1	1	—	—%	
Less — Promotional Allowances	(11)	(11)	—	—%	
Net Revenues	\$ 137	\$ 125	\$ 12	9.6%	
Adjusted Property EBITDA	\$ 59	\$ 44	\$ 15	34.1%	
EBITDA Margin %	43.1%	35.2%		7.9pts	
<b>Gaming Statistics</b>					
<i>(In US millions)</i>					
Rolling Chip Volume	\$ 2,417	\$ 1,883	\$ 534	28.4%	
Rolling Chip Win % <sup>(1)</sup>	1.97%	2.13%		(0.16)pts	
Non-Rolling Chip Drop	\$ 295	\$ 230	\$ 65	28.3%	
Non-Rolling Chip Win %	24.3%	28.1%		(3.8)pts	
Slot Handle	\$ 97	\$ 103	\$ (6)	(5.8)%	
Slot Hold %	7.5%	5.6%		1.9pts	
<b>Hotel Statistics</b>					
Occupancy %	81.3%	69.2%		12.1pts	
Average Daily Rate (ADR)	\$ 355	\$ 340	\$ 15	4.4%	
Revenue per Available Room (RevPAR)	\$ 289	\$ 236	\$ 53	22.5%	

<sup>(1)</sup> This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions). We revised the expected range due to the Rolling Chip win percentage experienced over the last several years.

## Sands Macao Second Quarter Operating Results

Sands Macao generated revenue of US\$161 million and adjusted property EBITDA of US\$39 million in the second quarter with an adjusted property EBITDA margin of 24.2%. Non-Rolling Chip drop was US\$626 million during the quarter, while slot handle was US\$614 million. Rolling Chip volume was US\$968 million for the quarter. The property realized 3.80% win on Rolling Chip volume during the quarter, above the expected range and the 3.29% experienced in the year-ago quarter.

The following table summarizes our key operating results for Sands Macao for the second quarter of 2017 compared to the second quarter of 2016:

Sands Macao Operations <i>(In US millions)</i>	Three Months Ended June 30,				
	2017	2016	\$	Change	Change
<b>Revenues:</b>					
Casino	\$ 157	\$ 180	\$ (23)	(12.8)%	
Rooms	5	5	—	—%	
Food and Beverage	7	6	1	16.7%	
Convention, Retail and Other	1	2	(1)	(50.0)%	
Less — Promotional Allowances	(9)	(8)	(1)	12.5%	
Net Revenues	\$ 161	\$ 185	\$ (24)	(13.0)%	
Adjusted Property EBITDA	\$ 39	\$ 48	\$ (9)	(18.8)%	
EBITDA Margin %	24.2%	25.9%		(1.7)pts	
<b>Gaming Statistics</b>					
<i>(In US millions)</i>					
Rolling Chip Volume	\$ 968	\$ 1,954	\$ (986)	(50.5)%	
Rolling Chip Win % <sup>(1)</sup>	3.80%	3.29%		0.51pts	
Non-Rolling Chip Drop	\$ 626	\$ 650	\$ (24)	(3.7)%	
Non-Rolling Chip Win %	18.8%	18.3%		0.5pts	
Slot Handle	\$ 614	\$ 668	\$ (54)	(8.1)%	
Slot Hold %	3.2%	3.3%		(0.1)pts	
<b>Hotel Statistics</b>					
Occupancy %	98.5%	96.0%		2.5pts	
Average Daily Rate (ADR)	\$ 191	\$ 203	\$ (12)	(5.9)%	
Revenue per Available Room (RevPAR)	\$ 188	\$ 195	\$ (7)	(3.6)%	

<sup>(1)</sup> This compares to our expected Rolling Chip win percentage of 3.0% to 3.3% (calculated before discounts and commissions). We revised the expected range due to the Rolling Chip win percentage experienced over the last several years.

## Asian Retail Mall Operations

Gross revenue from tenants in the company's retail malls on Cotai (The Venetian Macao, The Plaza Macao, Sands Cotai Central and The Parisian Macao) and Marina Bay Sands in Singapore increased 13.7% to US\$158 million for the second quarter of 2017, compared to the second quarter of 2016. Operating profit derived from these retail mall assets increased 11.9% year-over-year to US\$141 million.

	For The Three Months Ended June 30, 2017						Trailing Twelve Months June 30, 2017
(In US millions except per square foot data)	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>	
Shoppes at Venetian	\$ 55	\$ 50	90.9%	779,025	97.7%	\$ 1,340	
Shoppes at Four Seasons							
Luxury Retail	21	20	95.2%	142,562	100.0%	4,337	
Other Stores	11	10	90.9%	116,971	98.9%	1,483	
Total	32	30	93.8%	259,533	99.5%	3,097	
Shoppes at Cotai Central <sup>(3)</sup>	14	12	85.7%	425,630	93.5%	676	
Shoppes at Parisian <sup>(4)</sup>	17	14	82.4%	299,053	92.7%	N/A	
Total Cotai in Macao	118	106	89.8%	1,763,241	96.1%	1,483	
The Shoppes at Marina Bay Sands <sup>(5)</sup>	40	35	87.5%	608,947	97.4%	1,482	
Total	<u>\$ 158</u>	<u>\$ 141</u>	89.2%	<u>2,372,188</u>	96.5%	\$ 1,483	

<sup>(1)</sup> Gross revenue figures are net of intersegment revenue eliminations.

<sup>(2)</sup> Tenant sales per square foot reflect sales from tenants only after the tenant has been open for a period of 12 months.

<sup>(3)</sup> At completion of all phases, the Shoppes at Cotai Central will feature up to 600,000 square feet of gross leasable area.

<sup>(4)</sup> The Shoppes at Parisian opened in September 2016.

<sup>(5)</sup> Marina Bay Sands is not part of the SCL group.

## **Other Factors Affecting Earnings**

Depreciation and amortization expense was US\$327 million in the second quarter of 2017, compared to US\$255 million in the second quarter of 2016. This increase was driven primarily by the opening of The Parisian Macao.

The net income attributable to noncontrolling interests during the second quarter of 2017 of US\$93 million was principally related to SCL.

## **Capital Expenditures**

Capital expenditures during the second quarter totaled US\$178 million, including construction, development and maintenance activities of US\$110 million in Macao.

## **EARNINGS CALL SUMMARY**

### **A summary of the statements of Mr. Sheldon G. Adelson, Chairman and Chief Executive Officer of LVS:**

This was a great quarter and I am very pleased with our results. Company-wide adjusted EBITDA was US\$1.21 billion, an increase of 26% over the prior year. Adjusted earnings per diluted share increased by 38% over the prior year to US73 cents per share.

During the quarter both our Macao and Singapore operations performed exceptionally well. Sands China grew its EBITDA by 23% year-on-year, driven by strong mass gaming revenue growth.

I remain as confident as I have ever been in our company's prospects. The Macao market is growing and its growth rate has been accelerating for four consecutive quarters. At the same time, the significant new supply that has been added on Cotai since 2015, amounting to over eight thousand hotel rooms and over US\$13 billion of additional invested capital, has been successfully absorbed by the market.

Our Macao operation is experiencing strong growth in mass gaming and non-gaming segments, and we have successfully established a new landmark, 'must see', destination resort in The Parisian Macao. Our Macao mass gaming table revenue growth rate further accelerated from 18% in the first quarter to 23% in the second quarter. In its third full quarter of operation, The Parisian Macao achieved a quarterly EBITDA of US\$106 million.

Our strategy was to create a critical mass of interconnected resorts on Cotai. With the completion of The Parisian Macao, we have almost thirteen thousand hotel rooms in four interconnected resorts, over 840 stores across four shopping malls, two and a half million square feet of meeting and exhibition space, and four performance and event venues, including our Cotai Arena at The Venetian Macao, which can be utilized either for our MICE business or for major entertainment events. This critical mass of product and amenities allow us to cater to virtually every type of visitor. Business and leisure visitors to Macao will be able to enjoy all of this and more under one roof at one destination.

Our retail mall portfolio across Asia continues to thrive, which demonstrates the success of our strategy to develop destination retail as a differentiating component in the critical mass of offerings in each of the integrated resorts in our global portfolio. Both Macao and Singapore delivered double digit retail sales growth for the second quarter. Our annualized operating profit is now well in excess of US\$0.5 billion. Both malls are poised for further enhancements to the tenant mix.

Because of our industry-leading investments in MICE-based integrated resorts in both Macao and Singapore, we are unique in the absolute scale of our cash flow, as well as our dominant share of the industry's cash flow. Scale, diversity and critical mass allow us to outperform our competitors.

Now let me give you some additional highlights of our results in Macao for the quarter.

In the second quarter, adjusted property EBITDA for our Macao operations was US\$600 million, an increase of 23% compared to the prior year. Total net revenues increased by 23%, driven by growth in mass gaming and non-gaming segments. We maintained a strong EBITDA margin of 32.7% as we benefited from revenue growth and ongoing cost efficiencies.

Despite the significant increase in Macao's gaming and hotel capacity compared with the prior year quarter, our mass table gaming revenues grew by 23% year-over-year, and our non-gaming revenues grew by 22% year-over-year.

We experienced broad-based growth across both premium mass and mass segments, increased patronage and length of stay with hotel accommodation, increased spend at our shopping malls and entertainment events. Our premium mass business performed exceptionally well, with growth of nearly 40% over the prior year.

During the quarter hotel occupancy across our portfolio increased by eight percentage points compared to the prior year, to 86%, with occupied room nights growing by 35% compared to the prior year.

The Parisian Macao grew its EBITDA by 29% sequentially, to US\$106 million, with solid sequential growth in both gaming and non-gaming revenues. Not only has The Parisian Macao been successful as a stand-alone property, The Parisian Macao also benefits our entire Cotai portfolio.

The Plaza Macao in particular has experienced an uplift in visitation and business volumes since The Parisian Macao opened and the bridge between Four Seasons Hotel Macao and The Parisian Macao was completed. Every gaming segment at The Plaza Macao experienced strong revenue growth during the quarter, and retail sales grew by 7% over the prior year, despite the increase in the supply of luxury retail in Macao.

This year marks the 10th anniversary of The Venetian Macao. When it opened in August 2007, The Venetian Macao stood alone on Cotai. Its opening marked the first step in my vision for Cotai. I was absolutely committed then and I remain as deeply committed today to continuing to support Macao's economic diversification and its transformation into Asia's leading business and leisure tourism destination.

Non-gaming industries such as retail, MICE, and entertainment are now well established in Macao and will continue to flourish and grow. Meanwhile The Venetian Macao has become the most visited integrated resort in Asia, if not the world. The addition of The Parisian Macao to our Cotai Strip development takes our critical mass and diversity of offering to another level. I believe this is the only MICE-based integrated resort complex of this scale in the world. We remain fully committed to playing the pioneering role in Macao's transformation into Asia's leading business and leisure tourism destination.

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

We have steadfast confidence in both our and Macao's future success.

On the return of capital to shareholders, we remain committed to maintaining our recurring dividend programs at both LVS and Sands China and we remain committed to increasing those recurring dividends in the future as our cash flows grow.

Our industry-leading cash flows, geographic diversity and balance sheet strength enable us to continue our recurring dividend, while retaining ample financial flexibility to reinvest in our existing properties and pursue new development opportunities.

In conclusion, our cash flow generation continues to be strong and predictable. The resurgence of growth in the Macao market has continued during the quarter. The structural advantage from our scale, critical mass and product diversity was evident in our strong financial results.

We look to the future with confidence. We have a strong organic growth outlook, we are in a great position to continue reinvesting in our existing assets and to pursue new development opportunities, and we have both the intent and the financial strength to continue to return excess capital to shareholders.

## **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, future terrorist acts, influenza, 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 2016 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.

Our shareholders, potential investors and readers are advised not to place undue reliance on the Quarterly Financial Results, the Earnings Call and the Chart Deck 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, July 27, 2017

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  
Wang Sing

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