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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)

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021

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Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings ascribed to them in our 2020 annual report and/or 2021 interim report.

1. FINANCIAL RESULTS SUMMARY

- All of our operating segments and business categories in 2021 continued to be impacted by the COVID-19 Pandemic despite a modest relaxation of travel restrictions between mainland China and Macao during the year ended December 31, 2021 resulting in increased visitation to our properties.
- Total net revenues for the Group were US\$2.87 billion (HK\$22.42 billion) for the year ended December 31, 2021, an increase of 70.4%, compared to US\$1.69 billion (HK\$13.08 billion) for the year ended December 31, 2020.
- Loss for the Group was US\$1.05 billion (HK\$8.17 billion) for the year ended December 31, 2021, compared to a loss of US\$1.52 billion (HK\$11.81 billion) for the year ended December 31, 2020.
- Adjusted property EBITDA for the Group was US\$341 million (HK\$2.66 billion) for the year ended December 31, 2021, compared to adjusted property EBITDA loss of US\$428 million (HK\$3.32 billion) for the year ended December 31, 2020.

Note: The translation of US\$ amounts into HK\$ amounts or vice versa has been made at the rate of US\$1.00 to HK\$7.7994 (2020: US\$1.00 to HK\$7.7526) for the purposes of illustration only.

2. CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Sands China Ltd., I am pleased to provide an update on the Company's financial and operating results in 2021 and the execution of our strategic objectives during the year.

In early 2021, we suffered a great loss with the passing of our founder, Mr. Sheldon Gary Adelson. Mr. Adelson was a visionary. He pioneered the development of the Cotai Strip in Macao, leading the Company and the team he created in the rapid and market-leading development of a critical mass of world-class integrated resorts in Macao. Mr. Adelson's commitment to pushing forward with diversification and investment in non-gaming amenities in Macao was unwavering, as was his belief in a strong, healthy and cordial US-China relationship, based on robust dialogue and mutual respect. The Company, with the full and wholehearted support of the Board and the Adelson family, will continue to honor Mr. Adelson's vision and commitments, including through additional investments that will contribute to the diversification of Macao, while building upon his legacy.

While we were fortunate to begin 2020 with strong operating momentum from a very profitable and successful year in 2019, when we generated a market-leading adjusted property EBITDA of US\$3.19 billion, the impact of the COVID-19 Pandemic and the related travel restrictions negatively impacted our financial and operating results beginning in the first quarter of 2020, throughout the remainder of 2020 and all of 2021.

Specifically, reduced travel in the region and visa restrictions meaningfully limited the ability for visitors from mainland China and elsewhere to visit Macao throughout most of 2020 and throughout all of 2021.

The ongoing challenge of the pandemic has created the opportunity for the Company to focus first and foremost on the safety and wellbeing of our team members and customers, and on making a difference in support of those that have been impacted in Macao. It also enabled us to accelerate our capital investment programs in Macao.

Due to the ongoing impact of the pandemic and related travel restrictions, market-wide visitation to Macao was only about 8 million visits in 2021, a decrease of approximately 80% compared to 2019, but an increase of approximately 31% compared to the year 2020.

The Company's operations in Macao have continued to be directly impacted by the reduction in visitation to Macao. Total net revenues for the Company were approximately US\$2.9 billion, or approximately 33% of the year 2019. Net revenues increased approximately 70% compared to the US\$1.7 billion in 2020. We have implemented a wide range of cost control measures but maintained our commitments to our employees and avoided mass workforce reductions. We recorded an adjusted property EBITDA of US\$341 million for 2021, compared to an adjusted property EBITDA loss of US\$428 million in 2020.

Despite the ongoing pandemic-related challenges during the year, our scale and financial strength allowed us to continue to provide support to our team members and the local community in Macao and to accelerate our capital investment programs in support of Macao's diversification and long-term development objectives as the leading leisure and business tourism destination in Asia.

Sands China has now invested more than US\$15 billion to deliver on our promise to help Macao in its economic diversification and its continued evolution into Asia's leading leisure and business tourism destination. Our investment includes over 12,000 hotel rooms and suites, 2.0 million square feet (approximately 186,000 square meters) of retail-mall offerings and 1.6 million square feet (approximately 149,000 square meters) of MICE capacity.

Our investments throughout 2020 and 2021 have expanded the market-leading scale of our hotel room, retail and entertainment offerings on Cotai. These investments include the addition of approximately 1,250 new luxury suites featuring approximately 2.7 million square feet (approximately 251,000 square meters) of new accommodation offerings at The Londoner Macao Hotel and Londoner Court at The Londoner Macao and The Grand Suites at Four Seasons, with the latter having officially opened in the fourth quarter of 2020. In addition, we have expanded, renovated and transformed Sands Cotai Central into a new destination integrated resort, The Londoner Macao. The Londoner Macao, the first phase of which debuted on February 8, 2021, features additional MICE, retail, restaurant and entertainment offerings that contribute to Macao's appeal as a leisure and business tourism destination. Additional offerings of The Londoner Macao including The Londoner Arena will open in 2022.

While the pandemic and related travel restrictions negatively impacted the market in both 2020 and 2021, we firmly believe the Macao market will recover and will benefit in the future from the meaningful infrastructure investments being made in Macao and throughout the Greater Bay Area. The opening of the Hong Kong-Zhuhai-Macao Bridge was a major milestone that will help Macao grow tourism and MICE business in the years ahead. It is an engineering feat of unprecedented scale that 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 regard it as a privilege to continue to execute Mr. Adelson's vision to contribute to Macao's success in realizing its important objectives of diversifying its economy, supporting the growth of local businesses, providing meaningful career development opportunities for its local residents, including through our Sands China Academy, and reaching its full potential as Asia's leading leisure and business tourism destination.

We could not have achieved our many successes this year without the hard work and dedication of Sands China's over 25,000 team members. I thank all our team members for their efforts and I look forward to their ongoing contributions in the years ahead.

Our Sands China business strategy remains straightforward: continue the execution of our Cotai Strip development initiatives by leveraging our convention-based integrated resort business model and world-class amenities to contribute to Macao's diversification. These efforts will drive Sands China's market-leading revenue and cash flow generation once the recovery from the pandemic occurs.

We are confident that both the Company and Macao will emerge from this pandemic with unwavering optimism for the future.

Throughout the recovery process, we will remain deeply committed to our mission of enhancing the tourism appeal of Macao, creating local employment opportunities, investing in our people and Macao and providing growth opportunities for local businesses while protecting our environment.

We look to the future with confidence. We have a strong organic growth outlook that will benefit from our industry-leading investments and unmatched scale as economic growth, wealth creation and increased demand for travel and entertainment will continue in Asia as the impact from the pandemic recedes. We look forward to sharing the Company's continued success with you and other shareholders at the upcoming Sands China Annual General Meeting.

I thank you again for the confidence that you have placed in us.

Robert Glen Goldstein

Chairman of the Board and Chief Executive Officer

February 18, 2022

3. OVERVIEW AND BUSINESS UPDATE

Overview

During 2021, we achieved milestones in advancing several of our strategic objectives. We continued progress on our key development projects in Macao for the conversion of Sands Cotai Central into The Londoner Macao, including the opening of The Londoner Macao Hotel in January 2021, featuring 594 London-themed suites, and the opening of Londoner Court in September 2021, featuring approximately 370 luxury suites. We continued to strengthen our balance sheet with the issuance of Senior Notes with an aggregate principal amount of US\$1.95 billion and cash on hand to redeem in full the outstanding principal amount of the US\$1.80 billion 4.600% Senior Notes due 2023.

COVID-19 Pandemic update

In early January 2020, an outbreak of a respiratory illness caused by a novel coronavirus (“**COVID-19**”) was identified and the disease 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**”). Governments around the world mandated actions to contain the spread of the virus that included stay-at-home orders, quarantines, capacity limits, closures of non-essential businesses, including entertainment activities, and significant restrictions on travel. The government actions varied based upon a number of factors, including the extent and severity of the COVID-19 Pandemic within their respective countries and jurisdictions.

Visitation to Macao has remained substantially below pre-COVID-19 levels as a result of various government policies limiting or discouraging travel. As of the date of this announcement, other than people from mainland China who in general may enter Macao without quarantine subject to them holding the appropriate travel documents, a negative COVID-19 test result issued within a specified time period and a green health-code, there remains in place a complete ban on entry or a need to undergo various quarantine requirements depending on the person’s residency and recent travel history. Our operations will continue to be impacted and subject to changes in the government policies of Macao, mainland China, Hong Kong and other jurisdictions in Asia addressing travel and public health measures associated with COVID-19.

Our operations have been significantly impacted by the reduced visitation to Macao. The Macao government announced total visitation from mainland China to Macao increased by 48.2% and decreased by 74.8% for 2021, as compared to 2020 and 2019, respectively. The Macao government also announced gross gaming revenue increased by 43.7% and decreased by 70.3% for 2021, as compared to 2020 and 2019, respectively.

On March 3, 2021, the negative COVID-19 test requirement to enter casinos was removed; however, various other health safeguards implemented by the Macao government remained in place, including mandatory mask protection, limitation on the number of seats per table game, slot machine spacing and temperature checks. Management is currently unable to determine when the remaining measures will be eased or cease to be necessary.

As of the date of this announcement, most businesses are allowed to remain open, subject to social distancing and health code checking requirements as designated by the Macao government. In January 2022, the Macao government commenced the roll out of a non-mandatory contact tracing QR code function at a range of businesses including government buildings, restaurants, hotels and other public venues.

In support of the Macao government's initiatives to fight the COVID-19 Pandemic, we provided one tower (approximately 2,100 hotel rooms) at the Sheraton Grand Macao to the Macao government to house individuals who returned to Macao for quarantine purposes. This tower has been utilized for quarantine purposes on several occasions during 2020 and 2021. From October 4, 2021 to October 30, 2021, an additional tower (approximately 1,800 hotel rooms) at the Sheraton Grand Macao was provided.

The Group's gaming operations remained open during the year ended December 31, 2021, compared to the same period in 2020 when our gaming operations were suspended from February 5, 2020 to February 19, 2020 due to a government mandate, except for gaming operations at The Londoner Macao, which resumed on February 27, 2020. Some of our hotel facilities were also closed during the casino suspension in response to the decrease in visitation and were gradually reopened from February 20, 2020, with the exception of the Conrad Macao at The Londoner Macao, which reopened on June 13, 2020.

Operating hours at restaurants and other venues across our properties are continuously being adjusted in line with fluctuations in guest visitation. The majority of retail outlets in our 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.

Our ferry operations between Macao and Hong Kong remain suspended. The timing and manner in which our ferry operations will be able to resume are currently unknown.

At our properties, we are adhering to social distancing requirements, which include reduced seating at table games and a decreased number of active slot machines on the casino floor. Additionally, there is uncertainty around the impact the COVID-19 Pandemic will continue to have on operations in future periods. If our integrated resorts are not permitted to resume normal operations, travel restrictions such as those related to inbound travel from other countries are not modified or eliminated, there is a resumption of the suspension of the China Individual Visit Scheme, or the global response to contain the COVID-19 Pandemic escalates or is unsuccessful, our operations, cash flows and financial condition will be further materially impacted.

While our properties were open and operating at reduced levels due to lower visitation and the implementation of required safety measures as described above during the year ended December 31, 2021, the current economic and regulatory environment on a global basis and in Macao continues to evolve. We cannot predict the manner in which governments will react as the global and regional impact of the COVID-19 Pandemic changes over time, which could significantly alter our current operations.

We have a strong balance sheet and sufficient liquidity in place, including total cash and cash equivalents balance, excluding restricted cash and cash equivalents, of US\$678 million and access to US\$1.75 billion of available borrowing capacity from our 2018 SCL Revolving Facility as of December 31, 2021. Based on the current forecasts, we believe we are able to support continuing operations, complete the major construction projects that are underway and respond to the current COVID-19 Pandemic challenges for at least twelve months from the end of the reporting period. We have taken various mitigating measures to manage through the current environment, including a cost and capital expenditure reduction program to minimize cash outflow for non-essential items.

Macao Subconcession

Gaming in Macao is administered by the government through concession agreements awarded to three different Concessionaires and three Subconcessionaires, of which Venetian Macau Limited (“VML,” a subsidiary of Sands China Ltd.) is one. These concession agreements expire on June 26, 2022. If VML’s Subconcession is not extended or renewed, VML may be prohibited from conducting gaming operations in Macao, and VML could cease to generate revenues from the gaming operations when the Subconcession agreement expires on June 26, 2022. In addition, all of VML’s casino premises and gaming-related equipment could be automatically transferred to the Macao government without any compensation to VML.

On January 18, 2022, the Macao Legislative Assembly published a draft bill entitled Amendment to Law No. 16/2001 to amend Macao’s gaming law (the “**Gaming Law**”).

Certain changes to the Gaming Law set out in the draft bill include a reduction in the term of future gaming concessions to ten (10) years; authorization of up to six (6) gaming concession contracts; an increase in the minimum capital contribution of concessionaires to 5 billion patacas (approximately US\$622 million at exchange rates in effect on December 31, 2021); an increase in the percentage of the share capital of the concessionaire that must be held by the local managing director to 15%; a requirement that casinos be located in real estate owned by the concessionaire; and a prohibition of revenue sharing arrangements between gaming promoters and concessionaires.

We are actively monitoring developments with respect to the Macao government’s Gaming Law amendment and concession renewal process and we continue to believe we will be successful in extending the term of our Subconcession and/or obtaining a new gaming concession when our current Subconcession expires; however, it is possible the Macao government could further change or interpret the associated gaming laws in a manner that could negatively impact us.

Under our Senior Notes Indentures (as defined below), upon the occurrence of any event resulting from any change in the Gaming Law (as defined in the indentures) or any action by the gaming authority after which none of the Company or any of its subsidiaries own or manage casino or gaming areas or operate casino games of fortune and chance in Macao in substantially the same manner as they were owning or managing casino or gaming areas or operating casino games as of the issue date of the Senior Notes, for a period of 30 consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties or results of operations of the Company and its subsidiaries, taken as a whole, each holder of the Senior Notes would have the right to require us to repurchase all or any part of such holder’s Senior Notes at par, plus any accrued and unpaid interest (the “**Investor Put Option**”).

Additionally, under the 2018 SCL Credit Facility, the events that trigger an Investor Put Option under the Senior Notes (as described above) would be an event of default, which may result in commitments being immediately cancelled, in whole or in part, and the related outstanding balances and accrued interest, if any, becoming immediately due and payable.

The Subconcession not being extended or renewed and the potential impact if holders of the notes and the agent have the ability to, and make the election to, accelerate the repayment of our debt would have a material adverse effect on our business, financial condition, results of operations and cash flows. We intend to follow the process for a concession renewal once the process and requirements are announced by the Macao government.

4. MANAGEMENT DISCUSSION AND ANALYSIS

OUR EXISTING OPERATIONS

Our operations consist of The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao, Sands Macao and other operations that support these properties, including our high-speed Cotai Water Jet ferry services operating between Hong Kong and Macao. The following table sets forth data on our existing operations as at December 31, 2021:

	The Venetian Macao	The Londoner Macao	The Parisian Macao	The Plaza Macao	Sands Macao	Total
Opening date	August 2007	April 2012 ⁽ⁱ⁾	September 2016	August 2008 ⁽ⁱⁱ⁾	May 2004	
Hotel rooms and suites	2,841	5,989	2,333	649	238	12,050
Paiza suites	64	—	208	—	51	323
Paiza mansions	—	—	—	19	—	19
MICE (<i>square feet</i>)	1,200,000	369,000	63,000	28,000	—	1,660,000
Theater (<i>seats</i>)	1,800	1,701	1,200	—	650	5,351
Arena (<i>seats</i>)	15,000	—	—	—	—	15,000
Total retail (<i>square feet</i>)	945,000	532,000	296,000	244,000	50,000	2,067,000
Number of shops	322	115	130	136	8	711
Number of restaurants and food outlets ⁽ⁱⁱⁱ⁾	56	52	26	9	8	151
Total gaming facility (<i>square feet</i>)	374,000	351,000	248,000	127,000	212,000	1,312,000
Gaming units:						
Tables ^(iv)	632	479	273	142	159	1,685
Slots	1,124	989	977	166	607	3,863

Notes:

- (i) The Londoner Macao consists of the Conrad tower, the first Sheraton tower, the second Sheraton tower, the St. Regis tower, which opened in April 2012, September 2012, January 2013 and December 2015, respectively. The Londoner Macao Hotel located at the Conrad tower and Londoner Court located at the St. Regis tower opened in January 2021 and September 2021, respectively.
- (ii) The Plaza Macao consists of the Four Seasons Hotel Macao and The Grand Suites at Four Seasons, which opened in August 2008 and October 2020, respectively. The Grand Suites at Four Seasons features 289 luxury suites.
- (iii) Includes the restaurants and food outlets which are temporary closed in response to the COVID-19 Pandemic.
- (iv) Permanent table count as at December 31, 2021.

RESULTS OF OPERATIONS

Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Net Revenues

Our net revenues consisted of the following:

	Year ended December 31,		
	2021	2020	Percent change
	<i>US\$ in millions</i>		
Casino	1,987	1,169	70.0%
Rooms	276	144	91.7%
Mall	473	269	75.8%
Food and beverage	93	59	57.6%
Convention, ferry, retail and other	45	46	(2.2)%
Total net revenues	2,874	1,687	70.4%

Net revenues were US\$2.87 billion for the year ended December 31, 2021, an increase of 70.4%, compared to US\$1.69 billion for the year ended December 31, 2020. Net revenues increased across most of the business categories, mainly driven by an increase in visitation due to a modest relaxation of travel restrictions between mainland China and Macao during the year ended December 31, 2021.

Our net casino revenues for the year ended December 31, 2021 were US\$1.99 billion, an increase of 70.0%, compared to US\$1.17 billion for the year ended December 31, 2020. Net casino revenues increased across all properties except for Sands Macao. The increase was primarily attributable to increases of Non-Rolling Chip drop and slot handle as visitation to the properties increased in 2021.

The following table summarizes the results of our casino activity:

	Year ended December 31,		Change
	2021	2020	
	<i>US\$ in millions</i>		
The Venetian Macao			
Total net casino revenues	944	531	77.8%
Non-Rolling Chip drop	3,234	1,925	68.0%
Non-Rolling Chip win percentage	27.4%	25.4%	2.0 pts
Rolling Chip volume	4,412	3,775	16.9%
Rolling Chip win percentage ⁽ⁱ⁾	3.99%	3.12%	0.87 pts
Slot handle	1,841	1,041	76.8%
Slot hold percentage	3.9%	4.2%	(0.3) pts
The Londoner Macao			
Total net casino revenues	396	192	106.3%
Non-Rolling Chip drop	1,755	881	99.2%
Non-Rolling Chip win percentage	21.6%	22.6%	(1.0) pts
Rolling Chip volume	3,674	167	2,100.0%
Rolling Chip win percentage ⁽ⁱ⁾	3.23%	5.85%	(2.62) pts
Slot handle	962	531	81.2%
Slot hold percentage	3.8%	4.3%	(0.5) pts
The Parisian Macao			
Total net casino revenues	244	180	35.6%
Non-Rolling Chip drop	1,146	844	35.8%
Non-Rolling Chip win percentage	22.3%	23.1%	(0.8) pts
Rolling Chip volume	502	3,141	(84.0)%
Rolling Chip win percentage ⁽ⁱ⁾	3.73%	1.13%	2.60 pts
Slot handle	787	763	3.1%
Slot hold percentage	3.3%	3.7%	(0.4) pts
The Plaza Macao			
Total net casino revenues	298	159	87.4%
Non-Rolling Chip drop	1,140	544	109.6%
Non-Rolling Chip win percentage	23.5%	24.6%	(1.1) pts
Rolling Chip volume	2,659	3,656	(27.3)%
Rolling Chip win percentage ⁽ⁱ⁾	4.64%	2.46%	2.18 pts
Slot handle	42	37	13.5%
Slot hold percentage	5.7%	4.6%	1.1 pts
Sands Macao			
Total net casino revenues	105	107	(1.9)%
Non-Rolling Chip drop	433	451	(4.0)%
Non-Rolling Chip win percentage	17.1%	18.7%	(1.6) pts
Rolling Chip volume	1,073	1,361	(21.2)%
Rolling Chip win percentage ⁽ⁱ⁾	4.39%	2.44%	1.95 pts
Slot handle	606	549	10.4%
Slot hold percentage	3.1%	3.1%	—

Note: As a result of the COVID-19 Pandemic, gaming operations were closed from February 5 to 19, 2020, except for The Londoner Macao which was closed from February 5 to 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 programs and allocating casino revenues related to goods and services provided to patrons on a complimentary basis).

Room revenues for the year ended December 31, 2021 were US\$276 million, an increase of 91.7%, compared to US\$144 million for the year ended December 31, 2020. The increase was mainly driven by increased occupancy rates and increased revenue per available room driven by higher visitation across our properties.

The following table summarizes the results of our room activity:

	Year ended December 31,		
	2021	2020	Change
	<i>US\$ in millions, except average daily rate and revenue per available room</i>		
The Venetian Macao			
Total room revenues	77	46	67.4%
Occupancy rate	49.7%	27.2%	22.5 pts
Average daily rate (<i>in US\$</i>)	155	197	(21.3)%
Revenue per available room (<i>in US\$</i>)	77	53	45.3%
The Londoner Macao⁽ⁱ⁾			
Total room revenues	90	42	114.3%
Occupancy rate	40.3%	18.3%	22.0 pts
Average daily rate (<i>in US\$</i>)	160	164	(2.4)%
Revenue per available room (<i>in US\$</i>)	64	30	113.3%
The Parisian Macao			
Total room revenues	54	33	63.6%
Occupancy rate	52.1%	27.3%	24.8 pts
Average daily rate (<i>in US\$</i>)	118	145	(18.6)%
Revenue per available room (<i>in US\$</i>)	61	39	56.4%
The Plaza Macao⁽ⁱⁱ⁾			
Total room revenues	45	17	164.7%
Occupancy rate	44.3%	28.5%	15.8 pts
Average daily rate (<i>in US\$</i>)	438	394	11.2%
Revenue per available room (<i>in US\$</i>)	194	113	71.7%
Sands Macao			
Total room revenues	10	6	66.7%
Occupancy rate	68.2%	39.4%	28.8 pts
Average daily rate (<i>in US\$</i>)	138	157	(12.1)%
Revenue per available room (<i>in US\$</i>)	94	62	51.6%

Note: As a result of the COVID-19 Pandemic, some of our hotel operations were closed for a period in 2021 and 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 in 2021 and 2020. These rooms were excluded from the calculation of hotel statistics above.

(i) Includes Londoner Court which opened in September 2021.

(ii) Includes The Grand Suites at Four Seasons which opened in October 2020.

Mall revenues for the year ended December 31, 2021 were US\$473 million, an increase of 75.8%, compared to US\$269 million for the year ended December 31, 2020. The increase was primarily due to a US\$174 million reduction in rent concessions granted to our mall tenants and an increase in turnover rents of US\$61 million driven by increased sales primarily in the luxury segment.

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

	Year ended December 31,		
	2021	2020	Change
	<i>US\$ in millions, except per square foot amount</i>		
Shoppes at Venetian			
Total mall revenues	194	126	54.0%
Mall gross leasable area (<i>in square feet</i>)	814,784	812,936	0.2%
Occupancy	79.7%	83.8%	(4.1) pts
Base rent per square foot (<i>in US\$</i>)	292	302	(3.3)%
Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾	1,348	794	69.8%
Shoppes at Londoner⁽ⁱⁱ⁾			
Total mall revenues	55	38	44.7%
Mall gross leasable area (<i>in square feet</i>)	532,175	525,206	1.3%
Occupancy	54.4%	83.9%	(29.5) pts
Base rent per square foot (<i>in US\$</i>)	152	96	58.3%
Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾	1,462	409	257.5%
Shoppes at Parisian			
Total mall revenues	39	27	44.4%
Mall gross leasable area (<i>in square feet</i>)	296,322	295,963	0.1%
Occupancy	74.5%	78.5%	(4.0) pts
Base rent per square foot (<i>in US\$</i>)	133	156	(14.7)%
Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾	648	349	85.7%
Shoppes at Four Seasons			
Total mall revenues	184	79	132.9%
Mall gross leasable area (<i>in square feet</i>)	244,208	244,104	—%
Occupancy	94.3%	94.9%	(0.6) pts
Base rent per square foot (<i>in US\$</i>)	549	540	1.7%
Tenant sales per square foot (<i>in US\$</i>) ⁽ⁱ⁾	6,300	2,744	129.6%

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 year ended December 31, 2021 and 2020. Base rent per square foot presented above excludes the impact of these rent concessions.

(i) Tenant sales per square foot is the sum of reported comparable sales for the trailing 12 months divided by the comparable square footage for the same period.

(ii) Shoppes at Londoner will feature more than 600,000 square feet of gross leasable area upon completion of all phases of the renovation and expansion to The Londoner Macao.

Food and beverage revenues for the year ended December 31, 2021 were US\$93 million, an increase of 57.6%, compared to US\$59 million for the year ended December 31, 2020. The increase was primarily driven by an increase in property visitation.

Convention, ferry, retail and other revenues for the year ended December 31, 2021 were US\$45 million, remained largely consistent compared to US\$46 million for the year ended December 31, 2020. Our ferry operations between Macao and Hong Kong continue to remain suspended in response to the COVID-19 Pandemic since January 30, 2020.

Operating Expenses

Operating expenses were US\$3.41 billion for the year ended December 31, 2021, an increase of 16.6%, compared to US\$2.93 billion for the year ended December 31, 2020. The increase in operating expenses was primarily driven by increased level of business.

Depreciation and amortization expense was US\$733 million for the year ended December 31, 2021, an increase of 7.2%, compared to US\$684 million for the year ended December 31, 2020. The increase was primarily due to additions of The Grand Suites at Four Seasons and The Londoner Macao for those areas that were completed throughout 2020 and 2021.

Adjusted Property EBITDA⁽ⁱ⁾

The following table summarizes information related to our segments:

	Year ended December 31,		
	2021	2020	Percent change
	<i>US\$ in millions</i>		
The Venetian Macao	297	(53)	N.M.
The Londoner Macao	(84)	(184)	N.M.
The Parisian Macao	(17)	(131)	N.M.
The Plaza Macao	219	33	563.6%
Sands Macao	(69)	(76)	N.M.
Ferry and other operations	(5)	(17)	N.M.
Total adjusted property EBITDA	341	(428)	N.M.

Adjusted property EBITDA for the year ended December 31, 2021 increased to US\$341 million compared to an adjusted property EBITDA loss of US\$428 million for the year ended December 31, 2020. The increase was driven by the increase in revenues across most of the business categories. Management continues to focus on operational efficiencies and cost control measures throughout the gaming and non-gaming areas of the 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.

Finance Costs

The following table summarizes information related to finance costs:

	Year ended December 31,		
	2021	2020	Percent change
	<i>US\$ in millions</i>		
Interest and other finance costs	387	300	29.0%
Less: interest capitalized	(14)	(21)	(33.3)%
Finance costs, net	<u>373</u>	<u>279</u>	33.7%

Finance costs, net of amounts capitalized, was US\$373 million for the year ended December 31, 2021, compared to US\$279 million for the year ended December 31, 2020. The increase in interest and other finance costs of US\$87 million was primarily due to increases in our weighted average interest rate and weighted average total debt balance. The weighted average debt balance increased in connection with draws on the SCL revolver during the year ended December 31, 2021 and the issuance of the 2026 Notes and 2030 Notes in June 2020. Additionally, the weighted average interest rate increased from 4.6% to 5.1% during the year ended December 31, 2021 as a result of the expiration of interest rate swaps in August 2020. Interest capitalization decreased by US\$7 million due to a reduction in construction costs relating to The Londoner Macao project in 2021.

The weighted average interest rates are calculated based on total interest expense (including amortization of deferred financing costs, standby fees and other financing costs and interest capitalized) and total weighted average borrowings.

Loss for the Year

Loss for the year ended December 31, 2021 was US\$1.05 billion, compared to a loss of US\$1.52 billion for the year ended December 31, 2020.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

We fund our operations and capital expenditures through cash generated from our operations and our debt financing. Total cash and cash equivalents, excluding restricted cash and cash equivalents, was US\$678 million as at December 31, 2021. Such cash and cash equivalents were primarily held in HK\$ and US\$.

In September 2021, we issued, in a private offering, three series of unsecured unregistered notes in an aggregate principal amount of US\$1.95 billion. The net proceeds from the offering along with cash on hand was used to redeem in full the outstanding principal amount of our US\$1.80 billion 4.600% senior notes due 2023 and pay any accrued interest and the associated make-whole premium as determined under the related senior notes indenture dated as of August 9, 2018.

Our 2018 SCL Credit Facility, as amended, contains various financial covenants, which include maintaining a maximum leverage ratio or net debt, as defined, to trailing twelve-month adjusted EBITDA, as defined. In July 2021, we extended the waiver and amendment request letter, pursuant to which lenders, among other things, waived our requirement to ensure the leverage ratio does not exceed 4.0x and the interest coverage ratio is greater than 2.50x, through January 1, 2023. Our compliance with our financial covenants for periods beyond January 1, 2023, could be affected by certain factors beyond our control, such as the impact of the COVID-19 Pandemic, including current travel and border restrictions continuing in the future. We will pursue additional waivers to meet the required financial covenant ratios, which include a maximum leverage ratio of 4.0x under our credit facility, for periods beyond January 1, 2023, if deemed necessary. We believe we will be successful in obtaining the additional waivers, although no assurance can be provided that such waivers will be granted, which could negatively impact our ability to be in compliance with our debt covenants for periods beyond January 1, 2023.

Any defaults under our debt agreements would allow the lenders, in each case, to exercise their rights and remedies as defined under their respective agreements. If the lenders were to exercise their rights to accelerate the due dates of the indebtedness outstanding, there can be no assurance we would be able to repay or refinance any amounts that may become due and payable under such agreements, which could force us to restructure or alter our operations or debt obligations.

On January 25, 2021, we entered into an agreement with lenders to increase commitments under the 2018 SCL Credit Facility by HK\$3.83 billion (approximately US\$491 million at exchange rates in effect on December 31, 2021). During the year ended December 31, 2021, we drew down US\$71 million and HK\$5.31 billion (approximately US\$681 million at exchange rates in effect on December 31, 2021) under the facility for general corporate purposes.

As at December 31, 2021, we had US\$1.75 billion of available borrowing capacity under the 2018 SCL Revolving Facility comprised of commitments of HK\$12.32 billion (approximately US\$1.58 billion at exchange rates in effect on December 31, 2021) and commitments of US\$166 million.

We have a strong balance sheet and sufficient liquidity in place, including access to available borrowing capacity under our credit facility. We believe we are well positioned to support our continuing operations, complete the major construction projects that are underway and respond to the current COVID-19 Pandemic challenges. We have taken various mitigating measures to manage through the current environment, including a cost and capital expenditure reduction program to minimize cash outflow for non-essential items.

Cash Flows — Summary

Our cash flows consisted of the following:

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
Net cash generated from/(used in) operating activities	88	(816)
Net cash used in investing activities	(634)	(1,024)
Net cash from financing activities	366	231
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(180)	(1,609)
Cash and cash equivalents at beginning of year	861	2,471
Effect of exchange rate on cash and cash equivalents	(3)	(1)
	<hr/>	<hr/>
Cash and cash equivalents at end of year	678	861
	<hr/> <hr/>	<hr/> <hr/>

Cash Flows — Operating Activities

Net cash generated from operating activities for the year ended December 31, 2021 was US\$88 million, compared to net cash used in operating activities of US\$816 million for the year ended December 31, 2020. We derive most of our operating cash flows from our casino, mall and hotel operations. The net cash generated from operating activities for the year ended December 31, 2021 was primarily attributable to the increase in operating income resulting from increased visitation as the travel restrictions were modestly eased in 2021. This was partially offset by the cash outflow from our working capital during the year ended December 31, 2021 due to the settlement of operating accrued liabilities and a reduction of outstanding chips due to the closure of our fixed room junket operations in December 2021.

Cash Flows — Investing Activities

Net cash used in investing activities for the year ended December 31, 2021 was US\$634 million and was primarily attributable to capital expenditures for major development projects. Capital expenditures for the year ended December 31, 2021, totaled US\$640 million, including US\$538 million for The Londoner Macao, US\$71 million for The Venetian Macao, US\$19 million for The Plaza Macao, and US\$12 million for our other operations, mainly at The Parisian Macao and Sands Macao.

Cash Flows — Financing Activities

Net cash from financing activities for the year ended December 31, 2021 was US\$366 million, which was primarily attributable to a total draw down of US\$756 million under the 2018 SCL Credit Facility in 2021 and net proceeds of US\$1.95 billion from the issuance of Senior Notes in September 2021, partially offset by the repayment of US\$1.80 billion 2023 Notes, related make-whole premium of US\$131 million and financing costs of US\$16 million, and interest payments of US\$378 million.

CAPITAL EXPENDITURES

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

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
The Venetian Macao	71	140
The Londoner Macao	538	721
The Parisian Macao	4	11
The Plaza Macao	19	156
Sands Macao	7	8
Ferry and other operations	1	2
	<hr/>	<hr/>
Total capital expenditures	640	1,038

During 2021, we achieved milestones in advancing several of our strategic objectives. We continued progress on our key development projects for the conversion of Sands Cotai Central into The Londoner Macao, including the opening of The Londoner Macao Hotel in January 2021, featuring 594 London-themed suites, and the opening of Londoner Court in September 2021, featuring approximately 370 luxury suites. We anticipate the Londoner Arena, expansion of the Shoppes at Londoner and other amenities to be completed before the end of 2022. The Londoner Macao presents new attractions and features, including some of London's most recognizable landmarks, such as the Houses of Parliament, the Elizabeth Tower (commonly known as “**Big Ben**”), and interactive guest experiences.

We anticipate the total costs associated with The Londoner Macao development project described above and the completed The Grand Suites at Four Seasons to be approximately US\$2.2 billion, of which US\$2.0 billion has been spent as of December 31, 2021. We expect to fund our developments through a combination of cash on hand, borrowings from the 2018 SCL Credit 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:

	December 31, 2021	2020
	<i>US\$ in millions</i>	
Contracted but not provided for	<u>75</u>	<u>385</u>

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended December 31, 2021.

CONTINGENT LIABILITIES

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.

5. FINANCIAL RESULTS

The consolidated results of the Group for the year ended December 31, 2021, together with the comparative figures for the corresponding year as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended December 31,	
		2021	2020
		<i>US\$ in millions, except per share data</i>	
	<i>Notes</i>		
Net revenues	3	2,874	1,687
Gaming tax		(1,017)	(625)
Employee benefit expenses		(1,049)	(1,050)
Depreciation and amortization	3	(733)	(684)
Inventories consumed		(34)	(23)
Other expenses, gains and losses	4	(578)	(544)
		<hr/>	<hr/>
Operating loss		(537)	(1,239)
Interest income		2	11
Finance costs, net of amounts capitalized	5	(373)	(279)
Loss on early retirement of debt	11	(137)	—
		<hr/>	<hr/>
Loss before income tax		(1,045)	(1,507)
Income tax expense	6	(3)	(16)
		<hr/>	<hr/>
Loss for the year attributable to equity holders of the Company		(1,048)	(1,523)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share for loss attributable to equity holders of the Company			
— Basic	7	(US12.95 cents)	(US18.82 cents)
		<hr/> <hr/>	<hr/> <hr/>
— Diluted	7	(US12.95 cents)	(US18.82 cents)
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
Loss for the year attributable to equity holders of the Company	(1,048)	(1,523)
Other comprehensive (expense)/income		
<i>Item that will be reclassified subsequently to profit or loss:</i>		
Cash flow hedge fair value adjustment	(4)	—
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Currency translation differences	(6)	16
Total comprehensive expense for the year attributable to equity holders of the Company	<u>(1,058)</u>	<u>(1,507)</u>

CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	December 31, 2021	2020
		<i>US\$ in millions</i>	
ASSETS			
Non-current assets			
Investment properties, net		637	543
Property and equipment, net		8,477	8,832
Intangible assets, net		38	41
Other assets, net		26	32
Other receivables and prepayments, net		24	18
		<hr/>	<hr/>
Total non-current assets		9,202	9,466
		<hr/>	<hr/>
Current assets			
Inventories		15	15
Trade and other receivables and prepayments, net	9	183	190
Restricted cash and cash equivalents		16	16
Cash and cash equivalents		678	861
		<hr/>	<hr/>
Total current assets		892	1,082
		<hr/>	<hr/>
Total assets		10,094	10,548
		<hr/> <hr/>	<hr/> <hr/>

		December 31,	
		2021	2020
	<i>Notes</i>	<i>US\$ in millions</i>	
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		81	81
Reserves		807	1,848
Total equity		888	1,929
LIABILITIES			
Non-current liabilities			
Trade and other payables	10	112	105
Borrowings	11	7,946	7,044
Deferred income tax liabilities		54	56
Total non-current liabilities		8,112	7,205
Current liabilities			
Trade and other payables	10	1,071	1,388
Current income tax liabilities		5	5
Borrowings	11	18	21
Total current liabilities		1,094	1,414
Total liabilities		9,206	8,619
Total equity and liabilities		10,094	10,548
Net current liabilities		(202)	(332)
Total assets less current liabilities		9,000	9,134

NOTES TO THE FINANCIAL INFORMATION

1. General Information

The Company was incorporated in the Cayman Islands on July 15, 2009 as an exempted company with limited liability under the Companies Act (as amended) of the Cayman Islands. The address of the Company's registered office in the Cayman Islands is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. The Company's principal place of business in Hong Kong is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Las Vegas Sands Corp. ("LVS"), a company incorporated in Nevada, U.S.A. and listed on the New York Stock Exchange, is the Company's ultimate holding company.

The Company's shares were listed on the Main Board of the Stock Exchange on November 30, 2009.

The consolidated financial statements are presented in millions of US\$ ("US\$ in millions"), unless otherwise stated.

COVID-19 Pandemic update

In early January 2020, an outbreak of a respiratory illness caused by a novel coronavirus ("COVID-19") was identified and the disease 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"). Governments around the world mandated actions to contain the spread of the virus that included stay-at-home orders, quarantines, capacity limits, closures of non-essential businesses, including entertainment activities, and significant restrictions on travel. The government actions varied based upon a number of factors, including the extent and severity of the COVID-19 Pandemic within their respective countries and jurisdictions.

Visitation to Macao has remained substantially below pre-COVID-19 levels as a result of various government policies limiting or discouraging travel. As of the date of this announcement, other than people from mainland China who in general may enter Macao without quarantine subject to them holding the appropriate travel documents, a negative COVID-19 test result issued within a specified time period and a green health-code, there remains in place a complete ban on entry or a need to undergo various quarantine requirements depending on the person's residency and recent travel history. The Group's operations will continue to be impacted and subject to changes in the government policies of Macao, mainland China, Hong Kong and other jurisdictions in Asia addressing travel and public health measures associated with COVID-19.

The Group's operations have been significantly impacted by the reduced visitation to Macao. The Macao government announced total visitation from mainland China to Macao increased by 48.2% and decreased by 74.8% for 2021, as compared to 2020 and 2019, respectively. The Macao government also announced gross gaming revenue increased by 43.7% and decreased by 70.3% for 2021, as compared to 2020 and 2019, respectively.

On March 3, 2021, the negative COVID-19 test requirement to enter casinos was removed; however, various other health safeguards implemented by the Macao government remained in place, including mandatory mask protection, limitation on the number of seats per table game, slot machine spacing and temperature checks. Management is currently unable to determine when the remaining measures will be eased or cease to be necessary.

As of the date of this announcement, most businesses are allowed to remain open, subject to social distancing and health code checking requirements as designated by the Macao government. In January 2022, the Macao government commenced the roll out of a non-mandatory contact tracing QR code function at a range of businesses including government buildings, restaurants, hotels and other public venues.

In support of the Macao government's initiatives to fight the COVID-19 Pandemic, the Group provided one tower (approximately 2,100 hotel rooms) at the Sheraton Grand Macao to the Macao government to house individuals who returned to Macao for quarantine purposes. This tower has been utilized for quarantine purposes on several occasions during 2020 and 2021. From October 4, 2021 to October 30, 2021, an additional tower (approximately 1,800 hotel rooms) at the Sheraton Grand Macao was provided.

The Group's gaming operations remained open during the year ended December 31, 2021, compared to the same period in 2020 when the Group's gaming operations were suspended from February 5, 2020 to February 19, 2020 due to a government mandate, except for gaming operations at The Londoner Macao, which resumed on February 27, 2020. Some of the Group's hotel facilities were also closed during the casino suspension in response to the decrease in visitation and were gradually reopened from February 20, 2020, with the exception of the Conrad Macao at The Londoner Macao, which reopened on June 13, 2020.

Operating hours at restaurants and other venues across the Group's properties are continuously being adjusted in line with fluctuations in guest visitation. 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 Group's ferry operations between Macao and Hong Kong remain suspended. The timing and manner in which the Group's ferry operations will be able to resume are currently unknown.

The disruptions arising from the COVID-19 Pandemic continued to have a significant adverse impact on the Group's financial condition and operations during the year ended December 31, 2021. 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 Group's consolidated results of operations, cash flows and financial condition may continue to be material in the future, but cannot be reasonably estimated at this time as it is unknown when the impact of the COVID-19 Pandemic will end, when or how quickly the current travel and operational restrictions will be modified or cease to be necessary and the resulting impact on the Group's business and the willingness of tourism patrons to spend on travel and entertainment and business patrons to spend on MICE.

While the Group's properties were open and operating at reduced levels due to lower visitation and the implementation of required safety measures during the year ended December 31, 2021, the current economic and regulatory environment on a global basis and in Macao continues to evolve. The Group cannot predict the manner in which governments will react as the global and regional impact of the COVID-19 Pandemic changes over time, which could significantly alter the Group's current operations.

The Group has a strong balance sheet and sufficient liquidity in place, including total cash and cash equivalents balance, excluding restricted cash and cash equivalents, of US\$678 million and access to US\$1.75 billion of available borrowing capacity from the 2018 SCL Revolving Facility as of December 31, 2021. Based on the current forecasts, the Group believes it is able to support continuing operations, complete the major construction projects that are underway and respond to the current COVID-19 Pandemic challenges for at least twelve months from the end of the reporting period. 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 for non-essential items.

Macao Subconcession

Gaming in Macao is administered by the government through concession agreements awarded to three different Concessionaires and three Subconcessionaires, of which Venetian Macau Limited ("VML," a subsidiary of Sands China Ltd.) is one. These concession agreements expire on June 26, 2022. If VML's Subconcession is not extended or renewed, VML may be prohibited from conducting gaming operations in Macao, and VML could cease to generate revenues from the gaming operations when the Subconcession agreement expires on June 26, 2022. In addition, all of VML's casino premises and gaming-related equipment could be automatically transferred to the Macao government without any compensation to VML.

On January 18, 2022, the Macao Legislative Assembly published a draft bill entitled Amendment to Law No. 16/2001 to amend Macao's gaming law (the "**Gaming Law**").

Certain changes to the Gaming Law set out in the draft bill include a reduction in the term of future gaming concessions to ten (10) years; authorization of up to six (6) gaming concession contracts; an increase in the minimum capital contribution of concessionaires to 5 billion patacas (approximately US\$622 million at exchange rates in effect on December 31, 2021); an increase in the percentage of the share capital of the concessionaire that must be held by the local managing director to 15%; a requirement that casinos be located in real estate owned by the concessionaire; and a prohibition of revenue sharing arrangements between gaming promoters and concessionaires.

The Company is actively monitoring developments with respect to the Macao government's Gaming Law amendment and concession renewal process and continues to believe it will be successful in extending the term of its Subconcession and/or obtaining a new gaming concession when its current Subconcession expires; however, it is possible the Macao government could further change or interpret the associated gaming laws in a manner that could negatively impact the Group.

Under the Company's Senior Notes Indentures (as defined below), upon the occurrence of any event resulting from any change in the Gaming Law (as defined in the indentures) or any action by the gaming authority after which none of the Company or any of its subsidiaries own or manage casino or gaming areas or operate casino games of fortune and chance in Macao in substantially the same manner as they are owning or managing casino or gaming areas or operating casino games as of the issue date of the Senior Notes, for a period of 30 consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties or results of operations of SCL and its subsidiaries, taken as a whole, each holder of the Senior Notes would have the right to require the Company to repurchase all or any part of such holder's Senior Notes at par, plus any accrued and unpaid interest (the "**Investor Put Option**").

Additionally, under the 2018 SCL Credit Facility, the events that trigger an Investor Put Option under the Senior Notes (as described above) would be an event of default, which may result in commitments being immediately cancelled, in whole or in part, and the related outstanding balances and accrued interest, if any, becoming immediately due and payable.

The Subconcession not being extended or renewed and the potential impact if holders of the notes and the agent have the ability to, and make the election to, accelerate the repayment of the Company's debt would have a material adverse effect on the Group's business, financial condition, results of operations and cash flows. The Company intends to follow the process for a concession renewal once the process and requirements are announced by the Macao government.

2. Significant accounting policies and changes in accounting policies and disclosures

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") on the historical cost basis except for financial liabilities for cash-settled share-based awards and derivative financial instruments that are measured at fair value.

During the year, there have been a number of new amendments to standards in IFRSs that are effective, which the Group has adopted at their respective effective dates. The adoption of these new amendments to standards had no material impact on the results of operations and financial position of the Group.

The Group has not early adopted the new or amendments to standards that have been issued, but are not effective for the year. The Group has commenced the assessment of the impact of the new or revised standards, amendments and interpretations to the Group, but is not yet in a position to state whether their adoption would have a significant impact on the results of operations and financial position of the Group.

3. 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, The Londoner Macao, 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 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, The Londoner Macao, 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.

The Group's segment information is as follows:

	Casino	Rooms	Mall ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	Food and beverage	Convention, ferry, retail and other	Net revenues
	<i>US\$ in millions</i>					
For the year ended						
December 31, 2021						
The Venetian Macao	944	77	195	24	16	1,256
The Londoner Macao	396	90	56	30	16	588
The Parisian Macao	244	54	39	17	3	357
The Plaza Macao	298	45	184	17	2	546
Sands Macao	105	10	1	5	1	122
Ferry and other operations	—	—	—	—	20	20
Inter-segment revenues ⁽ⁱ⁾	—	—	(2)	—	(13)	(15)
	<u>1,987</u>	<u>276</u>	<u>473</u>	<u>93</u>	<u>45</u>	<u>2,874</u>
For the year ended						
December 31, 2020						
The Venetian Macao	531	46	126	14	21	738
The Londoner Macao	192	42	38	17	8	297
The Parisian Macao	180	33	27	14	5	259
The Plaza Macao	159	17	79	9	1	265
Sands Macao	107	6	1	5	1	120
Ferry and other operations	—	—	—	—	21	21
Inter-segment revenues ⁽ⁱ⁾	—	—	(2)	—	(11)	(13)
	<u>1,169</u>	<u>144</u>	<u>269</u>	<u>59</u>	<u>46</u>	<u>1,687</u>

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

(ii) Of this amount, US\$410 million and US\$63 million (2020: US\$199 million and US\$70 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* and all other revenues are recognized in accordance with IFRS 15 *Revenue from contracts with customers*.

(iii) For the year ended December 31, 2021, rent concessions of US\$41 million (2020: US\$215 million) were provided to tenants as a result of the COVID-19 Pandemic and the impact on mall operations.

The following is a reconciliation of adjusted property EBITDA to loss for the year attributable to equity holders of the Company:

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
Adjusted property EBITDA (Unaudited)⁽ⁱ⁾		
The Venetian Macao	297	(53)
The Londoner Macao	(84)	(184)
The Parisian Macao	(17)	(131)
The Plaza Macao	219	33
Sands Macao	(69)	(76)
Ferry and other operations	(5)	(17)
	<hr/>	<hr/>
Total adjusted property EBITDA	341	(428)
Share-based compensation, net of amount capitalized ⁽ⁱⁱ⁾	(10)	(15)
Corporate expense ⁽ⁱⁱⁱ⁾	(68)	(45)
Pre-opening expense	(11)	(11)
Depreciation and amortization	(733)	(684)
Net foreign exchange (losses)/gains	(38)	17
Fair value gain on derivative financial instruments	1	—
Loss on disposal of property and equipment, investment properties and intangible assets	(19)	(73)
	<hr/>	<hr/>
Operating loss	(537)	(1,239)
Interest income	2	11
Finance costs, net of amounts capitalized	(373)	(279)
Loss on early retirement of debt	(137)	—
	<hr/>	<hr/>
Loss before income tax	(1,045)	(1,507)
Income tax expense	(3)	(16)
	<hr/>	<hr/>
Loss for the year attributable to equity holders of the Company	(1,048)	(1,523)
	<hr/> <hr/>	<hr/> <hr/>

- (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\$5 million equity-settled share-based payment expense, net of amounts capitalized and US\$5 million cash-settled share-based payment expense, net of amounts capitalized (2020: US\$9 million and US\$6 million).

(iii) The amount excludes share-based payment expense of US\$1 million (2020: US\$2 million).

Year ended December 31,
2021 2020
US\$ in millions

Depreciation and amortization

The Venetian Macao	191	181
The Londoner Macao	273	230
The Parisian Macao	145	163
The Plaza Macao	84	71
Sands Macao	24	27
Ferry and other operations	16	12
	733	684
	733	684

Year ended December 31,
2021 2020
US\$ in millions

Capital expenditures

The Venetian Macao	71	140
The Londoner Macao	538	721
The Parisian Macao	4	11
The Plaza Macao	19	156
Sands Macao	7	8
Ferry and other operations	1	2
	640	1,038
	640	1,038

December 31,
2021 2020
US\$ in millions

Total assets

The Venetian Macao	2,079	2,438
The Londoner Macao	4,519	4,324
The Parisian Macao	1,981	2,138
The Plaza Macao	1,161	1,219
Sands Macao	252	319
Ferry and other operations	102	110
	10,094	10,548
	10,094	10,548

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

4. Other expenses, gains and losses

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
Utilities and operating supplies	144	116
Contract labor and services	70	65
Repairs and maintenance	64	65
Royalty fees	43	22
Advertising and promotions	42	27
Management fees	19	16
Provision for expected credit losses, net	3	52
Auditor's remuneration	2	2
Lease payments for which the recognition exemption is applied and variable lease payments not included in lease liabilities	1	3
Net foreign exchange losses/(gains)	38	(17)
Loss on disposal of property and equipment, investment properties and intangible assets	19	73
Fair value gain on derivative financial instruments	(1)	—
Other support services	62	58
Other operating expenses	72	62
	<u>578</u>	<u>544</u>

5. Finance costs, net of amounts capitalized

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
Interest costs		
Senior Notes	331	260
Bank borrowings	12	2
Lease liabilities	8	8
Amortization of deferred financing costs	23	17
Standby fee and other financing costs	13	13
	<u>387</u>	<u>300</u>
Less: interest capitalized	(14)	(21)
	<u>373</u>	<u>279</u>

6. Income tax expense

	Year ended December 31,	
	2021	2020
	<i>US\$ in millions</i>	
Current income tax		
Lump sum in lieu of Macao complementary tax on dividends	5	5
Deferred income tax (benefit)/expense	<u>(2)</u>	<u>11</u>
Income tax expense	<u><u>3</u></u>	<u><u>16</u></u>

Deferred income tax benefit was US\$2 million for the year ended December 31, 2021, compared to deferred income tax expense of US\$11 million for the year ended December 31, 2020. The deferred income tax benefit in 2021 was primarily due to the reversal of deferred tax liabilities related to accelerated tax depreciation allowance while the deferred income tax expense in 2020 was primarily due to the reversal of deferred tax assets related to accelerated book depreciation of fixed assets disposed in 2020 not deductible for tax purposes.

The Group enjoys an income tax exemption in Macao that exempts the Group from paying corporate income tax on profits generated by gaming operations. The Group will continue to benefit from this tax exemption through June 26, 2022, the date VML's Subconcession agreement expires. In April 2019, VML entered into a renewed agreement with the Macao government, effective through June 26, 2022, providing for payments as a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions paid from VML gaming profits; namely an annual payment of MOP38 million (approximately US\$5 million at exchange rates in effect on December 31, 2021) for each of the years 2021 and 2020, each payment to be made on or before January 31 of the following year, and a payment of MOP18 million (approximately US\$2 million at exchange rates in effect on December 31, 2021) for the period between January 1, 2022 through June 26, 2022, to be paid on or before July 26, 2022. There is no assurance either of these tax arrangements will be extended beyond their expiration dates.

7. Loss per share

The calculation of basic and diluted loss per share is based on the following:

	Year ended December 31,	
	2021	2020
Loss attributable to equity holders of the Company (US\$ in millions)	<u>(1,048)</u>	<u>(1,523)</u>
Weighted average number of shares for basic loss per share (thousand shares)	8,092,597	8,089,202
Adjustment for share options (thousand shares) ⁽ⁱ⁾	<u>—</u>	<u>—</u>
Weighted average number of shares for diluted loss per share (thousand shares)	<u>8,092,597</u>	<u>8,089,202</u>
Loss per share, basic	<u>(US12.95 cents)</u>	<u>(US18.82 cents)</u>
Loss per share, basic ⁽ⁱⁱ⁾	<u>(HK101.00 cents)</u>	<u>(HK145.90 cents)</u>
Loss per share, diluted	<u>(US12.95 cents)</u>	<u>(US18.82 cents)</u>
Loss per share, diluted ⁽ⁱⁱ⁾	<u>(HK101.00 cents)</u>	<u>(HK145.90 cents)</u>

(i) The computation of the diluted loss per share for the years ended December 31, 2021 and 2020 did not assume the exercise of the Company's share options because the exercise would result in a decrease in loss per share.

(ii) The translation of US\$ amounts into HK\$ amounts has been made at the exchange rate on December 31, 2021 of US\$1.00 to HK\$7.7994 (2020: US\$1.00 to HK\$7.7526).

8. Dividends

On February 19, 2021, the Board did not recommend the payment of a final dividend in respect of the year ended December 31, 2020.

On August 13, 2021, the Board did not recommend the payment of an interim dividend in respect of the six months ended June 30, 2021.

The Board does not recommend the payment of a final dividend in respect of the year ended December 31, 2021.

9. Trade receivables, net

The aging analysis of trade receivables, net of provision for expected credit losses of US\$125 million (2020: US\$137 million), is as follows:

	December 31, 2021	2020
	<i>US\$ in millions</i>	
0–30 days	90	89
31–60 days	7	9
61–90 days	2	5
Over 90 days	17	17
	116	120

Trade receivables mainly consist of casino receivables. The Group generally does not charge interest for credit granted, but requires a personal check or other acceptable forms of security. The Group currently has a legally enforceable right to offset the commissions payable and front money deposits against the casino receivables and intends to settle on a net basis.

Absent special approval, the credit period granted to selected premium and mass market players is typically 7–15 days, while for gaming promoters, the receivables are typically repayable within one month following the granting of the credit, subject to terms of the relevant credit agreement.

10. Trade and other payables

	December 31, 2021	2020
	<i>US\$ in millions</i>	
Trade payables	31	51
Customer deposits and other deferred revenue ⁽ⁱ⁾	401	412
Construction payables and accruals	188	316
Interest payables	141	156
Accrued employee benefit expenses	134	136
Other tax payables	115	118
Outstanding chip liability ^{(i),(ii)}	65	189
Loyalty program liability ⁽ⁱ⁾	26	28
Casino liabilities	21	22
Payables to related companies	5	3
Other payables and accruals	56	62
	1,183	1,493
Less: non-current portion	(112)	(105)
Current portion	1,071	1,388

(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.

(ii) The decrease in outstanding chip liability noted in 2021 primarily resulted from the closure of fixed room junket operations in December 2021.

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

	December 31, 2021	2020
	<i>US\$ in millions</i>	
0–30 days	22	31
31–60 days	7	15
61–90 days	1	3
Over 90 days	1	2
	31	51

11. Borrowings

	December 31, 2021	2020
	<i>US\$ in millions</i>	
Non-current portion		
Senior Notes	7,150	7,000
Bank loans	753	—
Lease liabilities	124	124
Other borrowings	2	—
	<u>8,029</u>	<u>7,124</u>
Less: deferred financing costs	(83)	(80)
	<u>7,946</u>	<u>7,044</u>
Current portion		
Lease liabilities	17	21
Other borrowings	1	—
	<u>18</u>	<u>21</u>
Total borrowings	<u><u>7,964</u></u>	<u><u>7,065</u></u>

Senior Notes

On June 4, 2020, the Company issued, in a private offering, two series of senior unsecured unregistered 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**”). The net proceeds from the offering were used for incremental liquidity and general corporate purposes. There are no interim principal payments on the 2026 Notes or 2030 Notes and interest is payable semi-annually in arrears on January 8 and July 8, commencing 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.

On September 23, 2021, the Company issued, in a private offering, three series of senior unsecured unregistered notes in an aggregate principal amount of US\$1.95 billion, consisting of US\$700 million of 2.300% Senior Notes due March 8, 2027 (the “**2027 Notes**”), US\$650 million of 2.850% Senior Notes due March 8, 2029 (the “**2029 Notes**”) and US\$600 million of 3.250% Senior Notes due August 8, 2031 (the “**2031 Notes**”) and together with the 2025 Notes, 2026 Notes, 2027 Notes, 2028 Notes, 2029 Notes, 2030 Notes, the “**Senior Notes**”). The Company used the net proceeds from the offering and cash on hand to redeem in full the outstanding principal amount of its US\$1.80 billion 4.600% Senior Notes due 2023, any accrued interest and the associated make-whole premium as determined under the related senior notes indenture dated as of August 9, 2018.

The Senior Notes are senior unsecured obligations of the Company. Each series of notes rank 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. The 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 the Senior Notes.

The 2026 Notes and 2030 Notes were issued pursuant to an indenture, dated June 4, 2020 (the "**2020 Indenture**") and the 2027 Notes, 2029 Notes and 2031 Notes were issued pursuant to an indenture, dated September 23, 2021 (the "**2021 Indenture**" and together with an indenture, dated August 9, 2018 and 2020 Indenture, the "**Senior Notes Indentures**"), between the Company and U.S. Bank National Association, as trustee. Upon the occurrence of certain events described in these Senior Notes Indentures, the interest rate on the Senior Notes may be adjusted. The Senior Notes Indentures contain 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 Senior Notes Indentures also provide for customary events of default.

Under the Company's Senior Notes Indentures, upon the occurrence of any event resulting from any change in the Gaming Law (as defined in the indentures) or any action by the gaming authority after which none of the Company or any of its subsidiaries own or manage casino or gaming areas or operate casino games of fortune and chance in Macao in substantially the same manner as they were owning or managing casino or gaming areas or operating casino games as of the issue date of the Senior Notes, for a period of 30 consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties or results of operations of the Company and its subsidiaries, taken as a whole, each holder of the Senior Notes would have the right to require the Company to repurchase all or any part of such holder's Senior Notes at par, plus accrued and unpaid interest (the "**Investor Put Option**").

The Company is actively monitoring developments with respect to the Macao government's Gaming Law amendment and concession renewal process and continues to believe it will be successful in extending the term of its Subconcession and/or obtaining a new gaming concession when its current Subconcession expires. Given the Investor Put Option is considered to be a future uncertain event which had not been triggered, the Senior Notes were classified as non-current liabilities as at December 31, 2021. Refer to Note 1 for further information related to the Macao Subconcession.

The cost associated with the early termination of the 4.600% Senior Notes due 2023, including the make-whole premium of US\$131 million and US\$6 million in unamortized original issue discount and deferred financing costs, was recorded as a loss on early retirement of debt in the consolidated income statement during the year ended December 31, 2021.

2018 SCL Credit Facility

On January 25, 2021, the Company entered into an agreement with lenders to increase commitments under the 2018 SCL Credit Facility by HK\$3.83 billion (approximately US\$491 million at exchange rates in effect on December 31, 2021). During the year ended December 31, 2021, the Company drew down US\$71 million and HK\$5.31 billion (approximately US\$681 million at exchange rates in effect on December 31, 2021) under the facility for general corporate purposes. The weighted average interest rate for the 2018 SCL Credit Facility was 2.6% for the year ended December 31, 2021.

On July 7, 2021, the Company entered into a waiver extension and amendment request letter (the "**Third Waiver Extension Letter**") with respect to certain provisions of the 2018 SCL Credit Facility, pursuant to which lenders agreed to (a) extend by one year to (and including) January 1, 2023, the waiver period for the requirement for the Company to comply with the requirements that the Company ensures the consolidated leverage ratio does not exceed 4.0x and the consolidated interest coverage ratio is not less than 2.5x as at the last day of the financial quarter; (b) extend the period of time during which the Company may supply the agent with its audited consolidated financial statements for the financial year ended on December 31, 2021 to April 30, 2022; and (c) extend by one year to (and including) January 1, 2023, the period during which the Company's ability to declare or make any dividend payment or similar distribution is restricted if at such time (x) the Total Commitments (as defined in the 2018 SCL Credit Facility) exceed US\$2.0 billion by the Company's exercise of the option to increase the Total Commitments by an aggregate amount of up to US\$1.0 billion; and (y) the consolidated leverage ratio is greater than 4.0x, unless, after giving effect to such payment, the sum of (i) the aggregate amount of cash and cash equivalents of the Company on such date; and (ii) the aggregate amount of the undrawn facility under the 2018 SCL Credit Facility and unused commitments under other credit facilities of the Company is greater than US\$2.0 billion. Pursuant to the Third Waiver Extension Letter, the Company paid a customary fee to the lenders that consented.

Under the 2018 SCL Credit Facility, the events that trigger an Investor Put Option under the Senior Notes (as described above) would be an Event of Default (as defined in the credit agreement), which may result in commitments being immediately cancelled, in whole or in part, and the related outstanding balances and accrued interest, if any, becoming immediately due and payable.

The 2018 SCL Credit Facility also contains certain events of default (some of which are subject to grace and remedy periods and materiality qualifiers), including, but not limited to, events relating to the Company's gaming operations and the loss or termination of certain land concession contracts.

The Company is actively monitoring developments with respect to the Macao government's Gaming Law amendment and concession renewal process and continues to believe it will be successful in extending the term of its Subconcession and/or obtaining a new gaming concession when its current Subconcession expires. Given the Investor Put Option is considered to be a future uncertain event which had not been triggered and events of default under the 2018 SCL Credit Facility had not been breached as at December 31, 2021, the outstanding balance under the 2018 SCL Credit Facility was classified as non-current liabilities as at December 31, 2021. Refer to Note 1 for further information related to the Macao Subconcession.

As of December 31, 2021, the Company had US\$1.75 billion of available borrowing capacity under the 2018 SCL Revolving Facility comprised of commitments of HK\$12.32 billion (approximately US\$1.58 billion at exchange rates in effect on December 31, 2021) and commitments of US\$166 million (2020: US\$2.02 billion of available borrowing capacity comprised of commitments of HK\$13.81 billion (approximately US\$1.78 billion at exchange rates in effect on December 31, 2020) and commitments of US\$237 million).

6. DISCLOSURE OF FINANCIAL RESULTS IN MACAO

VML, our subsidiary and the holder of our gaming Subconcession, will file its financial statements in accordance with the Macao Financial Reporting Standards (“**MFRS**”) for the year ended December 31, 2021 (“**MFRS Financial Statements**”) to the Gaming Inspection and Coordination Bureau of Macao in February 2022. This is a statutory filing requirement mandated by Macao law and our gaming Subconcession contract. In addition, VML has a statutory and contractual obligation to publish its consolidated financial statements prepared in accordance with MFRS for the year ended December 31, 2021 (“**MFRS Consolidated Statements**”) in the Macao Official Gazette and local newspapers in Macao before the end of April 2022. The MFRS Financial Statements and the MFRS Consolidated Statements may not be directly comparable with the Company's financial results disclosed herein, which are prepared under IFRS.

7. SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2021 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu to the amounts set out in the unaudited consolidated financial statements of the Group for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

8. CORPORATE GOVERNANCE

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 year ended December 31, 2021, 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 (updated reference for financial years commencing on or after January 1, 2022: Code Provision C.2.1)

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. Robert Glen Goldstein since January 2021. The Company believes the combined roles of Mr. Goldstein provide for better leadership of the Board and management and allow for more focus on developing strategies and implementation of policies and objectives. The Company notes the presence of five Non-Executive Directors (of whom four are independent) on the Board who bring their independent judgement to bear on issues of strategy, policy, performance, accountability, resources, appointments and standards of conduct. Furthermore, the Company's President (Dr. Wong Ying Wai) and Chief Operating Officer (Mr. Chum Kwan Lock, Grant) are also Executive Directors and assist Mr. Goldstein in his role as the bridge between the Board and the senior management and executive team on business issues. The Company believes the balance of power and authority on the Board is adequately ensured.

Code Provision E.1.2 — Annual General Meeting attendance (updated reference for financial years commencing on or after January 1, 2022: Code Provision F.2.2)

Code Provision E.1.2 provides the Chairman of the Board should attend the annual general meeting of the Company. Mr. Robert Glen Goldstein was unable to attend the annual general meeting held on May 21, 2021 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. Goldstein on all key matters prior to the meeting. Mr. Goldstein 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.

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 year 2021 and up to the date of this announcement.

BOARD AND BOARD COMMITTEES COMPOSITION

Saved as disclosed in our 2020 annual report and 2021 interim report, there were no changes to the composition of the Board and the Board Committees of the Company during the year 2021 and up to the date of this announcement.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board and the Auditor in matters falling within the scope of the audit of the Company and the Group. The Audit Committee is tasked with reviewing the effectiveness of the external audit and the risk management and internal control systems, evaluating risks and providing advice and guidance to the Board. Our annual results for the year ended December 31, 2021 were reviewed by our Audit Committee, which was of the opinion, the preparation of such annual results complied with the applicable accounting standards and requirements and 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.

9. PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sandschina.com). The annual report for the year ended December 31, 2021 containing the information required by Appendix 16 of the Listing Rules will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

10. 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 year ended December 31, 2021.

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

Macao, February 18, 2022

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

Executive Directors:

Robert Glen Goldstein
Wong Ying Wai
Chum Kwan Lock, Grant

Non-Executive Director:

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.