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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**

## **CHANGES IN ACCOUNTING ESTIMATES OF USEFUL LIVES OF CERTAIN ASSETS**

This announcement is issued by Sands China Ltd. (“we” or our “**Company**”, and together with its subsidiaries, the “**Group**”) 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.

### **Changes in Accounting Estimates**

Following a review of the actual and planned usage of certain assets of the Group and based on the historical data and experience gained in the market we operate in, the Audit Committee of the Board of Directors of the Company has approved changes in the estimated useful lives of certain assets of the Group for the purpose of calculating depreciation expense with effect from July 1, 2017 in accordance with the applicable International Financial Reporting Standards.

The Group revised the estimated useful lives of its leasehold interests in land, land improvements, buildings and building improvements from a range of 15 to 40 years to 10 to 50 years from the date placed in service, to better reflect the estimated periods during which these assets are expected to remain in service. We also extended the estimated useful lives of certain furniture, fittings and equipment from 3 to 6 years to 5 to 10 years based on our operating plans, historical records and condition of the assets. The timing of this review was based on a combination of factors accumulating over time that provided the Group with updated information to make a better estimate on the economic lives of certain assets. These factors included (1) the accumulation of historical asset replacement data at the Group’s operating properties, which reflects the actual length of time the Group uses certain assets, (2) the stabilization of the operating, regulatory and competitive environment in Macao, which includes meeting the final land concession government imposed deadline for our properties on Cotai, and (3) transitioning to more predictable renovation cycles at the Group’s operating properties.

## **Effect of the Changes in Accounting Estimates**

The changes in the estimated useful lives of the assets are accounted for as changes in accounting estimates and applied with effect from July 1, 2017. Such changes will not impact the financial statements previously disclosed by the Company.

These changes in accounting estimates resulted in a reduction of depreciation expense and an increase in operating profit of US\$46 million, and an increase of net income of US\$45 million, or earnings per share of US0.56 cents on a basic and diluted basis, in the third quarter of 2017. This impact has not been audited by the Company's external auditor.

## **Opinion of the Audit Committee**

The Audit Committee is of the view that these changes to the estimated useful lives of the assets listed above fairly reflect the actual situation of these assets and are in compliance with applicable International Financial Reporting Standards.

**Our shareholders and potential investors are advised to exercise caution in dealing in securities in our Company.**

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

Macao, October 26, 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.*