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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

The Board of Directors (the "**Board**") of Sands China Ltd. ("**we**" or our "**Company**") is announcing the unaudited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended June 30, 2020 compared to the six months ended June 30, 2019.

1. FINANCIAL RESULTS

- All of our operating segments and business categories were significantly impacted by the COVID-19 Pandemic resulting in materially lower operating results and cash flows from operations.

- Adjusted property EBITDA loss for the Group was US$243 million (HK$1.90 billion) in the first half of 2020, a decrease of 115.0%, compared to adjusted property EBITDA of US$1.63 billion (HK$12.70 billion) in the first half of 2019.

- Total net revenues for the Group were US$848 million (HK$6.57 billion) in the first half of 2020, a decrease of 81.0%, compared to US$4.47 billion (HK$34.92 billion) in the first half of 2019.

- Loss for the Group was US$716 million (HK$5.55 billion) in the first half of 2020, a decrease of 167.1%, compared to a profit of US$1.07 billion (HK$8.34 billion) in the first half of 2019.

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

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

2. BUSINESS OVERVIEW AND OUTLOOK

COVID-19 Pandemic

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

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

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

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

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

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

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

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

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

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

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

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

Outlook

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

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

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

3. MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Revenues

Our net revenues consisted of the following:

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

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

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

The following table summarizes the results of our casino activity:

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

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

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

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

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

The following table summarizes the results of our room activity:

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

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

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

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

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

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

(i) Tenant sales per square foot reflects sales from tenants only after the tenant has been opened for a period of 12 months.

(ii) Shoppes at Cotai Central will be rebranded to Shoppes at Londoner and feature up to approximately 600,000 square feet of gross leasable area upon completion of all phases of Sands Cotai Central's renovation, rebranding and expansion to The Londoner Macao.

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

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

Operating Expenses

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

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

Adjusted property EBITDA[i]

The following table summarizes information related to our segments:

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

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

N.M. – not meaningful

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

Interest Expense

The following table summarizes information related to interest expense:

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

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

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

(Loss)/Profit for the Period

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

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

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

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

Cash Flows — Summary

Our cash flows consisted of the following:

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

Cash Flows — Operating Activities

Net cash used in operating activities for the six months ended June 30, 2020 was US$644 million, compared to US$1.49 billion of net cash generated from operating activities for the six months ended June 30, 2019. We derive most of our operating cash flows from our casino, mall and hotel operations. The decrease in net cash generated from operating activities of US$2.13

billion was primarily attributable to the impact of the COVID-19 Pandemic on our operations, which significantly reduced visitation to our properties and significantly decreased operating income during the first six months of 2020 as described above. The COVID-19 Pandemic also impacted our working capital, which was a cash outflow during the six months ended June 30, 2020 as the amount of receivables collected was less than the settlement of operating accrued liabilities and a reduction to outstanding chips.

Cash Flows — Investing Activities

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

Cash Flows — Financing Activities

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

CAPITAL EXPENDITURES

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

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

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

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

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

We anticipate the total costs associated with these development projects to be approximately US$2.2 billion. The ultimate costs and completion dates for these projects are subject to change as we complete construction. We expect to fund our developments through a combination of the remaining balance of the net proceeds from the issuance of the US$1.50 billion Senior Notes in June 2020, borrowings from the 2018 SCL Revolving Facility and surplus from operating cash flows.

CAPITAL COMMITMENTS

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

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

DIVIDENDS

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

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

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

CONTINGENT LIABILITIES AND RISK FACTORS

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

CAPITAL RISK MANAGEMENT

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of net debt, which includes borrowings (including current and non-current borrowings as shown in Note 9 to the condensed consolidated financial statements) net of cash and cash equivalents, and equity attributable to Shareholders, comprising issued share capital and reserves.

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

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

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

LEGAL PROCEEDINGS

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

The Company is involved in other litigation in addition to those described above, arising in the ordinary course of business. Management has made certain estimates for potential litigation costs based upon consultation with legal counsel. Actual results could differ from these estimates; however, in the opinion of management, such litigation and claims will not have a material adverse effect on the Company's financial condition, results of operations and cash flows.

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

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

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

Code Provision E.1.2 — Annual General Meeting attendance

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

BOARD AND BOARD COMMITTEES COMPOSITION

There were no changes to the composition of the Board and the Board Committees of the Company during the six months ended June 30, 2020 and up to the date of this announcement.

AUDIT COMMITTEE REVIEW

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

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

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

5. FINANCIAL RESULTS

The financial information set out below in this announcement represents the condensed consolidated financial statements, which is unaudited but has been reviewed by the Company's independent auditor, Deloitte Touche Tohmatsu, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," and by our Audit Committee.

CONSOLIDATED INCOME STATEMENT

	Notes	**Six months ended June 30, 2020**	2019
		US$ in millions except per share data	
		(Unaudited)	
Net revenues	3	**848**	4,468
Gaming tax		**(336)**	(1,757)
Employee benefit expenses		**(554)**	(651)
Depreciation and amortization	3	**(338)**	(364)
Inventories consumed		**(11)**	(50)
Other expenses and losses		**(218)**	(459)
Operating (loss)/profit		**(609)**	1,187
Interest income		**9**	21
Interest expense, net of amounts capitalized		**(116)**	(147)
(Loss)/profit before income tax		**(716)**	1,061
Income tax benefit	4	**—**	6
(Loss)/profit for the period attributable to equity holders of the Company		**(716)**	1,067
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company			
— Basic	5	**(US8.85 cents)**	US13.20 cents
— Diluted	5	**(US8.85 cents)**	US13.19 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

CONSOLIDATED BALANCE SHEET

	Notes	**June 30, 2020**	December 31, 2019
		US$ in millions	
		(Unaudited)	*(Audited)*
ASSETS			
Non-current assets			
Investment properties, net		**561**	587
Property and equipment, net		**8,684**	8,361
Intangible assets, net		**46**	48
Other assets, net		**32**	34
Other receivables and prepayments, net		**20**	23
Total non-current assets		**9,343**	9,053
Current assets			
Inventories		**16**	16
Other assets		**13**	35
Trade and other receivables and prepayments, net	7	**355**	510
Restricted cash and cash equivalents		**16**	15
Cash and cash equivalents		**1,592**	2,471
Total current assets		**1,992**	3,047
Total assets		**11,335**	12,100

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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

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

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

Recent developments

COVID-19 Pandemic

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

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

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

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

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

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

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

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

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

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

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

2. Changes in accounting policies and disclosures

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

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

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

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

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

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

The Group's segment information is as follows:

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

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

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

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

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

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

(ii) The amount comprises of US$6 million equity shared-base payment expense, net of amounts capitalized and US$2 million cash settled share-based payment expense, net of amounts capitalized (six months ended June 30, 2019: US$7 million and nil).

(iii) The amount excludes share-based payment expense of US$1 million (six months ended June 30, 2019: nil).

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

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

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

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

4. Income tax benefit

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

5. (Loss)/earnings per share

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

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

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

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

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

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

6. Dividends

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

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

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

7. Trade receivables, net

The aging analysis of trade receivables, net of provision for expected credit losses of US$112 million, is as follows:

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

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

8. Trade and other payables

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

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

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

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

9. Borrowings

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

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

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

Senior Notes

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

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

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

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

6. PUBLICATION OF INTERIM 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 interim report for the six months ended June 30, 2020 will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Macao, August 14, 2020

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

Executive Directors:
Sheldon Gary Adelson
Wong Ying Wai

Non-Executive Directors:
Robert Glen Goldstein
Charles Daniel Forman

Independent Non-Executive Directors:
Chiang Yun
Victor Patrick Hoog Antink
Steven Zygmunt Strasser
Kenneth Patrick Chung

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