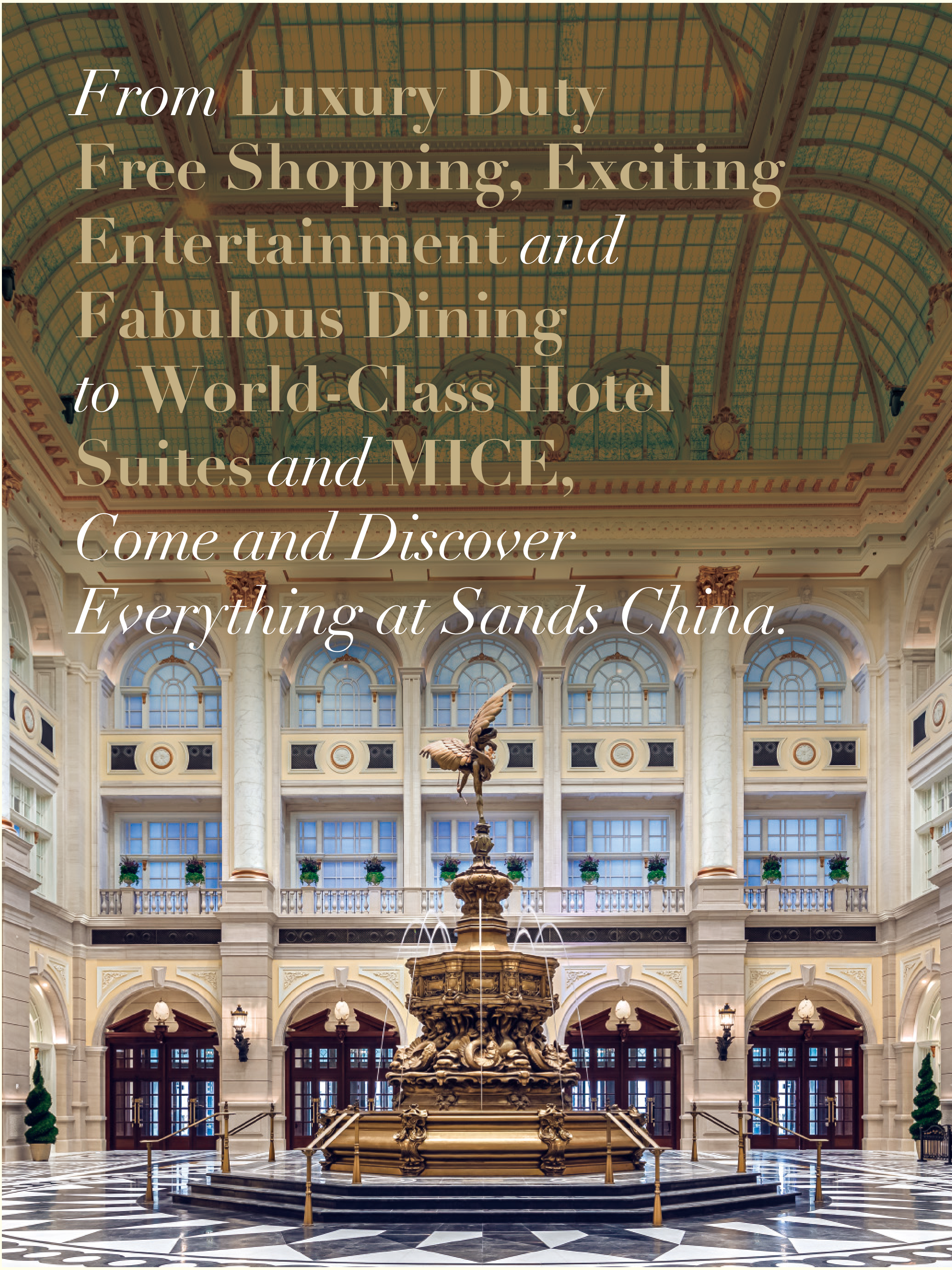
金沙中國
Sands China ltd.

2021 ANNUAL REPORT

Stock Code : 1928


From Luxury Duty
Free Shopping, Exciting
Entertainment *and*
Fabulous Dining
to World-Class Hotel
Suites *and* MICE,
Come and Discover
Everything at Sands China.

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


GLAMOROUS RESTAURANTS
CHANEL THE VOCABULARY OF STYLE
CHRISTIAN DIOR DESIGNER OF DREAMS

our Luxurious Hotel Rooms and Suites *await you.*

Sands China operates the largest collection of integrated resorts in Macao. At December 31, 2021, we had 12,373 hotel rooms and suites, 2.1 million square feet of retail malls with 151 restaurants and food outlets, 1.7 million square feet of MICE space, 4 permanent theaters, a 15,000-seat arena and some of the world's largest casinos.

1.1 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.

1.2 HIGHLIGHTS OF 2021

Business

During 2021, we were able to realize several key strategic milestones. We continued progress on our key development projects in Macao — 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.

In addition, in support of the Macao government's anti-epidemic initiatives, The Venetian Macao's Cotai Expo was selected as a 24-hour testing site for a total of five days for the city-wide mass nucleic acid test, and was also provided as a vaccination site for our team members and the general public on several other occasions during the year. Furthermore, the Sheraton Grand Macao was offered on several occasions throughout the year for medical observation purposes, with over 10,000 people using this facility.

The following sets out some of the highlights of the business in 2021:

- #1 market share for room production in Macao on China's #1 travel platform — Ctrip
- Three properties ranked in the top 3 for total room production in Macao on Ctrip (1st — The Venetian Macao; 2nd — The Parisian Macao; 3rd — Sheraton Grand Macao)
- #1 room production and #1 market share in Macao on one of China's top travel platforms — Meituan
- The Sands China Ltd. X Meituan Livestream campaign at The Londoner Macao achieved
  - Record high views of 4.9 million and impressions of 234 million
  - The Parisian Macao achieved #1 outbound hotel production in all Meituan livestreams
- #1 market share for room production in Macao on Fliggy — Alibaba's travel platform
- Three properties ranked in the top 3 for room production in Macao on Fliggy (1st — Sheraton Grand Macao; 2nd — The Venetian Macao; 3rd — The Parisian Macao)
- First outbound destination to host Trip.com Group 2021 Global Partner Summit — the biggest annual event for the Trip.com Group
- First in Macao to host Trip.com Gourmet 2021 Top Global Restaurant List
- First outbound partner to launch Star hub official account with Ctrip — a newly launched capability with content, product and traffic integration
- First and only outbound partner to launch exclusive co-marketing campaigns with Meituan, achieved total of 368 million impressions
- Fourth consecutive year of hosting "JSTV Countdown Concert" (China's #1 rated New Year's Eve TV Concert) — JiangSu TV, China's leading free-to-air TV network with nationwide coverage
- Third consecutive year of hosting "Tencent Music Entertainment Awards" — Tencent Music Entertainment, China's largest online music platform
- Hosted the Grand Finale of Youku's S-class music online show "Super Hit Awards" — Youku, China's leading online-video and streaming platform
- Received most number of awards in Macao from Trip.com Group
  - Sands China Ltd. — The Best Strategic Partner
  - Sands China Ltd. — Outstanding Partner of the Year
  - Sands China Ltd. — Partner with Significant Contribution
  - The Londoner Macao — The Most Popular Hotel 2021
  - The Venetian Macao — Outstanding Partnership Award
  - Four Seasons Macao — Outstanding Partnership Award
  - Sheraton Grand Macao — Popular Hotel

1.2 HIGHLIGHTS OF 2021

- Received "2021 Double 11 Outstanding Hotel Award" from Fliggy
- Digital transformation to mobile-first with a customer experience centric approach:
  - Launched new capabilities on mobile app including rooms and restaurants reservations, mobile navigation and digital redemption
  - Launched new 24-hour butler service on WeChat, as well as a WeChat mini-program with capabilities such as online queuing
  - Transformed official websites to mobile first digital experience
- Record-breaking MOP8.7 billion in offline spending on Alipay and WeChat pay at our properties, a 51% increase compared to 2019 (pre-COVID-19)
- In 2021 we launched Macao's first Virtual Studio enabling customer product seminars to continue virtually despite travel restrictions across China
- A number of interactive attractions were launched to enhance the themed guest experience at The Londoner Macao, allowing customers to interact with London icons such as a genuine red double decker bus, a Black Cab experience, famous British personalities, animated shop fronts, and authentic red telephone boxes. These attractions will continue to be expanded and enhanced throughout 2022
- Special events were hosted throughout the year to celebrate important festive periods and milestones, and to drive visitation to our integrated resorts. These included The Londoner Macao First Phase Opening Ceremony; Londoner Seasons of Prosperity 2021 Chinese New Year Celebration; The Parisian Macao's Eiffel Tower Grand Illumination Chinese New Year Show; and our Winter Celebration 2021 featuring festive decorations across the resorts including the spectacular Parisian inverted Christmas tree, The Venetian Macao lagoon decorations, and the Place Vendome 3D Light and Sound Spectacular "Magic of Christmas"
- Sands China qualified as a constituent of the Dow Jones Sustainability Indices (DJSI) for DJSI Asia Pacific. Apart from being listed in the top 20% in the Asia-Pacific developed region, we are also the only integrated resort company recognized by DJSI Asia Pacific this year. We are one of the only three companies in the consumer services sector listed in the index
- Stepping into the new 2021–2025 cycle, Sands China will continue to respond to the salient sustainability issues recognized by our internal and external stakeholders through dynamic materiality assessment. Globally, we have set new ambitions and strategies structured around our three corporate responsibility pillars: People, Community and Planet
- Over 2,400 Sands Cares Ambassadors and team members offered 24-hour onsite assistance at the Cotai Expo for the city-wide mass nucleic acid test, benefiting around 65,000 residents
- By 2025, we aim to deliver 7 million hours of workforce development training; engage in 110,000 hours of volunteerism; and be on track to achieve net-zero greenhouse gas emissions by 2050. To facilitate the incorporation of these targets into our corporate governance strategy, we established an ESG Committee and an ESG governance structure, which will also assist the Company in overseeing the implementation and monitor the progress of our ESG initiatives
- We achieved ISO 45001:2018 certification in five departments in 2021, ensuring high occupational safety and health standards in our operations

1.2 HIGHLIGHTS OF 2021

Visitation

The Group's properties are one of the most visited destinations in Macao, attracting families, business visitors and entertainment seekers from around the world. In 2021, all of our properties, The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao and Sands Macao, attracted a combined total of 41.6 million visitors or approximately 114,000 visitors per day.

Entertainment

Entertainment is at the heart of our business. Since opening in 2007, our 15,000-seat Cotai Arena has become one of the top live entertainment venues in South China, hosting some of the biggest names in the industry. The theaters at The Venetian Macao, The Londoner Macao and The Parisian Macao from time to time offer a variety of ticketed events from Broadway-style musicals to classical ballet. The live entertainment program at our properties is a key traffic driver and has established the Company as the leader in the field of tourism and leisure activities.

Due to the impact of the COVID-19 Pandemic on visitation to Macao, the Company's entertainment programming was significantly curtailed in 2021. Cotai Arena, The Venetian Theater, The Parisian Theater, Sands Theater and The Venetian Macao hosted a total of 12 different live entertainment events in 2021. All together, these events attracted more than 21,000 visitors. Major entertainment events held during the year included The Tencent Music Entertainment Awards show, Youku's Super Hit Awards and Huafu Day. The Company's Cotai Arena was also chosen to host one of the largest and most viewed New Year's Eve television broadcast shows in China — 2022 JSTV Countdown Concert, which featured performances by superstars such as Chris Li, William Chan, G.E.M., Jam Hsiao, Miriam Yeung, Joker Xue, Jason Zhang and Jane Zhang.

Our entertainment offerings include lounge acts, dancers, singers, gondoliers and street performers, all contributing to the overall customer experience at our properties and setting us apart from other gaming destinations.

1.2 HIGHLIGHTS OF 2021

Meetings, Incentives, Conventions and Exhibitions

As at December 31, 2021, Sands China's properties featured approximately 1.7 million square feet of MICE space specifically designed to meet the needs of meeting planners and corporate events and trade show organizers around the world. The Cotai Expo at The Venetian Macao is one of the largest exhibition centers in Asia and has hosted some of the region's biggest exhibitions. Our experience and expertise in this industry continues to drive leisure and business tourism to Macao and make us the region's MICE leader. MICE organizers have a diverse range of accommodation choices, including hotel brands such as Conrad, Sheraton and St. Regis to satisfy a wider demographic of event attendees. Our "Green Meetings" initiatives as part of the Sands ECO360 Global Sustainability Program has helped us to become one of the most sustainable and environmentally-friendly conference centers in Asia.

Sands China attracted approximately 731,000 visitors to Macao relating to MICE events throughout the year, around 672,000 visitors attended 34 exhibitions and trade shows and around 59,000 conference and corporate visitors attended 424 meeting, incentive and social events.

Highlights and New Shows during the year include:

- The Cotai Expo has both ISO 9001 Quality Management System certification and ISO 20121 Event Sustainability System certification;
- The Play Hub Expo 2021 attracting around 30,000 visitors; and
- The Beyond International Technology Innovation Expo attracting around 20,000 visitors.

Returning Fairs and Expos in 2021 include:

- The 2021 Guangdong & Macao Branded Products Fair attracting around 54,000 visitors;
- The China Macau International Automobile Expo 2021 attracting around 46,000 visitors;
- The 14th Xmas Shopping Festival attracting around 45,000 visitors;
- The 13th Food & Household Products Expo attracting around 40,000 visitors; and
- The 25th and 26th Baby & Child Products Expo attracting on average 33,500 visitors to each.

Other notable events held during 2021 include:

- The Sands Shopping Carnival 2021 attracting around 110,000 visitors;
- The 7th Labor Day Shopping Expo attracting around 35,000 visitors; and
- The Lunar New Year Shopping Food Expo & Healthy Quality Living Expo attracting around 28,000 visitors.

1.2 HIGHLIGHTS OF 2021

Awards

Sands China's properties continue to set the standard in customer service, MICE, leisure and business travel. Since the opening of The Venetian Macao in 2007, we have received numerous prestigious awards for being Asia's leading integrated resort for leisure and business tourism, as well as for our commitment to sustainable practices. Awards given to our properties and operations in 2021 include:

Sands China Ltd.

- HRoot Awards 2021
  Best HR Teams in Greater China 2021
  Best HR Shared Service Center in Greater China 2021
- The 14th Annual TTG China Travel Awards 2021
  Best Resort in China — Sands Resorts Macao

The Venetian Macao

- World Travel Awards 2021
  Macau's Leading Hotel Suite 2021
  — Presidential Suite
  Macau's Leading Casino Resort 2021
- Travel + Leisure India's Best Awards 2021
  Best Integrated Resort
- Trip.com Group Gourmet 2021
  Top Global Restaurant List
  Gold — The Golden Peacock
  Silver — North
  Silver — Red Dragon Noodles
  Silver — Imperial House Dim Sum
- Forbes Travel Guide 2021
  Recommended
- Michelin Guide Hong Kong Macau 2021
  One-Star Rating — The Golden Peacock
- Target Taste 2021
  Top Japanese Restaurant Award — Hiro

Conrad Macao

- Forbes Travel Guide 2021
  Recommended
  Four-Star Rating — Bodhi Spa
- World Travel Awards 2021
  China's Leading Conference Hotel 2021

The Londoner Macao Hotel

- The 10th Annual China Hotel Awards
  Best New Hotel
- The 18th Golden-Pillow Competitiveness of Hotels
  2021 China's Best Newly Open Hotel
- Voyage Best Hotel & Resort Value Award 2021
  Best Integrated Resort
  Best Newly Opened Hotel
- The International Hotel & Property Awards 2021
  Hotel Suite Asia Pacific Winner — Suites by David Beckham
- Target Taste 2021
  Top Chinese Restaurant Award — The Huaiyang Garden
  Top Chinese Restaurant Award — North Palace
  Top Special Restaurant Award — Churchill's Table

1.2 HIGHLIGHTS OF 2021

Sheraton Grand Macao

- Condé Nast Traveler Readers' Choice Awards 2021
  The World's Best Hotels in Asia, China — Rank 15
- M&C Asia Stella Awards 2021
  Best Meetings Hotel (Macao)

The St. Regis Macao

- Forbes Travel Guide 2021
  Four-Star Rating
  Four-Star Rating — Iridium Spa
- World Spa Awards
  Macao's Best Hotel Spa 2021 — Iridium Spa
- The 14th Annual TTG China Travel Awards 2021
  Best Luxury Hotel in Macao
- Travel + Leisure — 2021 China Travel Awards
  2021 China's Top 100 Hotels

The Parisian Macao

- Forbes Travel Guide 2021
  Recommended
- World MICE Awards
  Macao's Best MICE Hotel 2021
- 2021 Black Pearl Restaurant Guide
  by Meituan Dianping
  2-Diamond — La Chine
  1-Diamond — Lotus Palace
- Trip.com Group Gourmet 2021
  Top Global Restaurant List
  Diamond — La Chine
  Gold — Lotus Palace
  Silver — Market Bistro

Four Seasons Macao

- Voyage Best Hotel & Resort Value Award 2021
  Best Resort Hotel
- 2021 National Geographic Traveler Golden Awards
  Golden Business Hotel
- 2021 Black Pearl Restaurant Guide
  by Meituan Dianping
  1-Diamond — Zi Yat Heen
- Forbes Travel Guide 2021
  Five-Star Rating
  Five-Star Rating — The Spa at Four Seasons
  Four-Star Rating — Zi Yat Heen
- Michelin Guide Hong Kong Macau 2021
  One-Star Rating — Zi Yat Heen
- Trip.com Group Gourmet 2021 Top Global
  Restaurant List
  Diamond — Zi Yat Heen

The Grand Suites at Four Seasons

- Target Taste 2021
  Best Luxury Hotel Award of the Year
- Voyage Best Hotel & Resort Value Award 2021
  Top 50 Must-stay China Hotel in 2021

1.3 DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

As at the Latest Practicable Date, our Board of Directors consists of eight Directors, four of whom are Independent Non-Executive Directors. The following table sets forth certain information concerning our Directors:

Name	Age	Title
Robert Glen Goldstein	66	Chairman of the Board, Chief Executive Officer and Executive Director
Wong Ying Wai (Wilfred)	69	President and Executive Director
Chum Kwan Lock, Grant	46	Chief Operating Officer and Executive Director
Charles Daniel Forman	75	Non-Executive Director
Chiang Yun (Rachel)	54	Independent Non-Executive Director
Victor Patrick Hoog Antink	68	Independent Non-Executive Director
Steven Zygmunt Strasser	73	Independent Non-Executive Director
Kenneth Patrick Chung	64	Independent Non-Executive Director

Chairman, Chief Executive Officer and Executive Director

Robert Glen Goldstein

aged 66, is the Chairman of our Board and Chief Executive Officer, an Executive Director and the Chairman of the Nomination Committee. He is also a director of one of our Macao subsidiaries, VML. Mr. Goldstein served as a Non-Executive Director of the Company since May 2014 until he was subsequently re-designated as an Executive Director in March 2015, and he was further re-designated as a Non-Executive Director in November 2015. Mr. Goldstein was the Acting Chairman of our Board, Acting Chief Executive Officer and the Acting Chairman of the Nomination Committee of the Company from January 7 to 26, 2021, our Interim President from March 2015 to November 2015 and a member of the Capex Committee from March 2015 to April 2021. Mr. Goldstein was appointed as the chairman and chief executive officer of LVS on January 26, 2021 (U.S. time) and was appointed as the chairman of LVS LLC and Venetian Casino on February 17, 2021. Mr. Goldstein was the acting chairman, acting chief executive officer, president and chief operating officer of LVS until January 26, 2021 (U.S. time) and has been a director of LVS, LVS LLC and LVS Nevada since January 2015. He previously served as LVS' President of Global Gaming Operations from January 2011 until December 2014, LVS' Executive Vice President from July 2009 until December 2014, and LVS' secretary from August 2016 to November 2016. He has held other senior executive positions at LVS and its subsidiaries since 1995. From 1992 until joining LVS in 1995, Mr. Goldstein was the executive vice president of marketing at the Sands Hotel in Atlantic City, as well as an executive vice president of the parent Pratt Hotel Corporation. Mr. Goldstein holds a Bachelor of Arts, History and Political Science, Magna Cum Laude, from the University of Pittsburgh and a Juris Doctorate from the Temple University School of Law. In 1980, he became a member of the Pennsylvania Bar Association. Mr. Goldstein was re-designated as an Executive Director on January 7, 2021.

1.3 DIRECTORS AND SENIOR MANAGEMENT

President and Executive Director

Wong Ying Wai (Wilfred)

aged 69, is our President, an Executive Director and a member of the Remuneration Committee, the Capex Committee and the ESG Committee. He is also a director of various subsidiaries of the Company, including VML. Dr. Wong served as our President and Chief Operating Officer from November 2015 until February 2020. Dr. Wong is currently an independent non-executive director of Xinyi Glass Holdings Limited, a company listed on the Stock Exchange (Stock code: 868). He is also the chairman of the Hong Kong Film Development Council and the Hong Kong Arts Development Council, the chairman emeritus of the Hong Kong Baptist University Foundation, the chairman and director of The Hong Kong International Film Festival Society Limited, Asian Film Awards Academy Limited and Hong Kong Institute for Public Administration and the chairman emeritus and director of Pacific Basin Economic Council Limited. He was appointed as a member of the Tourism Development Committee of the Macao government in 2018. He was a member of the Cultural Industries Committee of the Macao government until March 2021.

Dr. Wong joined the private sector in 1992 and has held senior management positions in a number of Hong Kong listed companies in the property development and construction business sectors including Hsin Chong Group Holdings Limited (ceased listing with effect on December 31, 2019), K. Wah International Holdings Limited, Henderson China Holdings Limited, and the Shui On Group. Dr. Wong joined the Hong Kong government as an administrative officer in 1975 and subsequently served in a number of key positions including deputy secretary for the civil service and deputy director — general of industry. He was appointed as a member of The Basic Law Consultative Committee from 1985 to 1990. He was subsequently appointed as a member of the Preliminary Working Committee for the Hong Kong Preparatory Committee in 1993 and a member of the Hong Kong Preparatory Committee in 1995. Dr. Wong was a deputy to the National People's Congress of China from 1997 to 2013.

Dr. Wong was awarded the gold bauhinia star and the silver bauhinia star by the Hong Kong government in 2015 and 2007, respectively. Dr. Wong was conferred the degree of Doctor of Humanities honoris causa by the Hong Kong Baptist University in November 2013. He was educated at Harvard University (MPA), University of Oxford, The University of Hong Kong (BSocSc) and The Chinese University of Hong Kong. Dr. Wong was appointed as an Executive Director on January 22, 2016.

1.3 DIRECTORS AND SENIOR MANAGEMENT

Chief Operating Officer and Executive Director

Chum Kwan Lock, Grant

aged 46, is our Chief Operating Officer, an Executive Director and the Chairman of the Capex Committee. He is also a director of various subsidiaries of the Company, including VML. Mr. Chum joined LVS and our Group as Senior Vice President, Global Gaming Strategy in July 2013 and served as the Chief of Staff from March 2015 until February 2020. Prior to joining the Group, Mr. Chum spent 14 years at UBS Investment Bank ("UBS") in a variety of roles, including serving as head of Hong Kong equity research from 2010 to 2013, and head of China equity research from 2007 to 2010. Mr. Chum was also responsible for Asia gaming equity research from 2006 to 2013 for UBS and was named Asia's stock-picker of the year by the Financial Times in 2011. Mr. Chum graduated in Philosophy, Politics and Economics with First Class Honors from the University of Oxford. Mr. Chum was appointed as an Executive Director on January 7, 2021.

Non-Executive Director

Charles Daniel Forman

aged 75, is a Non-Executive Director. Mr. Forman has been a director of LVS and LVS LLC since August 2004 and March 2004, respectively. Mr. Forman served as the chairman and chief executive officer of Centric Events Group, LLC, a trade show and conference business from April 2002 until his retirement upon the sale of the business in 2007. From 2000 to 2002, he served as a director of a private company and participated in various private equity investments. During 2000, he was the executive vice president of international operations of Key3Media, Inc. From 1998 to 2000, he was the chief legal officer of ZD Events Inc., a tradeshow business that included COMDEX. From 1995 to 1998, Mr. Forman was the executive vice president, chief financial and legal officer of Softbank Comdex Inc. From 1989 to 1995, Mr. Forman was the vice president and general counsel of Interface Group Nevada, Inc., a tradeshow and convention business that owned and operated COMDEX. Mr. Forman was in private law practice from 1972 to 1988. Mr. Forman was a member of the board of trustees of The Dana-Farber Cancer Institute until February 2021. Mr. Forman holds a Bachelor of Arts from the University of Pennsylvania and a Juris Doctorate from the Boston University School of Law. Mr. Forman was appointed as a Non-Executive Director on May 30, 2014.

1.3 DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Chiang Yun (Rachel)

aged 54, is an Independent Non-Executive Director, the Chairlady of the ESG Committee and a member of the Audit Committee and the Nomination Committee. With over 25 years of private equity investment experience, Ms. Chiang is currently the founding managing partner of Prospere Capital Limited. Ms. Chiang is an independent non-executive director of Goodbaby International Holdings Limited (Stock code: 1086) and Pacific Century Premium Developments Limited (Stock code: 432), both listed on the Stock Exchange. Ms. Chiang is also a non-executive director of Yantai Changyu Pioneer Wine Company Limited, listed on the Shenzhen Stock Exchange (Stock code: 000869). Ms. Chiang was one of the founding managing partners of Pacific Alliance Equity Partners, the private equity division of Pacific Alliance Group until March 2018 and an independent non-executive director of Merlin Entertainments Plc. (ceased listing on the London Stock Exchange with effect from November 5, 2019) until November 2019. Ms. Chiang obtained her Executive Master of Business Administration from The Kellogg Graduate School of Management of Northwestern University and Hong Kong University of Science and Technology and Bachelor of Science degree, cum laude, from Virginia Polytechnic Institute and State University. Ms. Chiang was appointed as an Independent Non-Executive Director on October 14, 2009.

Victor Patrick Hoog Antink

aged 68, is an Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee, the Capex Committee and the Nomination Committee. Mr. Hoog Antink is a member of the Bond University Council, the chairman of the Bond Business School Board of Advisors in Australia and the chairman of the Must Sell Global Limited group of companies. He is also the former chairman of South Bank Corporation and Property Industry Foundation. Mr. Hoog Antink retired as the chief executive officer of DEXUS Property Group in March 2012, a company listed on the Australian Stock Exchange (ASX: DXS). Prior to joining DEXUS Property Group in 2003, Mr. Hoog Antink was the director of funds management of Westfield Holdings Limited in Sydney. Mr. Hoog Antink has also held positions with Greenprint Foundation as a director, Property Council of Australia as national president, Shopping Centre Council of Australia as a director, McIntosh Securities Limited, Sydney as a director in corporate and property, Allco Finance Group Limited, Sydney as a director in property finance, Chase Corporation Limited, Sydney as a property director, and Hill Samuel Limited (now Macquarie Bank), Sydney as an associate director. Mr. Hoog Antink holds a Bachelor of Commerce from the University of Queensland and a Master of Business Administration from Harvard Business School. He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Chartered Accountants, Australia and New Zealand, a Fellow of the Australian Property Institute and a Fellow of the Royal Institute of Chartered Surveyors. In 2016, Mr. Hoog Antink was awarded National Life Membership of the Property Council of Australia. Mr. Hoog Antink possesses the accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules. Mr. Hoog Antink was appointed as an Independent Non-Executive Director on December 7, 2012.

1.3 DIRECTORS AND SENIOR MANAGEMENT

Steven Zygmunt Strasser

aged 73, is an Independent Non-Executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee. Mr. Strasser has spent 28 years heading energy companies in the United States and in Asia. Mr. Strasser was, until June 2012, (i) the chairman, director and chief executive officer of Power Efficiency Corporation, a startup clean-tech company in the United States and (ii) the chairman, director and chief executive officer of Power Efficiency Asia Ltd. In 2001, Mr. Strasser founded and became the chief executive officer of Summit Energy Ventures LLC, a clean-tech venture capital fund. Mr. Strasser holds a Bachelor of Arts in Political Science and Economics and a Bachelor of Civil Law from McGill University and a Juris Doctor degree from the University of Washington. He also pursued post-graduate studies in international law at the University of Aix-en-Provence. Mr. Strasser was appointed as an Independent Non-Executive Director on May 31, 2013.

Kenneth Patrick Chung

aged 64, is an Independent Non-Executive Director and a member of the Audit Committee and the ESG Committee. Mr. Chung is currently an independent non-executive director of China Construction Bank Corporation, a company listed on the Stock Exchange (Stock code: 939), an independent non-executive director of Prudential Hong Kong Limited and Prudential General Insurance Hong Kong Limited and a trustee of Fu Tak Iam Foundation Limited. Mr. Chung joined Deloitte Haskins and Sells London Office in 1980. Mr. Chung became a partner of PricewaterhouseCoopers in 1992, and was a financial service specialist of PricewaterhouseCoopers (Hong Kong and China) since 1996. He was the human resources partner of PricewaterhouseCoopers (Hong Kong), the responsible partner of the audit department of PricewaterhouseCoopers (Hong Kong and China), and the global lead partner of the audit engagement team for Bank of China Limited. Mr. Chung has also served as the audit partner for the restructurings and initial public offerings of Bank of China Limited, Bank of China (Hong Kong) Limited and Bank of Communications Co., Ltd. Mr. Chung retired from PricewaterhouseCoopers in 2009. Mr. Chung was the honorary treasurer of Community Chest of Hong Kong and the vice-chairman of International Social Service Hong Kong Branch. Mr. Chung was also an independent non-executive director of Industrial and Commercial Bank of China Limited, a company listed on the Stock Exchange (Stock code: 1398) until March 2017 and an independent non-executive director of Prudential Corporation Asia Ltd until September 2019. Mr. Chung received his bachelor degree in economics from the University of Durham. He is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Macau Society of Certified Practicing Accountants. Mr. Chung possesses the accounting and related financial management expertise required under Rule 3.10(2) of the Listing Rules. Mr. Chung was appointed as an Independent Non-Executive Director on July 15, 2016.

SENIOR MANAGEMENT

As at the Latest Practicable Date, details of our senior management are as follows:

Robert Glen Goldstein

aged 66, is the Chairman of our Board and Chief Executive Officer, an Executive Director and the Chairman of the Nomination Committee.

Wong Ying Wai (Wilfred)

aged 69, is our President, an Executive Director and a member of the Remuneration Committee, the Capex Committee and the ESG Committee.

Chum Kwan Lock, Grant

aged 46, is our Chief Operating Officer, an Executive Director and the Chairman of the Capex Committee.

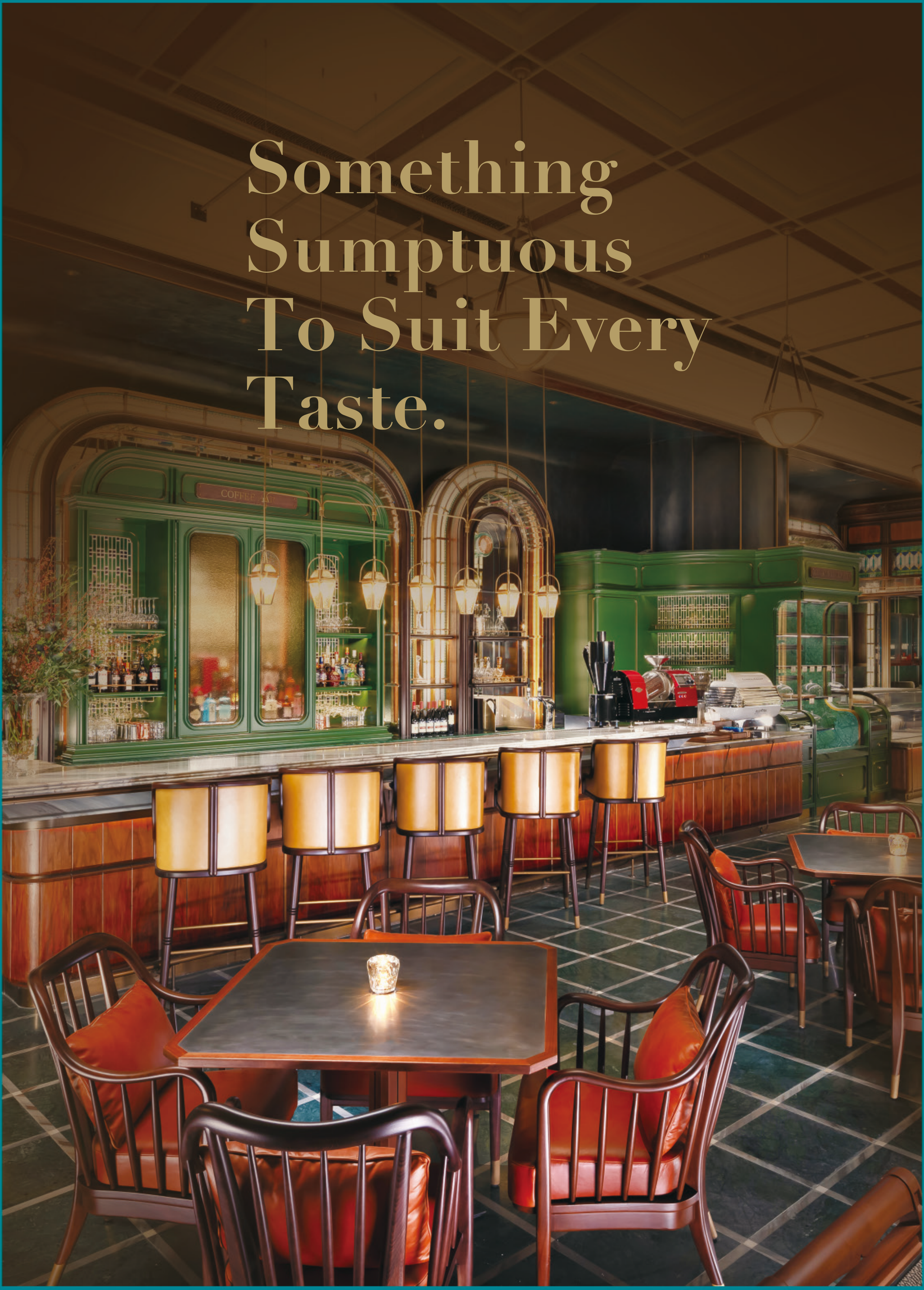
Sun MinQi (Dave)

aged 48, is our Senior Vice President and Chief Financial Officer and is also a director of various subsidiaries of the Company. Mr. Sun joined the Company as a Director of Finance in August 2007, and was appointed as the Senior Vice President and Chief Financial Officer of the Company in April 2017. Prior to joining the Company, Mr. Sun held a variety of financial controller and financial management positions with various divisions of General Electric in Shanghai and Singapore since 1996. Mr. Sun graduated from Fudan University in Shanghai in 1996 with a Bachelor degree in Economics and Financial Management and a minor in Computer Science and Application. He subsequently obtained a Master of Business Administration from the Southern Illinois University Carbondale, United States. Mr. Sun is a fellow of CPA (FCPA) Australia.

Dylan James Williams

aged 46, is our General Counsel and Company Secretary and is also a director of various subsidiaries of the Company, including VML. Mr. Williams joined the Company in 2006 and most recently served as the Senior Vice President of Legal and Company Secretary. Mr. Williams holds a Bachelor of Laws (LLB(Hons)) degree from the United Kingdom and is admitted to practice law in the State of New York. Mr. Williams is a fellow member of The Hong Kong Chartered Governance Institute.

Something Sumptuous To Suit Every Taste.



2.1 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 12,373 hotel rooms and suites, 2.1 million square feet (approximately 195,000 square meters) of retail-mall offerings and 1.7 million square feet (approximately 158,000 square meters) of MICE capacity.

2.1 CHAIRMAN'S STATEMENT

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

March 18, 2022

2.2 BUSINESS OVERVIEW AND OUTLOOK

We are a leading developer, owner and operator of large-scale integrated resorts in Macao. In 2021, we welcomed approximately 42 million leisure and business visits at our properties on Cotai and on the Macao Peninsula.

Our founder, former Chairman and Chief Executive Officer, Mr. Sheldon Gary Adelson, began investing in Macao from 2002 after the award of the gaming Subconcession to operate casino games and other games of chance. His vision and goal was to develop large-scale integrated resorts with a variety of world-class amenities and create an international tourism destination. This facilitated in achieving Macao's objective for long-term economic diversification and growth in tourism.

Today, with nearly 30 million square feet of interconnected facilities on Cotai, we are the largest integrated resorts operator in Macao. Our integrated resorts not only offer gaming areas, but also the most four- and five-star rated hotel rooms compared to any other single developer in the market. Our integrated resorts also collectively feature the largest capacity in meeting space, convention and exhibition halls, retail and dining areas and entertainment venues. We believe our integrated resorts are unique in Macao and differentiate us from our competitors due to size and scale, range of non-gaming amenities, and focus on leisure and business tourism.

Macao is the largest gaming market in the world and the only location in China offering legalized casino gaming. VML, our subsidiary, holds one of the six concessions or subconcessions permitted by the Macao government to operate casinos or gaming areas in Macao.

We developed, own and operate The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao and Sands Macao. We also own the Cotai Expo, one of the largest convention and exhibition centers in Asia, as well as Macao's largest entertainment venue, the Cotai Arena. Our properties collectively feature over 12,000 luxury suites and hotel rooms, approximately 150 different restaurants and food outlets, spas and theaters for live performances, as well as other integrated resort amenities. Please refer to section 2.3 of this Annual Report for more information of our properties and development projects.

Our integrated resort brands, including The Venetian Macao, The Londoner Macao and The Parisian Macao, are aspirational and recognized throughout China and Asia for their quality and services and leave a lasting impression on our customers.

We were the first developer in Macao to feature world-class global hospitality brands in our hotel offerings on Cotai, including the Four Seasons, St. Regis, Conrad and Sheraton.

Within our integrated resorts, we also operate some of the largest and most profitable retail malls in Asia, showcasing over 710 shops, which occupy over 2 million square feet of retail space. Our retail malls are home to many global luxury designer brands and leading Asian retail brands.

We own and operate Cotai Water Jet, one of the two major high-speed ferry operators between Hong Kong and Macao, facilitating leisure and business travelers to reach Macao from points in Hong Kong, including the Hong Kong International Airport.

During 2021 and through the date of this report, our operations continued to be significantly impacted by a global pandemic (COVID-19 Pandemic). While the details of this impact have been disclosed throughout this report, the following discussion of our business focuses on execution of our business strategies in a non-pandemic environment based on the assumption the global impact of the COVID-19 Pandemic will eventually diminish and our operations will recover as travel and tourism improves in our market.

2.2 BUSINESS OVERVIEW AND OUTLOOK

KEY STRENGTHS

We have a number of key strengths that differentiate us from our competitors, including:

- Diversified, high quality integrated resort offerings with substantial non-gaming amenities;
- Substantial and diversified sources of cash flow from existing operations;
- Market leadership in the growing high-margin mass market gaming segment;
- Established brands with broad regional and international market awareness and appeal;
- Experienced management team with a proven track record;
- Unique MICE and entertainment facilities; and
- Significant benefits from our on-going relationship with LVS.

BUSINESS STRATEGIES

Our business strategy is to develop Cotai and to leverage our large-scale integrated resort business model to create Asia's premier gaming, leisure, convention and meetings destination. Our interconnected integrated resorts, which have a wide range of branded hotel and resort offerings, are designed to attract different segments of the market throughout the year. We believe our business strategy and development plan allow us to achieve a more consistent demand, longer average length of stay in our hotels, more diversified sources of revenue and higher margins than gaming-centric facilities.

Building on our key strengths, we seek to enhance our position as the leading developer and operator of integrated resorts and casinos in Macao by continuing to implement the following business strategies:

- **Developing and diversifying our integrated resort offerings on Cotai to include a full complement of products and services to cater to different market segments.** Our development on Cotai includes four integrated resorts, MICE space, retail, dining and entertainment facilities and a range of hotel offerings to cater to different segments of the market. In addition to The Venetian Macao, The Londoner Macao Hotel, Londoner Court and The Parisian Macao hotel rooms, we also have the Four Seasons Macao, The Grand Suites at Four Seasons, the Conrad Macao, the Sheraton Grand Macao and The St. Regis Macao suites and hotel rooms. We are able to leverage the recognition and the sales, marketing and reservation capabilities of these premier hotel brands to attract a wide range of customers from different market segments to our properties. We believe our partnerships with renowned hotel management partners, our diverse integrated resort offerings and the convenience and accessibility of our properties will continue to enhance the appeal of our properties to both the leisure and business customer segments.
- **Leveraging our scale of operations to create and maintain an absolute cost advantage.** Management expects to benefit from lower unit costs due to the economies of scale inherent in our operations. Opportunities for lower unit costs include, but are not limited to, lower utility costs; more efficient staffing of hotel and gaming operations; and centralized laundry, transportation, marketing and sales, and procurement. In addition, our scale allows us to consolidate certain back-office functions.
- **Focusing on the high-margin mass market gaming segment, while continuing to provide luxury amenities and high service levels to our VIP and premium players.** Our properties cater not only to VIP and premium players, but also to mass market customers, which comprises our most profitable gaming segment. We believe the mass market segment will continue to be a long-term growth segment as a result of the introduction of more high-quality gaming facilities and non-gaming amenities into the market. Our management estimates our mass market table revenue typically generated a gross margin approximately four times higher than the gross margin on our typical VIP table revenues.
- **Identifying targeted investment opportunities to drive growth across our portfolio.** We will continue to invest in the expansion of our facilities and the enhancement of the leisure and business tourism appeal of our Cotai property portfolio, the most recent being the renovation, expansion and rebranding of Sands Cotai Central into The Londoner Macao.

2.2 BUSINESS OVERVIEW AND OUTLOOK

INDUSTRY

The Macao gaming industry continued to be impacted by COVID-19 despite a modest relaxation of travel restrictions between mainland China and Macao in 2021. The Macao government announced total gross gaming revenues in Macao were MOP86.86 billion in 2021 (approximately US$10.81 billion at exchange rates in effect on December 31, 2021), a 43.7% increase compared to 2020 and a 70.3% decrease compared to 2019. In addition, total visitation to Macao in 2021 was 7.7 million, a 30.7% increase compared to 2020 and a 80.4% decrease compared to 2019. The duration and intensity of this global health emergency and related disruptions are uncertain.

Macao is the largest gaming market in the world and the only location in China offering legalized casino gaming. We believe visitation will return to pre-pandemic levels and will continue to experience meaningful long-term growth. We believe this growth will be driven by a variety of factors, including the movement of Chinese citizens to urban centers in China, the continued growth of the Chinese outbound tourism market, the increased utilization of existing transportation infrastructure, the introduction of new transportation infrastructure and the continued increase in hotel room inventory in Macao and neighboring Hengqin Island. These factors should help increase the critical mass on Cotai and further drive Macao's transformation into a leading leisure and business tourism hub in Asia.

We believe the development of additional integrated resort products in Macao will also drive a higher demand for gaming products. Table games are the dominant form of gaming in Asia, with Baccarat being the most popular game. Historically, VIP baccarat has generated the majority of gaming revenue in Macao. In 2021, however, according to DICJ statistics, the mass gaming and slot segments represented 67% of the market revenue. We expect this trend to continue and therefore intend to introduce more modern and popular products catering to this growing customer segment. Furthermore, continued improvement in our high-quality gaming product offerings has enabled us to capture a meaningful share of the overall Macao gaming market across all player segments.

Proximity to major Asian cities

Visitors from Hong Kong, South China, Taiwan and other locations in Asia can reach Macao in a relatively short time, using a variety of transportation methods, and visitors from more distant locations in Asia can take advantage of short travel times by air to Zhuhai, Shenzhen, Guangzhou or Hong Kong, followed by a road, ferry or helicopter trip to Macao. In addition, numerous air carriers fly directly into Macau International Airport from many major cities in Asia. Due to various COVID-19 related restrictions and closures, these transportation methods continue to be negatively impacted.

Prior to COVID-19, Macao drew a significant number of customers who are visitors or residents of Hong Kong. One of the major methods of transportation to Macao from Hong Kong is the jetfoil ferry service, including our ferry services, Cotai Water Jet. The Hong Kong-Zhuhai-Macao Bridge (the "HZMB"), which connects Hong Kong, Macao and Zhuhai, has reduced the travel time between Hong Kong and Macao from one hour by ferry to approximately 45 minutes on the road. The HZMB is part of the Greater Bay Area Initiative and plays a key role in connecting the cities in the Greater Bay Area, facilitating the visitation to Macao. Macao is also accessible from Hong Kong by helicopter.

Competition in Macao

Gaming in Macao is administered by the government through concessions awarded to three different Concessionaires and three Subconcessionaires, of which we are one. No additional concessions have been granted by the Macao government since 2002. The draft amendment to the Gaming Law (as defined below) proposes authorizing a maximum of six gaming concessions, however if in future the Macao government were to allow additional gaming operators in Macao through the grant of additional concessions or subconcessions, we would face additional competition.

SJM Resorts, S.A. ("SJM"), a company incorporated under the laws of Macao, holds one of the three concessions (which expires in June 2022) and currently operates 20 facilities throughout Macao. SJM is the subsidiary of Sociedade de Turismo e Diversões de Macao who was the sole gaming operator in Macao before the Macao government ended the monopoly in 2002. Most of its gaming facilities are relatively small-scaled and are offered as amenities in hotels; however, some are large-scaled operations, including the Hotel Lisboa and The Grand Lisboa. SJM opened the Grand Lisboa Palace with approximately 1,900-room resort on Cotai in late July 2021.

MGM Grand Paradise, S.A. (also known as MGM Grand Paradise Limited), a company incorporated under the laws of Macao ("MGM Grand Paradise"), a joint venture between MGM Resorts International and Pansy Ho Chiu-King, obtained a subconcession from SJM in April 2005 (which expires in June 2022), allowing the joint venture to conduct gaming operations in Macao. The MGM Grand Macau opened in December 2007 and is located on the Macao Peninsula adjacent to Wynn Macau. In February 2018, MGM Grand Paradise opened MGM Cotai, which includes approximately 1,400 hotel rooms and other non-gaming amenities and is located behind The Londoner Macao.

Wynn Resorts (Macau) S.A., a company incorporated under the laws of Macao ("Wynn Resorts Macau"), is a subsidiary of Wynn Resorts Limited which holds a concession expiring in June 2022 and it owns and operates the Wynn Macau and Encore within Wynn Macau, which opened in September 2006 and April 2010, respectively. In August 2016, Wynn Resorts Macau opened a 1,700-room integrated resort, Wynn Palace, located behind the City of Dreams and MGM Cotai.

In 2006, Melco Resorts (Macau), S.A., a company incorporated under the laws of Macao ("Melco"), purchased Wynn Resorts Macau's subconcession right under its gaming concession (which expires in June 2022), which permitted Melco to receive a gaming subconcession from the Macao government. In May 2007, Melco opened the Crown Macao, later renamed Altira. In June 2009, Melco opened the City of Dreams, an integrated casino resort located adjacent to The Londoner Macao, which includes Nuwa, The Countdown Hotel and Grand Hyatt hotels. In October 2015, Melco opened its second casino resort on Cotai, Studio City, which includes 1,600 hotel rooms, restaurants, retail, convention and exhibition facilities and other resort attractions. Melco opened the fifth tower at City of Dreams, the Morpheus, with approximately 770 rooms, in June 2018. Melco is currently developing Phase 2 of Studio City and expects to open in 2022.

Galaxy Casino, S.A. (also known as Galaxy Casino Company Limited), a company incorporated under the laws of Macao ("Galaxy"), holds the third concession (which expires in June 2022) and has the ability to operate casino properties independent of our Subconcession Contract with Galaxy and the Macao government. Galaxy currently operates six casinos in Macao, including StarWorld Hotel, which opened in October 2006; Galaxy Macau, which opened in May 2011 located near The Venetian Macao; and Broadway Macau, which opened in May 2015. Additionally, in May 2015, Galaxy opened Phase 2 of its Galaxy Macau property on Cotai. The expansion includes JW Marriott and The Ritz Carlton, comprised of approximately 1,250 hotel rooms, as well as additional restaurants, retail and convention and exhibition facilities. Galaxy has completed the construction of Phase 3 and is currently developing Phase 4 of its Galaxy Macau property on Cotai. Galaxy expects to align the openings with the prevailing market conditions.

Our operations also face competition from other gaming and resort destinations, both in Asia and globally.

OTHER OPERATIONS

As part of our goal to drive visitation to Cotai and improve the customer experience in Macao, we have made targeted investments to facilitate the development of Macao's transportation network. Our transportation operations comprise of the high-speed Cotai Water Jet ferry services between Hong Kong and Macao, Cotai Limo services, Cotai Shuttle bus services, airplane services for VIP and premium players, and travel agencies.

Cotai Water Jet Ferry Services

In November 2007, we launched our high-speed Cotai Water Jet ferry services between the Hong Kong Macau Ferry Terminal and the Taipa Ferry Terminal near our Cotai Strip development. Prior to the COVID-19 Pandemic, we transported passengers between the Hong Kong Macau Ferry Terminal and the Taipa Ferry Terminal near our Cotai Strip development with our fleet of ferries. The Group has suspended its ferry operations between Macao and Hong Kong in response to the COVID-19 Pandemic since early 2020. The timing and manner in which the Company's normal ferry operations will be able to resume are currently unknown.

The Cotai Water Jet ferry services are fully managed and operated on our behalf by Chu Kong High-Speed Ferry Co., Ltd., through catamarans owned by our indirect wholly-owned subsidiaries within the Group. Each custom-built catamaran has the capacity to carry more than 400 passengers and operate at top speeds of approximately 42 knots.

We operate our ferry services pursuant to a renewed 10-year license granted by the Macao government on November 8, 2019 with an expiry date on January 13, 2030.

Cotai Limo Services

Our Cotai Limo service fleet consists of over 95 limousines. It operates 24/7 and includes 25 signature vehicles, which are provided on an exclusive basis to our VIP and premium players. Fleet deployment is managed through a centralized dispatch office for all pre-booked services, while additional vehicles are stationed at various locations to provide "on demand" services.

Cotai Shuttle Bus Services

We operate a fleet of 139 (34 owned, 105 leased) complimentary shuttle buses as at December 31, 2021. Prior to COVID-19 Pandemic, these shuttle buses transported passengers between our properties and the Macau Maritime Ferry Terminal, the Taipa Ferry Terminal and the Macau International Airport every five to ten minutes during peak periods. These shuttle buses are also supported by an additional 25 coaches available on request to serve when demand increases. The Cotai Shuttle also runs to and from two border checkpoints with mainland China, the Border Gate and Macao area of Hengqin Port, transporting visitors directly to and between our properties every five to ten minutes during peak periods. The services between the Taipa Ferry Terminal and our properties provide a connecting service for all Cotai Water Jet ferry arrivals and direct visitors to our properties. All of these routes maintain a regular schedule, although the exact operating hours are dependent on the specific route. Most routes operate at a minimum of 12 hours every day.

Due to the COVID-19 Pandemic, the aforementioned routes have been operating at a reduced capacity and some routes have been temporarily suspended.

Airplane Services

Through a shared services agreement with LVS, we have access to a fleet of 15 corporate configured airplanes, two of which are currently stationed permanently in Asia. All airplanes are owned by LVS or by various related entities of LVS' controlling shareholder and are operated by Sands Aviation, LLC, an affiliate of our Company. We can deploy these airplanes to bring VIP and premium players from around the globe to our properties.

Cotai Ticketing

Cotai Ticketing was established in 2007 to provide ticketing services for events at our properties. Cotai Ticketing currently sells tickets for events at the Cotai Arena, The Venetian Theater, The Parisian Theater, Sands Theater, and other venues at The Venetian Macao and The Londoner Macao. Cotai Ticketing has six permanent box office locations across the properties and a call center based in Macao with three language options and direct phone numbers for Asian and North American countries. We also sell tickets online 24/7 at our website www.CotaiTicketing.com. This website is available in two languages — English and Simplified Chinese.

Travel Agencies

We have our own travel agencies, CotaiTravel in Macao and Hong Kong. We have also developed partnerships with a large number of tour and travel companies throughout Asia. These agencies provide reservations for accommodation, travel to Macao and for various shows and other activities and entertainment amenities at our properties.

Retail Mall Operations

We own and operate retail malls at our integrated resorts at The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao and Sands Macao. Upon completion of all phases of The Londoner Macao's renovation and expansion, we will own approximately 2.1 million square feet of gross retail space.

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$373 million at exchange rates in effect on December 31, 2021) as compensation for damages resulting from the alleged breach of agreements entered into between AAEC and LVS Nevada, LVS LLC and Venetian Casino (collectively, the "U.S. 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 March 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 the claim should proceed exclusively against the U.S. Defendants. On May 8, 2014, AAEC lodged an appeal against that decision and the appeal is currently pending. 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$12.01 billion at exchange rates in effect on December 31, 2021), 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 amount of its claim. On September 17, 2019, the U.S. Defendants appealed the decision granting AAEC's request and that 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 rescheduled the trial to begin on June 16, 2021. On April 16, 2021, the U.S. Defendants again moved to reschedule the trial because continued travel disruptions resulting from the pandemic prevented the representatives of the U.S. Defendants and certain witnesses from attending the trial as scheduled. AAEC opposed that motion on April 29, 2021. The Macao Judicial Court denied the U.S. Defendants' motion on May 28, 2021, concluding that, under Macao law, it lacked the power to reschedule the trial absent agreement of the parties. The U.S. Defendants appealed that ruling on June 16, 2021, and that appeal is currently pending. The trial began as scheduled on June 16, 2021. The Macao Judicial Court heard testimony on June 16, 17, 23, and July 1, 2021. By an order dated June 17, 2021, the Macao Judicial Court scheduled additional trial dates during September, October and December 2021 to hear witnesses subject to COVID-19 travel restrictions that prevented or severely limited their ability to enter Macao. That order also provided a procedure for the parties to request written testimony from witnesses who were not able to travel to Macao on those dates.

On September 6, 2021, AAEC notified the Macao Judicial Court that it would not be bringing any additional witnesses to testify in-person on the scheduled hearing dates. In submissions dated September 6 and September 20, 2021, the U.S. Defendants notified the Macao Judicial Court that certain of their witnesses remained unable to attend the September hearing dates due to ongoing travel restrictions related to the COVID-19 Pandemic. By orders dated September 11 and September 23, 2021, the Macao Judicial Court cancelled the various hearing dates scheduled in September. The Macao Judicial Court heard additional testimony on October 8, 11, and 15, and December 14 and 15, 2021. Certain witnesses who were not able to enter Macao due to ongoing COVID-19 travel restrictions presented testimony in writing.

AAEC presented its factual summation on January 21, 2022. On January 26, 2022, the U.S. Defendants presented their factual summation, and AAEC and the U.S. Defendants presented rebuttal summations. A hearing was held on February 15, 2022 at which the Macao Judicial Court announced its findings on the disputed facts. That hearing continued on February 18, 2022 for the purpose of hearing any objections to the court's findings. On February 28, 2022, AAEC submitted its legal summation to the court file, and on March 10, 2022 the U.S. Defendants submitted their rebuttal. Based on proceedings to date, management is confident of the U.S. Defendants' case but a final decision from the Macao Judicial Court on the merits of this action is still pending. The Company will continue to defend this matter vigorously.

The Company is involved in other litigation in addition to the one 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.

2.3 OUR PROPERTIES

Our operations consist of The Venetian Macao, The Londoner Macao, The Parisian Macao and The Plaza Macao on Cotai and the Sands Macao on the Macao Peninsula, along with 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 (square feet)	1,200,000	369,000	63,000	28,000	—	1,660,000
Theater (seats)	1,800	1,701	1,200	—	650	5,351
Arena (seats)	15,000	—	—	—	—	15,000
Total retail (square feet)	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	56	52	26	9	8	151
Total gaming facility (square feet)	374,000	351,000	248,000	127,000	212,000	1,312,000
Gaming Units:						
Tables[iii]	632	479	273	142	159	1,685
Slots[iv]	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 and the St. Regis tower, which opened in April 2012, September 2012, January 2013 and December 2015, respectively. The Conrad tower consists of the Conrad Macao featuring 659 five-star rooms and suites, and The Londoner Macao Hotel featuring 594 London-themed suites which opened in January 2021. The first Sheraton tower and second Sheraton tower has 1,842 rooms and suites and 2,126 rooms and suites under the Sheraton brand, respectively. The St. Regis tower consists of 400 rooms and suites under the St. Regis brand and the 368 luxury-suite Londoner Court which opened in September 2021.

(ii) The Plaza Macao consists of the Four Seasons 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) Permanent table count as at December 31, 2021.

(iv) The number of slot machines as at December 31, 2021 reduced significantly as a result of the COVID-19 Pandemic social distancing requirements when compared to a total slot units of 5,350 as at December 31, 2019.

The Venetian Macao

In August 2007, we opened The Venetian Macao, the anchor property of our Cotai Strip development, which is conveniently located approximately three kilometres from the Taipa Ferry Terminal on Macao's Taipa Island and ten kilometres from the bridge linking Hong Kong, Macao and Zhuhai. As at December 31, 2021, The Venetian Macao included approximately 374,000 square feet of gaming space comprising exclusive VIP rooms and an expansive mass market gaming floor.

At December 31, 2021, The Venetian Macao featured 632 table games and 1,124 slot machines or similar electronic gaming devices. The mass market gaming floor is divided into four uniquely designed areas: Red Dragon, Golden Fish, Phoenix and Imperial House. The Venetian Macao features replicas of many famous sites in the Italian city of Venice, including St. Mark's Square, the Campanile Tower and Doge's Palace. During the year ended December 31, 2021, The Venetian Macao had a total visitation of approximately 12.8 million, compared to 10.8 million in 2020 and 36.0 million in 2019.

In addition to gaming facilities, The Venetian Macao features a 39-floor five-star hotel tower with 2,841 standard hotel suites and 64 Paiza suites. Standard suites consist of an elevated sleeping area and bathroom as well as a sunken living/working area. We believe these designs respond to the needs of regional leisure and business travelers as well as patrons, and help prolong the stay of leisure or business visitors in Macao, as typically seen in Las Vegas. The 64 Paiza suites range from 2,300 to 8,000 square feet. Each Paiza suite in The Venetian Macao offers a living room, a dining room, at least two bedrooms and private concierge service. Some larger suites include a private massage room, gym, pool and media/karaoke room.

The Venetian Macao also provides a broad selection of entertainment options and amenities that caters the mass market customers, including families, and also targets VIP and premium players with bespoke products and services, such as the Paiza Club. The Venetian Macao has approximately 945,000 square feet of unique retail shopping at Shoppes at Venetian with more than 320 stores featuring many international brands and home to 56 restaurants and food outlets featuring an international assortment of cuisines. Visitors and guests can access Shoppes at Venetian from several different locations, including the main road through Cotai, Shoppes at Four Seasons, The Venetian Macao hotel and The Venetian Macao gaming floor. Retail offerings include a wide variety of selections, ranging from well-known international brands such as Louis Vuitton, Versace, Hermès, YSL, Balenciaga, Furla, Hugo Boss, Coach, and Polo Ralph Lauren, to mid-level retail offerings such as Lululemon, Nike, UNIQLO, Victoria's Secret, Marks & Spencer, Adidas, Foot Locker, Champion and FILA. The mall has an extensive selection of high-end jewelry and watch retailers such as Rolex, Omega, Bvlgari, Tiffany & Co., Cartier, Breguet, Piaget, Chaumet and Chopard.

The restaurants and stores are set along streetscapes reminiscent of the historical streetscapes in Venice. The common areas within the retail space include St. Mark's Square and three indoor canals with gondola rides.

Furthermore, The Venetian Macao features a convention center and meeting room complex of approximately 1.2 million square feet, Cotai Expo. These MICE facilities provide a flexible and expansive space that can be configured to provide small, mid-size or large meeting rooms and/or accommodate large-scale multi-media events or trade shows. MICE events typically take place on weekdays to attract business travelers during the slower mid-week periods while leisure travelers occupy our properties during the weekends. The Venetian Macao also has a 15,000-seat arena, the Cotai Arena, which has hosted a wide range of entertainment and sporting events, and a 1,800-seat theater.

The Londoner Macao

The Londoner Macao is located across the street from The Venetian Macao, The Parisian Macao and The Plaza Macao and is our largest integrated resort on Cotai. The Londoner Macao is the result of our renovation, expansion and rebranding of Sands Cotai Central, which included the addition of extensive thematic elements both externally and internally. Our construction work on The Londoner Macao Hotel and Londoner Court was completed in 2021. We anticipate the Londoner Arena, expansion of Shoppes at Londoner and other amenities to be completed before the end of 2022. The Londoner Macao presents a range of new attractions and features, including some of London's most recognizable landmarks, such as the Houses of Parliament and the Elizabeth Tower (commonly known as "Big Ben"), and interactive guest experiences. The Londoner Macao Hotel opened in January 2021 with 594 London-themed suites, including 14 exclusive Suites by David Beckham. The integrated resort also features Londoner Court, which opened on September 16, 2021, and includes approximately 370 luxury suites. The expansion of our retail offerings has been rebranded as Shoppes at Londoner in 2021.

The integrated resort features four hotel towers: the first hotel tower, consisting of The Londoner Macao Hotel and 659 five-star rooms and suites under the Conrad brand; the second hotel tower, consisting of 1,842 rooms and suites under the Sheraton brand; the third hotel tower, consisting of 2,126 rooms and suites under the Sheraton brand; and the fourth hotel tower, consisting of the 368 luxury-suite Londoner Court and 400 rooms and suites under the St. Regis brand. The Londoner Macao currently operates approximately 351,000 square feet of gaming space, with 479 table games and 989 slot machines or similar electronic gaming devices, and includes exclusive VIP rooms designed for VIP. The Londoner Macao also has approximately 369,000 square feet of meeting space, a 1,701-seat theater and approximately 532,000 square feet of retail space with more than 110 stores and more than 50 restaurants and food outlets. For the year ended December 31, 2021, The Londoner Macao had a total visitation of approximately 9.8 million, compared to 6.4 million in 2020 and 19.2 million in 2019.

The Parisian Macao

On September 13, 2016, we opened The Parisian Macao, a themed, iconic, "must-see" integrated resort connected to The Venetian Macao and The Plaza Macao, which includes approximately 248,000 square feet of gaming space with 273 table games and 977 slot machines or similar electronic gaming devices. The Parisian Macao also features approximately 2,500 elegantly appointed rooms and suites and Shoppes at Parisian comprising of approximately 296,000 square feet of unique retail shopping with 130 stores featuring many international brands and home to 26 restaurants and food outlets with an international assortment of cuisines. Other non-gaming amenities at The Parisian Macao include a meeting room complex of approximately 63,000 square feet and a 1,200-seat theater. Directly in front of The Parisian Macao, and connected via a covered walk-way to the main building, is a half-scale authentic re-creation of the Eiffel Tower containing a viewing platform and restaurant. For the year ended December 31, 2021, The Parisian Macao had a total visitation of approximately 5.5 million, compared to 4.0 million in 2020 and 13.0 million in 2019.

The Plaza Macao

In August 2008, we opened The Plaza Macao, which is located adjacent to The Venetian Macao and has approximately 127,000 square feet of gaming space with 142 table games and 166 slot machines or similar electronic gaming devices at its Plaza Casino. The Plaza Macao also has 360 elegantly appointed rooms and suites managed by FS Macau Lda., several food and beverage offerings, and conference and banquet facilities. Shoppes at Four Seasons includes approximately 244,000 square feet of retail space and is connected to Shoppes at Venetian. The Plaza Macao also features 19 ultra-exclusive Paiza Mansions, which are individually designed and made available by invitation only. The Grand Suites at Four Seasons opened in October 2020 and features 289 luxury suites. For the year ended December 31, 2021, The Plaza Macao had a total visitation of approximately 12.0 million, compared to 8.1 million in 2020 and 24.3 million in 2019.

Sands Macao

We opened Sands Macao in May 2004. Sands Macao was the first Las Vegas-style casino in Macao and currently contains a mix of gaming areas for mass market and VIP and premium players, and entertainment and dining facilities, and hotel suites. Sands Macao is situated on the Macao Peninsula near the Macau Maritime Ferry Terminal, on a waterfront parcel centrally located between the Gongbei border gate and the central business district in Macao. This location provides Sands Macao access to a large customer base, particularly the visitors who travelled to Macao by sea arriving at the Taipa Ferry Terminal or the Macau Maritime Ferry Terminal. For the year ended December 31, 2021, Sands Macao had a total visitation of approximately 1.5 million, compared to 1.5 million in 2020 and 5.7 million in 2019.

As at December 31, 2021, Sands Macao features 289 suites, which are furnished with modern amenities. Sands Macao also included approximately 212,000 square feet of gaming space and had 159 table games and 607 slot machines or similar electronic gaming devices.

In addition to gaming facilities and hotel accommodations, Sands Macao also includes restaurants, spa facilities, entertainment areas and other amenities. The dining venues feature popular regional cuisine and include a Cantonese restaurant and an upscale western-style steakhouse.

Our Development Projects

The map below indicates the location of our existing Cotai Strip properties. 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 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 and 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 at 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.

Our Land Concessions

We have received land concessions from the Macao government to build Sands Macao and Parcels 1, 2, 3 and 5 and 6 on Cotai, the sites on which The Venetian Macao (Parcel 1), The Plaza Macao (Parcel 2), The Parisian Macao (Parcel 3) and The Londoner Macao (Parcels 5 and 6) are located. We do not own these parcels; however, each land concession, which has an initial term of 25 years and is renewable at our option in accordance with Macao laws, grants us exclusive use of the land.

As specified in each land concession, we are required to pay premiums, which are either payable in a single lump sum upon acceptance of the land concession or in seven semi-annual installments, as well as annual rent for the term of the land concession, which may be revised every five years by the Macao government.

2.4 MANAGEMENT DISCUSSION AND ANALYSIS

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 was identified and the virus spread rapidly across the world causing the World Health Organization to declare the outbreak of a pandemic on March 12, 2020. 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 at the date of this report, 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 at the date of this report, 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.

2.4 MANAGEMENT DISCUSSION AND ANALYSIS

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 at December 31, 2021. On March 15, 2022, we drew down US$19 million and HK$1.42 billion (approximately US$182 million at the exchange rate in effect on the date of this transaction) under the 2018 SCL Credit Facility for general corporate purposes, resulting in a remaining available borrowing capability of US$1.54 billion. 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 VML 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 Contract 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.

On March 2, 2022, the Macao government announced its intention to extend the term of Macao's six concession and subconcession contracts from June 26, 2022 until December 31, 2022 in order to ensure sufficient time to complete the amendment to the Gaming Law and conduct a public tender for the awarding of new gaming concessions. The Macao government invited VML to submit a formal request for an extension along with a commitment to pay the Macao government up to MOP47 million (approximately US$6 million at exchange rates in effect on December 31, 2021) and provide a bank guarantee to secure the fulfilment of VML's payment obligations towards its employees should VML be unsuccessful in tendering for a new concession contract after its Subconcession expires. VML submitted its request for an extension on March 14, 2022. The extension of VML's Subconcession is subject to approval by the Macao government as well as entering into a Subconcession amendment contract with Galaxy.

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 at 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.

KEY OPERATING REVENUE MEASUREMENTS

Operating revenues at The Venetian Macao, The Londoner Macao, The Parisian Macao and The Plaza Macao are dependent upon the volume of customers who stay at the hotel, which affects the price that can be charged for hotel rooms and our gaming volume. Operating revenues at Sands Macao are principally driven by casino customers who visit the properties on a daily basis.

Management utilizes the following volume and pricing measures in order to evaluate past performance and assist in forecasting future revenues. The various volume measurements indicate our ability to attract customers to our integrated resorts. In casino operations, win and hold percentages indicate the amount of revenue to be expected based on volume. In hotel operations, average daily rate and revenue per available room indicate the demand for rooms and our ability to capture that demand. In mall operations, base rent per square foot indicates our ability to attract and maintain profitable tenants for our leasable space. The following are the key measurements we use to evaluate operating revenues:

Casino revenue measurements: Table games are segregated into two groups, consistent with the Macao market's convention: Rolling Chip play (composed of VIP players) and Non-Rolling Chip play (mostly non-VIP players). The volume measurement for Rolling Chip play is non-negotiable gaming chips wagered and lost. The volume measurement for Non-Rolling Chip play is table games drop ("drop"), which is the net markers issued (credit instruments), cash deposited in the table drop boxes and gaming chips purchased and exchanged at the cage. Rolling Chip and Non-Rolling Chip volume measurements are not comparable as they are two distinct measures of volume. The amounts wagered and lost for Rolling Chip play are substantially higher than the amounts dropped for Non-Rolling Chip play. Slot handle, also a volume measurement, is the gross amount wagered for the period cited.

We view Rolling Chip win as a percentage of Rolling Chip volume, Non-Rolling Chip win as a percentage of drop and slot hold (amount won by the casino) as a percentage of slot handle. Win or hold percentage represents the percentage of Rolling Chip volume, Non-Rolling Chip drop or slot handle that is won by the casino and recorded as casino revenue. Our win and hold percentages are 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. Our Rolling Chip win percentage is expected to be 3.15% to 3.45%. Generally, slot machine play is conducted on a cash basis. Approximately 14.5% of our table games play was conducted on a credit basis for the year ended December 31, 2021.

Hotel revenue measurements: Performance indicators used are occupancy rate (a volume indicator), which is the average percentage of available hotel rooms occupied during a period, and ADR, a price indicator, which is the average price of occupied rooms per day. Available rooms exclude those rooms unavailable for occupancy during the period due to renovation, development or other requirements (such as government mandated closure, lodging for team members and usage by the Macao government for quarantine measures). The calculations of the occupancy rate and ADR include the impact of rooms provided on a complimentary basis. Revenue per available room ("RevPAR") represents a summary of hotel ADR and occupancy. Because not all available rooms are occupied, ADR is normally higher than RevPAR. Reserved rooms where the guests do not show up for their stay and lose their deposit, or where guests check out early, may be re-sold to walk in guests.

Mall revenue measurements: Occupancy, base rent per square foot and tenant sales per square foot are used as performance indicators. Occupancy represents GLOA divided by GLA at the end of the reporting period. GLOA is the sum of: (1) tenant occupied space under lease and (2) tenants no longer occupying space, but paying rent. GLA does not include space currently under development or not on the market for lease. Base rent per square foot is the weighted average base or minimum rent charge, excluding rent concessions, in effect at the end of the reporting period for all tenants that would qualify to be included in occupancy. Tenant sales per square foot is the reported comparable sales for the trailing 12 months divided by the comparable square footage for the same period. Only tenants that have been open for a minimum of 12 months are included in the tenant sales per square foot calculation.

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
	US$ in millions		
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, 2021	2020	Change
		US$ in millions	
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
	US$ in millions, except average daily rate and revenue per available room		
The Venetian Macao			
Total room revenues	**77**	46	67.4%
Occupancy rate	**49.7%**	27.2%	22.5 pts
Average daily rate (in US$)	**155**	197	(21.3)%
Revenue per available room (in US$)	**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 (in US$)	**160**	164	(2.4)%
Revenue per available room (in US$)	**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 (in US$)	**118**	145	(18.6)%
Revenue per available room (in US$)	**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 (in US$)	**438**	394	11.2%
Revenue per available room (in US$)	**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 (in US$)	**138**	157	(12.1)%
Revenue per available room (in US$)	**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
	US$ in millions, except per square foot amount		
Shoppes at Venetian			
Total mall revenues	**194**	126	54.0%
Mall gross leasable area (in square feet)	**814,784**	812,936	0.2%
Occupancy	**79.7%**	83.8%	(4.1) pts
Base rent per square foot (in US$)	**292**	302	(3.3)%
Tenant sales per square foot (in US$)[(i)]	**1,348**	794	69.8%
Shoppes at Londoner[(ii)]			
Total mall revenues	**55**	38	44.7%
Mall gross leasable area (in square feet)	**532,175**	525,206	1.3%
Occupancy	**54.4%**	83.9%	(29.5) pts
Base rent per square foot (in US$)	**152**	96	58.3%
Tenant sales per square foot (in US$)[(i)]	**1,462**	409	257.5%
Shoppes at Parisian			
Total mall revenues	**39**	27	44.4%
Mall gross leasable area (in square feet)	**296,322**	295,963	0.1%
Occupancy	**74.5%**	78.5%	(4.0) pts
Base rent per square foot (in US$)	**133**	156	(14.7)%
Tenant sales per square foot (in US$)[(i)]	**648**	349	85.7%
Shoppes at Four Seasons			
Total mall revenues	**184**	79	132.9%
Mall gross leasable area (in square feet)	**244,208**	244,104	—
Occupancy	**94.3%**	94.9%	(0.6) pts
Base rent per square foot (in US$)	**549**	540	1.7%
Tenant sales per square foot (in US$)[(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

Our operating expenses consisted of the following:

	Year ended December 31,		
	2021	2020	Percent change
	US$ in millions		
Casino	**1,653**	1,212	36.4 %
Rooms	**117**	100	17.0 %
Mall	**43**	41	4.9 %
Food and beverage	**128**	123	4.1 %
Convention, ferry, retail and other	**53**	72	(26.4)%
Provision for expected credit losses, net	**3**	52	(94.2)%
General and administrative expense	**545**	528	3.2 %
Corporate	**69**	47	46.8 %
Pre-opening	**11**	11	—
Depreciation and amortization	**733**	684	7.2 %
Net foreign exchange losses/(gains)	**38**	(17)	N.M.
Loss on disposal of property and equipment, investment properties and intangible assets	**19**	73	(74.0)%
Fair value gain on derivative financial instruments	**(1)**	—	N.M.
Total operating expenses	**3,411**	2,926	16.6 %

N.M. — not meaningful

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.

Casino expenses for the year ended December 31, 2021 were US$1.65 billion, an increase of 36.4%, compared to US$1.21 billion for the year ended December 31, 2020. The increase was primarily due to an increase in gaming taxes as a result of increased casino revenues.

Room expenses for the year ended December 31, 2021 were US$117 million, an increase of 17.0%, compared to US$100 million for the year ended December 31, 2020. The increase was primarily driven by increases in operating expenses, payroll and management fees as a result of higher hotel occupancy, as well as the opening of The Londoner Macao Hotel in January 2021 and Londoner Court in September 2021.

Mall expenses for the year ended December 31, 2021 were US$43 million, an increase of 4.9%, compared to US$41 million for the year ended December 31, 2020. The increase was primarily driven by increases in payroll and common area maintenance cost.

Food and beverage expenses for the year ended December 31, 2021 were US$128 million, an increase of 4.1%, compared to US$123 million for the year ended December 31, 2020. The increase was primarily driven by increases in cost of sales and other operating expenses consistent with higher business volumes, partially offset by a decrease in payroll.

Convention, ferry, retail and other expenses for the year ended December 31, 2021 were US$53 million, a decrease of 26.4% compared to US$72 million for the year ended December 31, 2020. The decrease was primarily resulting from decreases in contract labor costs due to a reduction in headcount, lower repair and maintenance costs, and lower fuel costs as ferries were under dry dock.

Provision for expected credit losses, net for the year ended December 31, 2021 were US$3 million, a decrease of 94.2% compared to US$52 million for the year ended December 31, 2020. The decrease was primarily due to an increased level of provision recorded during the year ended December 31, 2020, due to the aging of patron receivables in connection with the impact of the COVID-19 Pandemic.

General and administrative expenses were US$545 million for the year ended December 31, 2021, an increase of 3.2% compared to US$528 million for the year ended December 31, 2020. The increase was primarily driven by increases in utilities expenses as a result of increased visitation and hotel occupancy.

Corporate expenses were US$69 million for the year ended December 31, 2021, an increase of 46.8% compared to US$47 million for the year ended December 31, 2020. The increase was primarily driven by an increase in royalty fees due to increased revenues across all properties.

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.

Net foreign exchange losses for the year ended December 31, 2021 were US$38 million, primarily associated with the US$ denominated debt, compared with net foreign exchange gains of US$17 million for the year ended December 31, 2020. US$ appreciated by 0.6% against MOP in 2021 whilst it depreciated by 0.5% against MOP in 2020.

Loss on disposal of property and equipment, investment properties and intangible assets was US$19 million for the year ended December 31, 2021, compared to US$73 million for the year ended December 31, 2020. The decrease was primarily due to decreases in asset disposals and demolition costs related to The Londoner Macao project.

Adjusted Property EBITDA[(i)]

The following table summarizes information related to our segments:

	Year ended December 31,		
	2021	2020	Percent change
	US$ in millions		
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 as the businesses were temporarily closed in 2020 and more significant travel and COVID-19 restrictions were in place during 2020. 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
	US$ in millions		
Interest and other finance costs	**387**	300	29.0%
Less: interest capitalized	**(14)**	(21)	(33.3)%
Finance costs, net	**373**	279	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 at 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. On March 15, 2022, we drew down US$19 million and HK$1.42 billion (approximately US$182 million at the exchange rate in effect on the date of this transaction) under the 2018 SCL Credit Facility for general corporate purposes, resulting in a remaining available borrowing capability of US$1.54 billion.

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
	US$ in millions	
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
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)
Cash and cash equivalents at end of year	**678**	861

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
	US$ in millions	
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
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 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 and 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 at 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
	US$ in millions	
Contracted but not provided for	**75**	385

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.

CHARGES ON GROUP ASSETS

None of the Group's assets were charged as security for any liabilities as at December 31, 2021.

2.5 PRIORITY RISK FACTORS

The Company has identified the following as priority risks of the Group. You should carefully consider the priority risk factors set forth below as well as the other information contained in this Annual Report in connection with evaluating the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Business

The COVID-19 Pandemic has materially adversely affected the number of visitors to our facilities and disrupted our operations, and we expect this adverse impact to continue until the COVID-19 Pandemic is contained.

We expect the impact of the disruptions resulting from the impact of the COVID-19 Pandemic, including the extent of their adverse impact on our financial and operational results, will continue to be dictated by the length of time such disruptions continue. Although all our properties are currently open, we cannot predict whether future closures would be appropriate or could be mandated. Even once travel advisories and restrictions are modified or cease to be necessary, demand for integrated resorts may remain weak for a significant length of time and we cannot predict if or when the gaming and non-gaming activities of our properties will return to pre-outbreak levels of volume or pricing. In particular, future demand for integrated resorts may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth or reduced business spending for MICE resulting from the impact of the COVID-19 Pandemic. In addition, we cannot predict the ultimate impact the COVID-19 Pandemic will have on our mall tenants.

We are a holding company with limited business operations of our own. Our main assets consist of our direct and indirect shareholdings in our operating subsidiaries through which we conduct most of our business operations. If the global response to contain the COVID-19 Pandemic escalates or is unsuccessful, our subsidiaries' ability to generate sufficient earnings and cash flow to pay dividends or distributions in the future may be negatively impacted.

Our businesses would also be impacted should the disruptions from the COVID-19 Pandemic impact our current construction projects. There are certain limitations on our ability to mitigate the adverse financial impact of these matters, such as the fixed costs at our properties, the access to construction labor due to immigration restrictions or construction materials due to vendor supply chain delays. Government measures intended to address the COVID-19 Pandemic, such as mandatory quarantines, vaccine mandates and regular testing requirements, could also impact the availability of our employees or other workers or could lead to attrition of key employees or reduced willingness of customers to come to our properties. Any of these events may continue to disrupt our ability to staff our business adequately, could continue to generally disrupt our operations or construction projects.

The COVID-19 Pandemic has had, and will continue to have, a material adverse effect on our results of operations and cash flows. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the COVID-19 Pandemic and around the imposition or relaxation of protective measures, we cannot reasonably estimate the impact on our future results of operations, cash flows or financial condition.

2.5 PRIORITY RISK FACTORS

We may stop generating any gaming revenues from our operations if we cannot secure an extension or renewal of our Subconcession, which expires in 2022.

Our Subconcession expires on June 26, 2022. If our Subconcession is not extended or renewed, VML may be prohibited from conducting gaming operations in Macao, and we could cease to generate revenues from our gaming operations when our Subconcession 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 us. We cannot assure you we will be able to extend or renew our Subconcession on terms favorable to us or at all.

Our business is particularly sensitive to reductions in discretionary consumer and corporate spending as a result of downturns in the economy.

Consumer demand for hotel/casino resorts, trade shows and conventions and for the type of luxury amenities we offer is particularly sensitive to downturns in the economy and the corresponding impact on discretionary spending. Changes in discretionary consumer spending or corporate spending on conventions and business travel could be driven by many factors, such as: perceived or actual general economic conditions; fear of exposure to a widespread health epidemic, such as the COVID-19 Pandemic; any weaknesses in the job or housing market; credit market disruptions; high energy, fuel and food costs; the increased cost of travel; the potential for bank failures; perceived or actual disposable consumer income and wealth; fears of recession and changes in consumer confidence in the economy; or fear of war, political instability, civil unrest or future acts of terrorism. These factors could reduce consumer and corporate demand for the luxury amenities and leisure and business activities we offer, thus imposing additional limits on pricing and harming our operations.

Natural or man-made disasters, an outbreak of highly infectious or contagious disease, political instability, civil unrest, terrorist activity or war could materially adversely affect the number of visitors to our facilities and disrupt our operations.

So-called "Acts of God," such as typhoons and rainstorms, particularly in Macao, and other natural disasters, man-made disasters, outbreaks of highly infectious or contagious diseases, political instability, civil unrest, terrorist activity or war may result, and in the case of the COVID-19 Pandemic, have resulted, in decreases in travel to and from, and economic activity in, areas in which we operate, and may adversely affect, and the COVID-19 Pandemic has adversely affected, the number of visitors to our properties. We also face potential risks associated with the physical effects of climate change, which may include more frequent or severe storms, typhoons, flooding, rising sea levels and shortages of water. To the extent climate change causes additional changes in weather patterns, our properties along the coast in Macao could be subject to an increase in the number and severity of typhoons and rising sea levels causing damage to these properties. Any of these events may disrupt our ability to staff our business adequately, could generally disrupt our operations, and could have a material adverse effect on our business, financial condition, results of operations and cash flows. Although we have insurance coverage with respect to some of these events, we cannot assure you any such coverage will provide any coverage or be sufficient to indemnify us fully against all direct and indirect costs, including any loss of business that could result from substantial damage to, or partial or complete destruction of, any of our properties.

2.5 PRIORITY RISK FACTORS

Our business is sensitive to the willingness of our customers to travel.

We are dependent on the willingness of our customers to travel. Only a small amount of our business is and will be generated by local residents. Most of our customers travel to reach our properties. Infectious diseases may severely disrupt, and in the case of the COVID-19 Pandemic, have severely disrupted, domestic and international travel, which would result in a decrease in customer visits to Macao, including our properties. Regional political events, acts of terrorism or civil unrest, including those resulting in travelers perceiving areas as unstable or an unwillingness of governments to grant visas, regional conflicts or an outbreak of hostilities or war could have a similar effect on domestic and international travel. Management cannot predict the extent to which disruptions from these types of events in air or other forms of travel would have on our business, financial condition, results of operations and cash flows.

We are subject to extensive regulations that govern our operations.

We are required to obtain and maintain licenses from various jurisdictions in order to operate certain aspects of our business, and we are subject to extensive background investigations and suitability standards in our gaming business. There can be no assurance we will be able to obtain new licenses or renew any of our existing licenses, or if such licenses are obtained, such licenses will not be conditioned, suspended or revoked; and the loss, denial or non-renewal of any of our licenses could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to regulations imposed by the FCPA, which generally prohibits U.S. companies (such as LVS, of which we are a subsidiary) and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Any violation of the FCPA could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Governmental authorities have evidenced an increased focus on the gaming industry and compliance with anti-money laundering laws and regulations. For instance, we are subject to regulation, which, among other things, requires us to report to various government authorities certain currency transactions in excess of applicable thresholds and certain suspicious activities where we know, suspect or have reason to suspect such transactions involve funds from illegal activity or are intended to violate certain law or regulations or are designed to evade reporting requirements or have no business or lawful purpose. In addition, we are subject to various other rules and regulations involving reporting, recordkeeping and retention. Our compliance is subject to periodic audits, and we may be subject to substantial civil and criminal penalties, including fines, if we fail to comply with applicable regulations. We are also subject to regulations set forth by the gaming authorities in the area in which we operate. Any such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Any violation of anti-money laundering laws or regulations, or any accusations of money laundering or regulatory investigations into possible money laundering activities, by any of our properties, employees or customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our debt instruments, current debt service obligations and substantial indebtedness may restrict our current and future operations.

Our current debt service obligations contain, or any future debt service obligations and instruments may contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to:

- incur additional debt, including providing guarantees or credit support;
- incur liens securing indebtedness or other obligations;
- dispose of certain assets;
- make certain acquisitions;
- pay dividends or make distributions and make other restricted payments, such as purchasing equity interests, repurchasing junior indebtedness or making investments in third parties;
- enter into sale and leaseback transactions;
- engage in any new businesses;
- issue preferred stock; and
- enter into transactions with our Shareholders and our affiliates.

The 2018 SCL Credit Facility contains various financial covenants. As a result of the impact from the COVID-19 Pandemic, the 2018 SCL Credit Facility was amended on March 27, 2020 and again on September 11, 2020 to waive those financial covenants through July 1, 2021 and January 1, 2022, respectively. Additionally, on July 7, 2021, the 2018 SCL Credit Facility was further amended to extend the financial covenant waiver period under the 2018 SCL Credit Facility through January 1, 2023. We cannot assure you that we will be able to obtain similar waivers in the future.

As at December 31, 2021, we had a total of US$7.90 billion of borrowings outstanding under the Senior Notes and 2018 SCL Revolving Facility and US$1.75 billion of available borrowing capacity under the 2018 SCL Revolving Facility. On March 15, 2022, we drew down US$19 million and HK$1.42 billion (approximately US$182 million at the exchange rate in effect on the date of this transaction) under the 2018 SCL Credit Facility for general corporate purposes, resulting in a remaining available borrowing capability of US$1.54 billion. This indebtedness could have important consequences to us. For example, it could:

- make it more difficult for us to satisfy our debt service obligations;
- increase our vulnerability to general adverse economic and industry conditions;
- impair our ability to obtain additional financing in the future for working capital needs, capital expenditures, development projects, acquisitions or general corporate purposes;
- require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds available for our operations and development projects;
- limit our flexibility in planning for, or reacting to, changes in the business and the industry in which we operate;
- require us to repurchase our Senior Notes upon certain events, such as any change in gaming law or any action by a gaming authority after which none of the Group members owns or manages casino or gaming areas or operates casino games of fortune and chance in Macao in substantially the same matter as the Group was at the issue date of the Senior Notes for a period of 30 consecutive days or more;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- subject us to higher interest expense in the event of increases in interest rates.

Our ability to timely refinance and replace our indebtedness in the future will depend upon general economic and credit market conditions, approval required by local government regulators, adequate liquidity in the global credit markets, the particular circumstances of the gaming industry, and prevalent regulations and our cash flow and operations, in each case as evaluated at the time of such potential refinancing or replacement. If we are unable to refinance or generate sufficient cash flow from operations to repay our indebtedness on a timely basis, we might be forced to seek alternate forms of financing, dispose of certain assets or minimize capital expenditures and other investments, or reduce dividend payments. There is no assurance any of these alternatives would be available to us, if at all, on satisfactory terms, on terms that would not be disadvantageous to us, or on terms that would not require us to breach the terms and conditions of our existing or future debt agreements.

We may attempt to arrange additional financing to fund the remainder of our planned, and any future, development projects. If we are required to raise additional capital in the future, our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. If our credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt financing would be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations.

We extend credit to a large portion of our customers and we may not be able to collect gaming receivables from our credit players.

We conduct our gaming activities on a credit and cash basis. Any such credit we extend is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than players who tend to wager lesser amounts.

During the year ended December 31, 2021, approximately 14.5% of our table games drop at our properties was from credit-based wagering. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible.

In particular, we expect our operations will be able to enforce gaming debts only in a limited number of jurisdictions, including Macao. To the extent our Macao gaming customers and gaming promoters are from other jurisdictions, our operations may not have access to a forum in which it will be possible to collect all gaming receivables because, among other reasons, courts of many jurisdictions do not enforce gaming debts and our operations may encounter forums that will refuse to enforce such debts. Moreover, under applicable law, our operations remain obligated to pay taxes on uncollectible winnings from customers.

Even where gaming debts are enforceable, they may not be collectible. Our inability to collect gaming debts could have a significant adverse effect on our results of operations and cash flows.

We face the risk of fraud and cheating.

Our gaming customers may attempt or commit fraud or cheat in order to increase winnings. Acts of fraud or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers or other casino or gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in our gaming operations. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations and cash flows.

Our operations face significant competition, which may increase in the future.

The hotel, resort and casino businesses are highly competitive. Our properties compete with numerous other casinos located within Macao. Additional Macao facilities announced by our competitors and the increasing capacity of hotel rooms in Macao could add to the competitive dynamic of the market.

Our operations will also compete to some extent with casinos located elsewhere in Asia, including Singapore, South Korea, Malaysia, Philippines, Australia, Cambodia and elsewhere in the world, including Las Vegas, as well as online gaming and cruise ships that offer gaming. Our operations also face increased competition from new developments in Malaysia, Australia and South Korea. In addition, certain countries have legalized, and others may in the future legalize, casino gaming.

The proliferation of gaming venues and gaming activities, such as online gaming, as well as renovations and expansions by our competitors, and their ability to attract customers away from our properties could have a material adverse effect on our financial condition, results of operations and cash flows.

Risks Associated with Our Operations

There are significant risks associated with our construction projects.

Our development projects and any other construction projects we undertake will entail significant risks. Construction activity requires us to obtain qualified contractors and subcontractors, the availability of which may be uncertain. Construction projects are subject to cost overruns and delays caused by events outside of our control or, in certain cases, our contractors' control, such as shortages of materials or skilled labor, unforeseen engineering, environmental and/or geological problems, work stoppages, weather interference, unanticipated cost increases and unavailability of construction materials or equipment. Construction, equipment or staffing problems or difficulties in obtaining any of the requisite materials, licenses, permits, allocations and authorizations from governmental or regulatory authorities could increase the total cost, delay, jeopardize, prevent the construction or opening of our projects, or otherwise affect the design and features. Construction contractors or counterparties for our current projects may be required to bear certain cost overruns for which they are contractually liable, and if such counterparties are unable to meet their obligations, we may incur increased costs for such developments. If our management is unable to manage successfully our construction projects, it could have a material adverse effect on our financial condition, results of operations and cash flows.

The anticipated costs and completion dates for our current projects are based on budgets, designs, development and construction documents and schedule estimates are prepared with the assistance of architects and other construction development consultants and are subject to change as the design, development and construction documents are finalized and as actual construction work is performed. A failure to complete our projects on budget or on schedule may have a material adverse effect on our financial condition, results of operations and cash flows.

Our Subconcession can be terminated under certain circumstances without compensation to us.

The Macao government has the right, after consultation with Galaxy, to unilaterally terminate our Subconcession in the event of VML's serious non-compliance with its basic obligations under the Subconcession and applicable Macao laws. Upon termination of our Subconcession, our casinos and gaming-related equipment would automatically be transferred to the Macao government without compensation to us and we would cease to generate any revenues from these operations. The loss of our Subconcession would prohibit us from conducting gaming operations in Macao, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

The number of visitors to Macao, particularly visitors from mainland China, may decline or travel to Macao may be disrupted.

Our VIP and mass market gaming customers typically come from nearby destinations in Asia, including mainland China, Hong Kong, South Korea and Japan. Increasingly, a significant number of gaming customers come to our casinos from mainland China. Any slowdown in economic growth or changes of China's current restrictions on travel and currency movements could further disrupt the number of visitors from mainland China to our casinos as well as the amounts they are willing and able to spend while at our properties.

Policies and measures adopted from time to time by the Chinese government include restrictions imposed on exit visas granted to residents of mainland China for travel to Macao and Hong Kong, such as those implemented in connection with the COVID-19 Pandemic. These measures have, and any future policy developments implemented may have, the effect of reducing the number of visitors to Macao from mainland China, which could adversely impact tourism and the gaming industry in Macao.

The Macao government could grant additional rights to conduct gaming in the future and increase competition we face.

We hold a Subconcession under one of only six gaming concessions and subconcessions authorized by the Macao government to operate casinos in Macao through June 26, 2022. The draft amendment to the Gaming Law proposes authorizing a maximum of six gaming concessions, however if in future the Macao government were to allow additional gaming operators in Macao, we would face additional competition, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Conducting business in Macao has certain political and economic risks.

Our business development plans, financial condition, results of operations and cash flows may be materially and adversely affected by significant political, social and economic developments in Macao, and by changes in policies of the governments or changes in laws and regulations or their interpretations. Our operations in Macao are also exposed to the risk of changes in laws and policies that govern operations of companies based in Macao. Jurisdictional tax laws and regulations may also be subject to amendment or different interpretation and implementation, thereby having an adverse effect on our profitability after tax. These changes may have a material adverse effect on our financial condition, results of operations and cash flows.

Current Macao laws and regulations concerning gaming and gaming concessions and licenses are, for the most part, fairly recent and there is little precedent on the interpretation of these laws and regulations. We believe our organizational structure and operations are in compliance in all material respects with all applicable laws and regulations of Macao. These laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue regulations, which differs from our interpretation and could have a material adverse effect on our financial condition, results of operations and cash flows.

In addition, our activities in Macao are subject to administrative review and approval by various government agencies. We cannot assure you we will be able to obtain all necessary approvals, which may have a material adverse effect on our long-term business strategy and operations. Macao laws permit redress to the courts with respect to administrative actions; however, such redress is largely untested in relation to gaming issues.

The Macao smoking control legislation prohibits smoking in casinos other than in certain enumerated areas. Such legislation may deter potential gaming customers who are smokers from frequenting casinos in jurisdictions with smoking bans such as Macao. Such laws and regulations could change or could be interpreted differently in the future. We cannot predict the future likelihood or outcome of similar legislation or referendums in other jurisdictions where we operate or the magnitude of any decrease in revenues as a result of such regulations, though any smoking ban could have an adverse effect on our business, financial condition, results of operations and cash flows.

Our tax arrangements with the Macao government may not be extended on terms favorable to us or at all beyond their June 26, 2022 expiration dates.

We have had the benefit of a corporate tax exemption in Macao, which exempts us from paying the 12% corporate income tax on profits generated by the operation of casino games, but does not apply to our non-gaming activities. We will continue to benefit from this tax exemption through June 26, 2022, the date our Subconcession expires. Additionally, we entered into an agreement with the Macao government in April 2019, effective through June 26, 2022, providing an annual payment as a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions paid from VML gaming profits. There is no certainty either of these tax arrangements will be extended beyond their expiration dates.

We are dependent upon gaming promoters for a portion of our gaming revenues in Macao.

Gaming promoters, which are entities licensed by the gaming regulator in Macao to promote gaming and draw VIP patrons to casinos, are responsible for a portion of our gaming revenues in Macao. There can be no assurance we will be able to maintain, or grow, our relationships with gaming promoters or that gaming promoters will continue to be licensed by the gaming regulator to operate, which could impact our business, financial condition, results of operations and cash flows. For example, consistent with the overall market in Macao, in December 2021, the Group terminated all the fixed room operations of gaming promoters within its properties.

In addition, the quality of gaming promoters with whom we have relationships is important to our reputation and our ability to continue to operate in compliance with our gaming licenses. While we strive for excellence in our associations with gaming promoters, we cannot assure you the gaming promoters with whom we are associated will meet the high standards we insist upon. If a gaming promoter falls below our standards, we may suffer reputational harm, as well as worsening relationships with, and possible sanctions from, gaming regulators with authority over our operations. In the event a gaming promoter does not meet its financial obligations, there can be no assurance we may not incur financial exposure.

Furthermore, we may be held jointly liable with gaming promoters for activities that occur in our casinos. On November 19, 2021, Macao's Court of Final Appeal ruled that gaming concessionaires are jointly liable with gaming promoters, including their managers and employees, for activities carried out by gaming promoters in gaming concessionaires' casinos where those activities relate to the typical activity of the gaming promoters and are carried out for the benefit of gaming concessionaires. While we strive for excellence in systems and practices for monitoring the activities of gaming promoters operating in our casinos, we cannot assure you that we will be able to monitor all activities carried out by them. Furthermore, we cannot assure you to what extent the Macao courts will in the future find us liable for the activities carried out by gaming promoters in our casinos, nor are we able to determine what Macao courts would deem typical activities of gaming promoters to be.

The above factors could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to limitations of the pataca exchange markets and restrictions on the export of the Renminbi.

Our revenues in Macao are denominated in patacas, the legal currency of Macao, and Hong Kong dollars. The Macao pataca is pegged to the Hong Kong dollar and, in many cases, is used interchangeably with the Hong Kong dollar in Macao. The Hong Kong dollar is pegged to the U.S. dollar. Although currently permitted, we cannot assure you patacas will continue to be freely exchangeable into U.S. dollars. Also, our ability to convert large amounts of patacas into U.S. dollars over a relatively short period may be limited.

We are currently prohibited from accepting wagers in Renminbi, the legal currency of China. There are also restrictions on the remittance of the Renminbi from mainland China and the amount of Renminbi that can be converted into foreign currencies, including the pataca and Hong Kong dollar. Restrictions on the remittance of the Renminbi from mainland China may impede the flow of gaming customers from mainland China to Macao, inhibit the growth of gaming in Macao and negatively impact our gaming operations. There is no assurance that incremental mainland Chinese regulations will not be promulgated in the future that have the effect of restricting or eliminating the remittance of Renminbi from mainland China. Further, if any new mainland Chinese regulations are promulgated in the future that have the effect of permitting or restricting (as the case may be) the remittance of Renminbi from mainland China, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

VML may have financial and other obligations to foreign workers seconded to its contractors under government labor quotas.

The Macao government has granted VML quotas to permit it to hire foreign workers. VML has effectively seconded part of the foreign workers employed under these quotas to its contractors for the construction of our Cotai Strip projects. VML, however, remains ultimately liable for all employer obligations relating to these workers, including for payment of wages and taxes and compliance with labor and workers' compensation laws. VML requires each contractor to whom it has seconded these foreign workers to indemnify VML for any costs or liabilities VML incurs as a result of such contractor's failure to fulfill their obligations. VML's agreements with its contractors also contain provisions that permit it to retain some payments for up to one year after the contractors' complete work on the projects. We cannot assure you VML's contractors will fulfill their obligations to foreign workers employed under the labor quotas or to VML under the indemnification agreements, or the amount of any indemnification payments received will be sufficient to pay for any obligations VML may owe to foreign workers seconded to contractors under VML's quotas. Until we make final payments to our contractors, we have offset rights to collect amounts they may owe us, including amounts owed under the indemnities relating to employer obligations. After we have made the final payments, it may be more difficult for us to enforce any unpaid indemnity obligations.

Human Capital Related Risk Factors

We depend on the continued services of key officers.

Our historical success was principally dependent on our founder, former Chairman and Chief Executive Officer, Mr. Sheldon Gary Adelson. On January 12, 2021, we announced the passing of Mr. Adelson. On January 27, 2021, we announced Mr. Robert Glen Goldstein was appointed our Chairman and Chief Executive Officer. Our ability to maintain our competitive position is dependent to a large degree on the services of our senior management team, including Mr. Goldstein, Dr. Wong Ying Wai (Wilfred), Mr. Chum Kwan Lock, Grant, Mr. Sun MinQi (Dave) and Mr. Dylan James Williams. The loss of their services or the services of our other senior managers, or the inability to attract and retain additional senior management personnel could have a material adverse effect on our business.

We compete for limited management and labor resources in Macao, and policies of government may also affect our ability to employ imported managers or labor.

Our success depends in large part upon our ability to attract, retain, train, manage and motivate skilled managers and employees at our properties. The Macao government requires we only hire Macao residents in our casinos for certain employee roles, including dealers. In addition, we are required to obtain visas and work permits for managers and employees we seek to employ from other countries. There is significant competition for managers and employees with the skills required to perform the services we offer and competition for these individuals in Macao is likely to increase as other competitors expand their operations. Such competition has intensified recently as certain skilled managers have elected to return to their home countries due to the impact of the COVID-19 Pandemic.

We may have to recruit managers and employees from other countries to adequately staff and manage our properties and certain Macao government policies affect our ability to hire non-resident managers and employees in certain job classifications. Despite our coordination with the Macao labor and immigration authorities to ensure our management and labor needs are satisfied, we may not be able to recruit and retain a sufficient number of qualified managers or employees for our operations or the Macao labor and immigration authorities may not grant us the necessary visas or work permits.

If we are unable to obtain, attract, retain and train skilled managers and employees, and obtain any required visas or work permits for our skilled managers and employees, our ability to adequately manage and staff our existing properties and planned development projects could be impaired, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

General Risk Factors

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer and our insurance costs may increase in the future.

We have comprehensive property and liability insurance policies for our properties in operation, as well as those in the course of construction, with coverage features and insured limits we believe are customary in their breadth and scope. Market forces beyond our control may nonetheless limit the scope of the insurance coverage we can obtain or our ability to obtain coverage at reasonable rates. Certain types of losses, generally of a pandemic or catastrophic nature, such as infectious disease, such as the COVID-19 Pandemic, earthquakes, hurricanes and floods, or terrorist acts, or certain liabilities may be, or are, uninsurable or too expensive to justify obtaining insurance. As a result, we may not be successful in obtaining insurance without increases in cost or decreases in coverage levels. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or in some cases could result in certain losses being totally uninsured. As a result, we could lose some or all of the capital we have invested in a property, as well as the anticipated future revenue from the property, and we could remain obligated for debt or other financial obligations related to the property.

Certain of our debt instruments and other material agreements require us to maintain a certain minimum level of insurance. Failure to satisfy these requirements could result in an event of default under these debt instruments or material agreements.

Failure to maintain the integrity of our information and information systems or comply with applicable privacy and cybersecurity requirements and regulations could harm our reputation and adversely affect our business.

Our business requires the collection and retention of large volumes of data and non-electronic information, including credit card numbers and other information in various information systems we maintain and in those maintained by third parties with whom we contract and may share data. We also maintain internal information about our employees and information relating to our operations. The integrity and protection of that information are important to us. Our collection of such information is subject to extensive private and governmental regulation.

Privacy and cybersecurity laws and regulations are developing and changing frequently, and vary significantly by jurisdiction. We may incur significant costs in our efforts to comply with the various applicable privacy and cybersecurity laws and regulations as they emerge and change. Compliance with applicable privacy laws and regulations also may adversely impact our ability to market our products, properties, and services to our guests and patrons. Non-compliance by us, or potentially by third parties with which we share information, with any applicable privacy and cybersecurity law or regulation, including accidental loss, inadvertent disclosure, unauthorized access or dissemination, or breach of security may result in damage to our reputation and could subject us to fines, penalties, required corrective actions, lawsuits, payment of damages, or restrictions on our use or transfer of data.

LVS, our parent company, has experienced a sophisticated criminal cybersecurity attack in the past and may experience with more frequency global cybersecurity and information security threats, which may range from uncoordinated individual attempts to sophisticated and targeted measures directed at us (as subsidiaries of LVS). There has been an increase in criminal cybersecurity attacks against companies where customer and company information has been compromised and company data has been destroyed. Our information systems and records, including those we maintain with third-party service providers, may be subject to cyber-attacks and information security breaches. Cyber-attacks and information security breaches may include attempts to access information, computer malware such as viruses, denial of service, ransomware attacks that encrypt, exfiltrate, or otherwise render data unusable or unavailable in an effort to extort money or other consideration as a condition to purportedly returning the data to a usable form, operator errors or misuse, or inadvertent releases of data or documents, and other forms of electronic and non- electronic information security breaches. Our data security measures are reviewed regularly and we rely on proprietary and commercially available systems, software, tools, and monitoring to provide security for processing, transmission, and storage of customer and employee information. We also rely extensively on computer systems to process transactions, maintain information, and manage our businesses. Our third-party information system service providers and other third parties that share data with us pursuant to contractual agreements also face risks relating to cybersecurity and privacy, and we do not directly control any of such parties' information security or privacy operations. For example, the systems currently used for the transmission and approval of payment card transactions, and the technology utilized in payment cards themselves, are determined and controlled by the payment card industry, not us. Our gaming operations rely heavily on technology services provided by third parties. In the event there is an interruption of these services to us, it may have an adverse effect on our operations and financial condition. Disruptions in the availability of our computer systems, or those of third parties we engage to provide gaming operating systems for the facilities we operate, through cybersecurity attacks or otherwise, could impact our ability to service our customers and adversely affect our sales and the results of our operations.

2.5 PRIORITY RISK FACTORS

A significant theft, destruction, loss or fraudulent use of information maintained by us or by a third-party service provider could have an adverse effect on our reputation, cause a material disruption to our operations and management team and result in remediation expenses (including liability for stolen assets or information, repairing system damage and offering incentives to customers or business partners to maintain their relationships after an attack) and regulatory fines, penalties and corrective actions, or lawsuits by regulators, third-party service providers, third parties that share data with us pursuant to contractual agreements and/or people whose data is or may be impacted. Such theft, destruction, loss or fraudulent use could also result in litigation. Advances in computer software capabilities and encryption technology, new tools, and other developments, including continuously evolving attack methods that may exploit vulnerabilities based on these advances, may increase the risk of a security breach or other intrusion. In addition, we may incur increased cybersecurity and privacy protection costs that may include organizational changes, deploying additional personnel and protection technologies, training employees and engaging third-party experts and consultants. There can be no assurance the insurance we have in place relating to cybersecurity and privacy risks will be sufficient in the event of a major cybersecurity or privacy event. Any of these events could interrupt our operations, adversely impact our reputation and brand and expose us to increased risks of governmental investigation, litigation, fines and other liability, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are subject to risks from litigation, investigations, enforcement actions and other disputes.

Our business is subject to various laws and regulations that could lead to enforcement actions, fines, civil or criminal penalties or the assertion of litigation claims and damages. In addition, improper conduct by our employees, agents or gaming promoters could damage our reputation and/or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines. In certain circumstances, it may not be economical to defend against such matters and/or our legal strategy may not ultimately result in us prevailing in a matter. The investigations, litigation and other disputes may also lead to additional scrutiny from regulators, which could lead to investigations relating to, and possibly negatively impact, our gaming license. We cannot predict the outcome of any pending or future proceedings and the impact they will have on our financial results, but any such impact may be material. While some of these claims are covered by insurance, we cannot be certain that all of them will be, which could have an adverse impact on our financial condition, results of operations and cash flows.

We could be negatively impacted by environmental, social and governance and sustainability matters.

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, and expectations in this area are rapidly evolving and growing. The criteria by which our ESG practices are assessed may change due to the evolution of the sustainability landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. If we are unable to satisfy such new criteria, stakeholders may conclude our policies and/or actions with respect to ESG matters are inadequate and our reputation, business, financial condition and results of operations could be adversely impacted.

2.6.1 OUR SHAREHOLDERS

Shareholding Analysis and our Shareholders

Share capital (as at December 31, 2021)

Authorized share capital	16,000,000,000 ordinary shares of US$0.01 each
Issued share capital	8,093,188,866 ordinary shares of US$0.01 each

Shareholding distribution

	As at December 31, 2021			
Size of shareholding	Number of Shareholders	% of Shareholders	Number of Shares held	% of the issued share capital
1–1,000	**444**	**64.44%**	**195,356**	**0.002%**
1,001–5,000	**186**	**27.00%**	**406,780**	**0.005%**
5,001–10,000	**29**	**4.21%**	**233,200**	**0.003%**
10,001–100,000	**26**	**3.77%**	**797,700**	**0.010%**
100,001–1,000,000	**2**	**0.29%**	**411,600**	**0.005%**
Over 1,000,000	**2**	**0.29%**	**8,091,144,230**	**99.975%**
Total	**689**	**100.00%**	**8,093,188,866**	**100.00%**

Note: 47.28% of our issued Shares were held through the Central Clearing and Settlement System ("CCASS") as at December 31, 2021.

The actual number of investors holding Shares is likely to be much greater, due to ownership of Shares being held through nominees, investment funds and the CCASS.

Shareholding by Category

Venetian Venture Development Intermediate II	**69.91%**
Institutional and Retail Investors	**30.09%**
Total	**100.00%**

From publicly available information and as far as our Directors are aware, Sands China has maintained a sufficient public float of its share capital in the Hong Kong stock market since its Listing on November 30, 2009.

Creation of Shareholder value

In 2021, the Company benefited from a number of key strengths that helped differentiate our business from our competitors, including the following:

- Providing the highest quality integrated resort offerings;
- The diversification of amenities;
- Maintaining an industry-leading development pipeline (please refer to section 2.3 of this Annual Report for details of our development projects);
- Utilizing established brands;
- Operating efficiently;
- Maintaining an experienced management team;
- Leveraging our unique MICE and entertainment facilities; and
- Deriving significant benefits from our on-going relationship with LVS.

Sands China had a loss attributable to shareholders for the year ended December 31, 2021 of US$1.05 billion, compared to a loss of US$1.52 billion in 2020. Basic loss per share for the year ended December 31, 2021 was US12.95 cents (HK$1.01) compared to a basic loss per share of US18.82 cents (HK$1.46) in 2020.

We are grateful to all Shareholders who provide us with feedback and views. If any Shareholder has comments or questions on what we are doing on his or her behalf, please contact us. Our contact information can be found in section 6 of this Annual Report. We will provide an answer to your questions. We will take your comments into account and act upon them if we believe this will improve our performance and create shareholder value.

2.6.2 OUR LENDERS

We have incurred significant capital expenditures associated with the integrated resorts in our Cotai Strip development, as part of our strategy of building critical mass at our Cotai Strip development. We will continue to incur capital expenditures to renovate, upgrade and maintain our existing properties. During the year ended December 31, 2021, we have funded our development projects through the borrowings from the 2018 SCL Revolving Facility. Please refer to Note 21 to the Consolidated Financial Statements for particulars of our borrowings.

2.6.3 OUR CUSTOMERS

Our properties are designed to cater to a broad range of customers:

- Leisure customers who visit resort destinations for quality accommodation, retail, dining, entertainment, spas and sightseeing, and those who may opt to game as part of that experience;
- Conference and exhibition organizers who seek an environment that attracts more buyers and exhibitors to trade shows and exhibitions because of the size, flexibility, quality and ambiance of the venue, business-friendly accommodation, dining, environmentally-friendly factors and other resort facilities;
- Corporate meeting and incentive group organizers who value the extensive meeting facilities with environmentally-friendly options enabling even the largest of meetings to be held under one roof with a wide array of entertainment, dining and retail facilities;
- Mass market players who represent the highest profit margin gaming segment, and are characterized by Non-Rolling Chip and slot machine play; and
- VIP and premium players, who enjoy our private Paiza Club gaming floors, luxury accommodation and amenities, and are characterized by Rolling Chip play.

Our customers are predominantly from Asia, with our major markets being mainland China, Hong Kong, Taiwan, India, Japan, Korea, Thailand, Malaysia, Indonesia and Singapore.

We have strong relationships with travel agents and corporate and exhibition organizers throughout the region for distribution of our leisure products and promotion of our MICE offerings. In addition, we participate in trade shows in source markets to build brand awareness and promote our services and facilities.

2.6.4 OUR COMMITMENT TO SUSTAINABILITY

Board oversight of Environmental, Social and Governance Issues

The Board has overall responsibility for SCL's ESG program and reporting. In this regard, the Board established an ESG Committee on April 16, 2021. The ESG Committee assists the Board with fulfilling its oversight responsibilities with respect to SCL's ESG issues, strategy and reporting. Please refer to section 3.9 of this Annual Report for more information about the ESG Committee.

ESG Report

Sands China is committed to promoting the sustainable development of our business and of the community. In order to provide our stakeholders with more information about the Group's ESG initiatives and performance, the Company will publish a separate and comprehensive ESG report for the year ended December 31, 2021, covering the requirements set out in Appendix 27 of the Listing Rules and prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option in due course.

ESG policies and performance

Our corporate responsibility platform represents our unique approach to addressing ESG issues most material to our business, community and key stakeholders. With defined strategies supporting each pillar, we are firmly dedicated to being an ESG leader committed to our People, Community and Planet pillars. We have an overarching ambition to drive action and create positive impact.

We encourage and are grateful to those Shareholders who have elected to receive our annual and interim reports via electronic means, thereby reducing the need to print hard copies of our reports. Should you wish to start receiving an electronic copy of our annual and interim reports, please refer to section 6 of this Annual Report for more information.

To minimize the impact on our environment, this Annual Report is printed on recycled paper using soy ink.

2.6 STAKEHOLDER INFORMATION

Highlights of the 2021 Environmental and Social Performance

Corporate Responsibility Platform

Planet Pillar Ambition 2025	**17.5% reduction in Scope 1 & Scope 2 greenhouse gas emissions from a 2018 baseline**
Energy	
Scope 1 and 2 Market-Based Emissions (MTCo2e)	508,985
Energy consumption (GJ)	2,637,411
Annualized energy savings (kWh)	909,262
Renewable energy produced (GJ)	275
International renewable energy certificates (MWh)	40,000
Water Stewardship	
Total water use (Million US gallons)	1,342
Drop by Drop Project The Institute of Science and Environment at the University of Saint Joseph (USJ) Macao, a second-year project grantee, continued to study mangroves. • 1,180 community participants in the "Wetland ecosystems as a nature-based solution for climate change adaptation and mitigation in Macao" awareness campaign • 30 educational school, university and community field trips to see the mangroves	
Waste Management	
Operational waste diversion (MT)	2,494
Construction waste diversion (MT)	4,875
Responsible Consumption We furthered our sustainable seafood commitment by rolling out a global bluefin tuna policy that prohibits purchase of non-MSC or ASC-certified bluefin tuna and limits purchasing of certified products to specific restaurants.	
People Pillar Ambition 2025	**7 million hours of workforce development training**
• 46 team members completed the University of Macau's one-year diploma in business management, specifically designed for Sands China team members • 3,700 and 9,900 Sands China team members reached 15-Year and 10-Year anniversaries respectively • 560 businesses exhibited at the 2021 Sands Shopping Carnival with 48% of exhibits by local small and medium-sized enterprises ("SME") • 110 suppliers completed training delivered by the Sands Procurement Academy	
Community Pillar Ambition 2025	**110,000 volunteer hours contributed to our local community**
• In support of Macao's city-wide mass nucleic acid testing (NAT), Sands China offered The Venetian Macao's Cotai Expo as a 24-hour testing site for a total of five days. Around 65,000 tests were conducted. • In support of the government's anti-pandemic efforts, Sands China provided a total of approximately 4,000 rooms at the Sheraton Grand Macao at the peak of the "medical observation hotel" initiative. • Sands China strengthened its disaster and pandemic prevention program in collaboration with Macau Red Cross. The Company's initiative consists of packing and distributing 800 sanitisation and emergency typhoon response kits for local households and offering a free community seminar on typhoon preparedness and epidemic prevention. • Sands China partnered with Clean the World for the 8th consecutive year to build hygiene kits for donating to developing countries to help provide hygiene supplies that are essential in times of crisis. 20,000 hygiene kits were assembled in 2021 and donated to global charity Children International in the Philippines.	

Awards and Recognitions
Sands China
- Qualified as a constituent of the Dow Jones Sustainability Indices (DJSI) for DJSI Asia Pacific
- Ranked 9th in the 6th Hong Kong Business Sustainability Index (HKBSI), ranked 8th in the 2nd Greater Bay Area Business Sustainability Index (GBABSI), ranked 17th in the 1st Greater China Business Sustainability Index (GCBSI) and ranked 9th in the 1st Hotel Business Sustainability Index (Hotel BSI)
- Qualified as a constituent of the FTSE4Good Index Series

Macao Green Hotel Gold Award
- The Venetian Macao
- The Parisian Macao
- Four Seasons Macao

2.6.5 COMPLIANCE WITH LAWS AND REGULATIONS

Details regarding the Group's compliance with the relevant laws and regulations, which have a significant impact on the Group are provided in the Business Review section (section 2 of this Annual Report) and the Corporate Governance Report (section 3 of this Annual Report).

The Company has a formal Anti-Money Laundering Policy in place, which takes into account regulatory requirements and expectations, as well as industry demands, to ensure that regulatory compliance is maintained at the highest monitoring standards.

The Compliance Committee is established to assist the Board with its oversight of the compliance program with respect to compliance with laws and regulations applicable to the Company's business, including gaming laws and regulations; and the compliance with the Company's Code of Business Conduct and Ethics, Anti-Money Laundering Policy, and Reporting and Non-Retaliation Policy applicable to the Company's Directors, officers, team members, contractors and agents. The Compliance Committee operates under a Compliance Plan approved by the Audit Committee and is chaired by the Chief Compliance Officer.

2.6.6 RELATIONSHIPS WITH KEY STAKEHOLDERS

As at December 31, 2021, our team member profile was as follows:

Number of full-time team members:	25,751 (inclusive of 2,059 managed by hotel partners, 469 based in Zhuhai and 60 based in Hong Kong)
Average age:	42
Gender ratio:	Male 48% Female 52%
Total number of nationalities:	55

Remuneration awards for team members are determined by reference to the performance of the individual and the Company. These are designed to attract, retain and motivate high performing individuals and align our goals and strategies with local market practices and conditions. We also adopted an equity award plan with the purpose of attracting capable persons to join and remain in the employ of our Group whilst also aligning the interests of our team members to those of our Shareholders.

Despite reduced visitation to our properties over the year due to the COVID-19 Pandemic, Sands China maintained appropriate staffing levels and implemented flexible workforce arrangements to reduce costs and minimize cash outflow. We encouraged continuous professional development of team members through a range of talks and activities, and we helped team members cultivate a sense of happiness and well-being by promoting family harmony through parenting education initiatives, thereby positively impacting the local community.

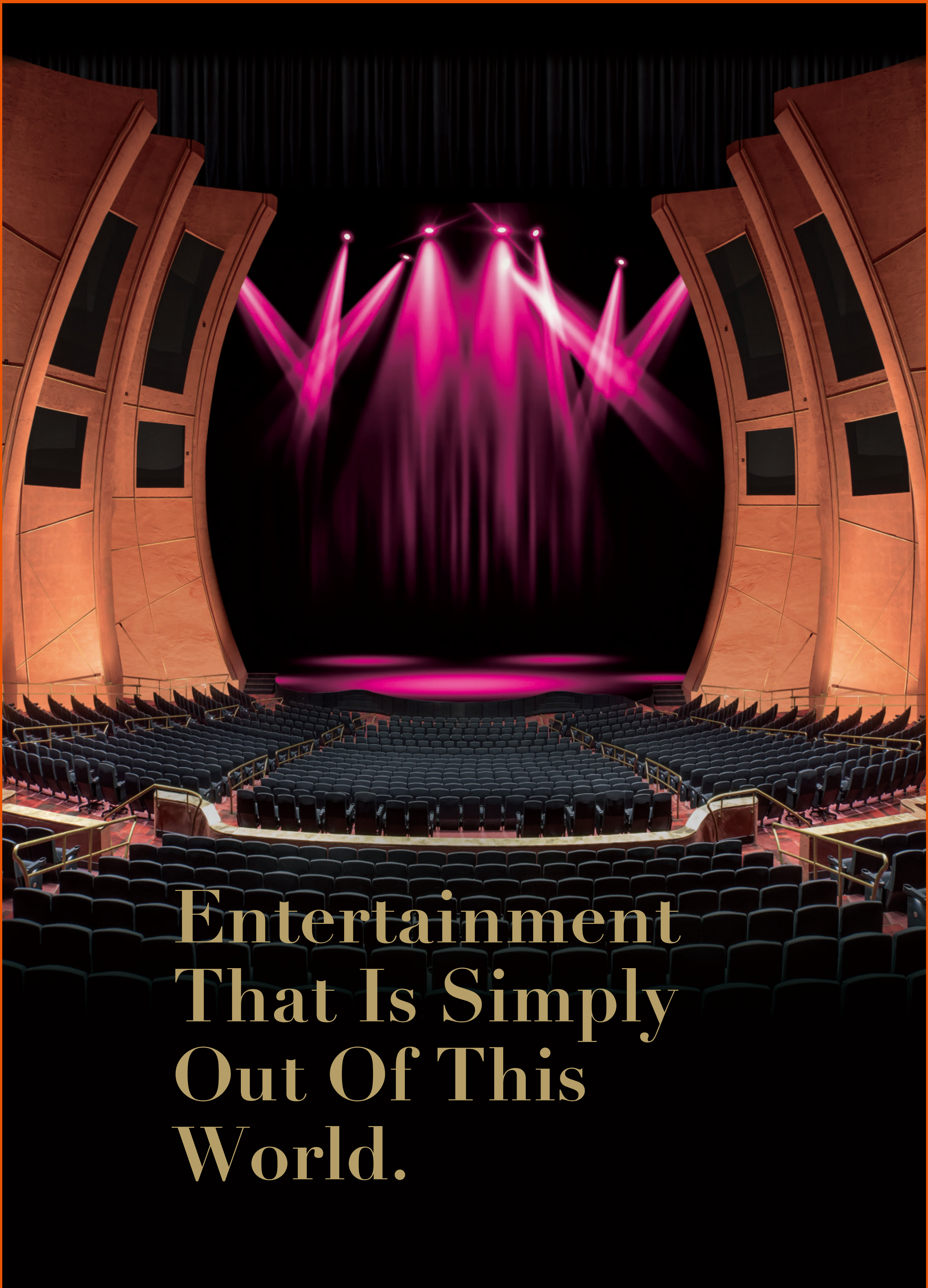
2.6 STAKEHOLDER INFORMATION

In 2021, Sands China team members received approximately 64 hours of training on average, higher than the international standard of 35 hours introduced by the Association for Talent Development.

Regarding our suppliers, we engage in fair and transparent operating practices that aim to drive healthy competition based on mutual trust. We have robust procurement policies and procedures and the highest ethical standards are employed when we engage suppliers or service providers. These safeguard the relentless attention to the quality of our products, services and experiences that our customers expect. Our SME Suppliers Support Program supports the government's initiative and momentum to "buy local" by increasing procurement opportunities between Sands China and local SME suppliers.

An analysis of our relationship with our customers is provided in section 2.6.3 of this Annual Report.

Further details relating to the Group's relationships with its key stakeholders can be found in the Company's 2021 ESG report to be published in due course.


Entertainment
That Is Simply
Out Of This
World.

3. CORPORATE GOVERNANCE REPORT

3.1 INTRODUCTION

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.

This report describes the corporate governance framework and practices of Sands China and how these have been applied during 2021. It explains how the Company has applied the principles of the Code. It also sets out how it has complied with the code provisions of the Code (including any exceptions thereto).

3.2 CORPORATE GOVERNANCE CODE COMPLIANCE

Throughout the year ended December 31, 2021 and up to the Latest Practicable Date, 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)

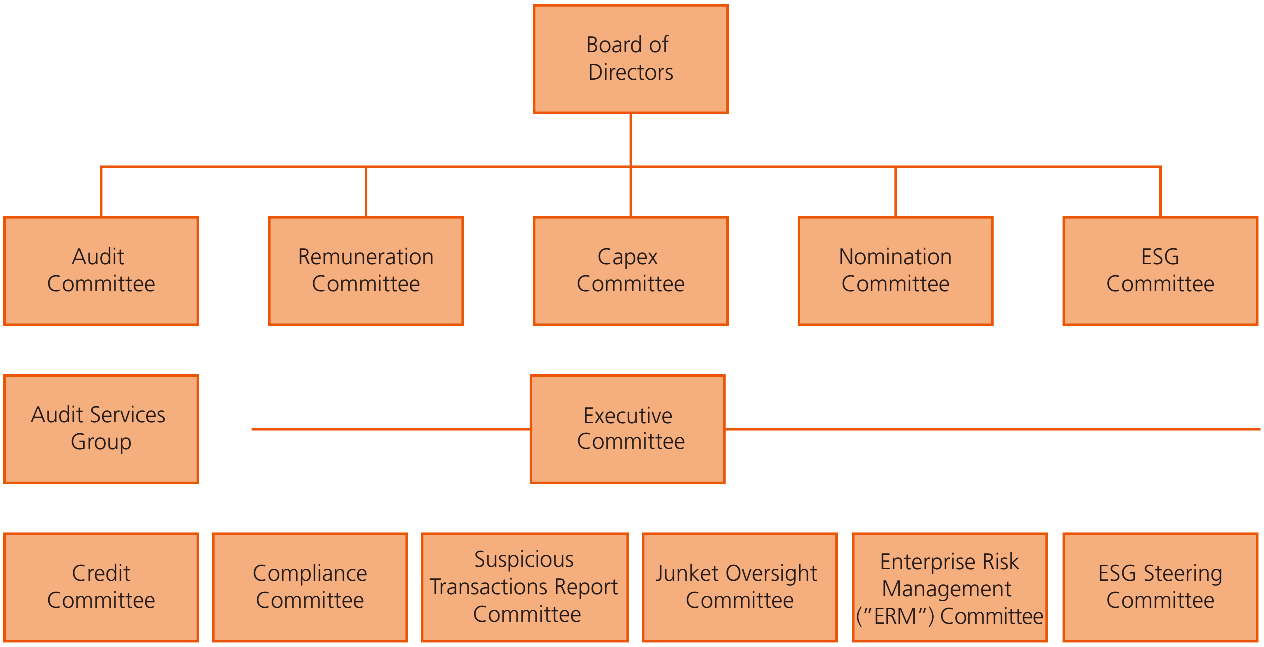
Code Provision A.2.1 provides the roles of Chairman and Chief Executive Officer should be separate and not performed by the same individual. At Sands China, both roles have been performed by Mr. Robert Glen Goldstein since January 2021. The Company believes the combined roles of Mr. Goldstein provide 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.

3.3 BOARD GOVERNANCE STRUCTURE

Sands China's structure for corporate governance is as follows:



The governance structure in respect of the risk management and internal control system is set out in section 3.10 of this Annual Report.

The Board

The Board is principally concerned with the overall leadership, strategy and development of the Group in order to promote its long-term success for the benefit of its Shareholders as a whole within a framework of effective controls that enable risk to be assessed and managed. The Board sets the Group's strategic objectives, ensures necessary resources are in place to reach those objectives, reviews management performance and ensures high ethical standards of behaviour are followed.

In its decision-making process, the Board takes into account the likely consequences of any decision in the long-term, the interests of the Group's team members, relationships with suppliers and customers, the impact of the Group's operations on the community and the environment and maintaining Sands China's reputation for high standards of business conduct.

The Committees

The Board has five Committees that undertake work on its behalf, and report back to the Board: the Audit Committee, the Remuneration Committee, the Nomination Committee, the Capex Committee and the ESG Committee. These Committees assist the Board by undertaking oversight responsibilities or dealing with certain matters in greater detail thereby allowing more effective use of Board time. The Chairperson of each Committee reports back to the Board following each meeting, to ensure the Board is fully briefed on all activities and retains responsibility for approving any actions where a Committee role is advisory.

The roles and functions of the Committees are set out in their respective terms of reference that are subject to annual review to confirm they remain appropriate. The terms of reference of the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee are available on the websites of the Company and the Stock Exchange. The terms of reference of the Capex Committee are available on the website of the Company.

The following sections describe the corporate governance structure in more detail and set out how the Board, its Committees and the risk management system operated during 2021.

3.4 THE BOARD

Composition

At the Latest Practicable Date, the Board comprises eight Directors. There are three Executive Directors and five Non-Executive Directors, of whom four are independent. The biographies of each Director, setting out their specific skills and experience, are set out in section 1.3 of this Annual Report.

The Board comprises of members with a balance of skills, experience and diversity of perspectives appropriate to Sands China. These include having a deep understanding of the hospitality, gaming and MICE industries and knowledge of the local business and economic environment in Macao and more broadly in China and Asia.

Key roles

A number of roles are key to a well-run board, particularly those of the Chairman and Chief Executive Officer and the Company Secretary. Additionally, the Non-Executive Directors bring different perspectives to the Board's discussion from the Executive Directors who are involved day-to-day.

(a) Chairman and Chief Executive Officer

As explained in section 3.2, the roles of Chairman and Chief Executive Officer have both been performed by Mr. Robert Glen Goldstein since January 2021.

The principal responsibilities in capacity as Chairman are:

- Chairing and managing the functioning of the Board.
- Setting the Board's agenda with the President and senior management and ensuring adequate time is available for discussion of all agenda items, in particular strategic issues.
- Promoting a culture of openness and debate by facilitating the effective contribution of the Non-Executive Directors.
- Ensuring Directors receive accurate, timely and clear information and also ensuring effective communication with Shareholders.
- Ensuring appropriate standards of governance permeate through all levels of the Company.

The principal responsibilities in capacity as Chief Executive Officer are:

- Developing the business strategies and support plans for approval by the Board.
- Implementing the objectives and policies agreed by the Board.
- Managing and leading the senior management, including the President, the Chief Operating Officer and the Chief Financial Officer, and executive team.
- Acting as a bridge between the Board and the senior management and executive team, ensuring the Board is aware of the Executive Directors', senior management's and executive team's views on business issues.
- Setting an example to the Company's team members and communicating to them the expectations of the Board in relation to the Company's culture, values and behaviour.

(b) Non-Executive Directors

The Non-Executive Directors bring a mix of business experience and external perspectives as they are not involved in the day-to-day running of the business. Their principal responsibilities are:

- Bringing independent judgement to bear on issues of strategy, policy, performance, accountability, resources, appointments and standards of conduct.
- Taking the lead where potential conflicts of interest arise.
- Serving on Board Committees where individual members have specific expertise or where independent oversight is required.
- Scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring of performance.

The Non-Executive Director, Mr. Charles Daniel Forman, is not independent given his connection with the parent company, LVS. Nevertheless, he brings direct experience of the leisure and hotel industries and adds considerable value to the Board's decision-making process. Although not considered independent, he acts in the interests of Sands China and all its Shareholders in his capacity as Board member.

The other four Non-Executive Directors are considered to be independent, meeting the Listing Rule's requirement that at least one-third of the Board should be independent. Given the substantial shareholding held by LVS, the Independent Non-Executive Directors have a particular responsibility to safeguard the interests of minority Shareholders notwithstanding the Board and the majority Shareholder both understand decisions should always be made in the best interests of the Company.

(c) Company Secretary

The Company Secretary plays an important role in ensuring the smooth functioning of the Board. The role of Company Secretary includes:

- Working with the Chairman to ensure there is a good and timely flow of information to Directors.
- Ensuring the correct Board procedures are followed.
- Facilitating induction activities for new Directors and assisting with the continuing professional development of Board members.
- Taking and keeping minutes of all Board and Committee meetings.
- Advising the Chairman and the Board on all corporate governance-related matters.

Governance framework for the Board

The Board has a number of policies and procedures in place to formalize its governance framework and to ensure it operates transparently and in accordance with best practice.

(a) Board of Directors Corporate Governance Guidelines ("CG Guidelines")

The Board has adopted a set of corporate governance guidelines, which are consistent with the requirements of the Code. The principal matters covered are:

- Board membership and Committees.
- Board refreshment and succession planning.
- Conduct of Directors and delegation of matters by the Board.
- Procedures for Board meetings, management of conflict of interests and determination of Directors' remuneration.
- Requirements for induction of new Directors and continuing education of existing Directors.
- Evaluation of Board and Committees performance.
- Roles and responsibilities of Chairman and Chief Executive Officer.
- Provisions to ensure supply of, and access to, information to Directors.
- Requirements for accountability and audit.

(b) Board of Directors Approval and Authorization Policy

The Board has a formal approval and authorization policy that sets out matters reserved to the Board. The principal matters include the review and approval of:

- Annual operating and capital budgets.
- Regulatory announcements.
- Initial construction budgets for a project and any other arrangements and commitments.
- Capital projects not included in annual or other budgets.
- Charitable contributions.
- Use of professional consultants and freelance agencies.
- Issuance, incurrence and early extinguishment of debt.
- Issuance or sale of equity securities.
- Acquisitions and disposals outside the normal course of business and partnership or joint venture.
- Guidelines for Directors' and officers' liability insurance.
- Other matters where Board approval is required by laws and regulations or codes and policies adopted by the Board.

The Board is also responsible for the approval of strategies, determining risk appetite, overseeing the risk management and internal control systems and ensuring their effectiveness, approval of interim dividends and the recommendation of final dividends for Shareholders' approval.

(c) Code of Business Conduct and Ethics

The Board is also responsible for setting ethical standards for the Company. The Company has adopted a Code of Business Conduct and Ethics to ensure the highest standards of integrity and ethical behaviour are maintained by all Directors and team members.

The Code of Business Conduct and Ethics applies to all Directors, executives, team members and business partners and is based upon the following four key principles:

- Principle 1: Respect for individuals
- Principle 2: Doing business ethically and legally
- Principle 3: Protecting our Company and investors
- Principle 4: Enhancing our communities

The Code of Business Conduct and Ethics also explains to team members where to go to for help or questions, and this includes a confidential hotline available to all team members. It is supported by a Team Member Handbook that provides practical day-to-day guidance and is distributed to all team members upon joining the Company. The Company's Code of Business Conduct and Ethics is available on the Company's website.

(d) Anti-Corruption Policy

The Company has adopted an Anti-Corruption Policy to ensure that our hospitality and business development practices are fully consistent with applicable record keeping and anti-corruption laws, including the FCPA and the Sarbanes-Oxley Act of 2002. The Anti-Corruption Policy is provided to all new Directors, officers and team members.

(e) Reporting and Non-Retaliation Policy

The Company has adopted a Reporting and Non-Retaliation Policy to facilitate and encourage the reporting of any misconduct at the Company, including violations or potential violations of our Code of Business Conduct and Ethics, and to ensure those reporting such misconduct will not be subject to harassment, intimidation or other retaliatory action. The Reporting and Non-Retaliation Policy is provided to all new Directors, officers and team members.

Board effectiveness and evaluation

In order to ensure Directors are able to contribute fully to Sands China, the Company has formal guidelines for induction of newly appointed Directors. These provide newly appointed Directors should receive a formal and tailored induction, to ensure they have a proper understanding of the Company's operations and they are fully aware of their legal and regulatory responsibilities.

Additionally, the Board is also responsible under its guidelines for maintaining the induction and continuing education programs of all Directors. Directors are expected to participate in appropriate programs to develop and refresh their knowledge and skills and ensure their contribution to the Board remains informed and relevant. Internally facilitated briefings for Directors are arranged and relevant materials are distributed. All Directors are encouraged to attend training courses at the Company's expense.

During 2021, the Company arranged briefings on ERM updates on cybersecurity, information technology, credit and collections and gaming promoter services, crisis management and business continuity, human resources, and information governance and privacy, and update on ESG reporting requirements. In addition, relevant materials including legal and regulatory updates were provided to the Directors. All Directors received training on various areas relevant to the Company's operations, development, industry and directors' duties, with details as follows:

		Training areas	
Name of Director	**Corporate Governance**	**Legal and Regulatory**	**Business**
Executive Directors			
Robert Glen Goldstein	√	√	√
Wong Ying Wai	√	√	√
Chum Kwan Lock, Grant[1]	√	√	√
Non-Executive Director			
Charles Daniel Forman	√	√	√
Independent Non-Executive Directors			
Chiang Yun	√	√	√
Victor Patrick Hoog Antink	√	√	√
Steven Zygmunt Strasser	√	√	√
Kenneth Patrick Chung	√	√	√

Note:
(1) Appointed as Executive Director on January 7, 2021.

In January 2022, the Board self-reviewed its performance during 2021. It is satisfied that:

- The Board has met all statutory and regulatory requirements as well as the requirements contained in the Company's articles of association.
- The Board has made all announcements required under the Listing Rules to ensure that the market remained appropriately informed.
- Directors have met the attendance expectations for meetings of a publicly listed company.
- Directors have contributed constructively to Board deliberations and have approved resolutions where required on a properly informed basis.

The Company Secretary also received on-going relevant professional training during the year, and confirmed that he has undertaken no less than 15 hours of training during the year ended December 31, 2021.

Directors' responsibility for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2021.

Board activities in 2021

During 2021, the Board held nine meetings and additionally passed written resolutions in discharging its responsibilities. The Board is required under its CG Guidelines and the Code to meet a minimum of four times at approximately quarterly intervals. Apart from regular Board meetings, the Chairman also held a meeting with the Independent Non-Executive Directors without the presence of other Directors. The membership of the Board, and their attendance at the Board meetings and the general meeting held during the year, is as follows:

	Attendance/No. of Meeting(s)	
Name of Director	**Board**	**Annual General Meeting**
Robert Glen Goldstein (Chairman)	9/9[1]	0/1
Wong Ying Wai	9/9	1/1
Chum Kwan Lock, Grant[2]	8/8	1/1
Charles Daniel Forman	9/9	1/1
Chiang Yun	9/9	1/1
Victor Patrick Hoog Antink	9/9	1/1
Steven Zygmunt Strasser	9/9	1/1
Kenneth Patrick Chung	9/9	1/1

Notes:

(1) Included 3 Board meetings that were attended by proxy.

(2) Appointed as Executive Director on January 7, 2021.

Agendas for each meeting are prepared by the Company Secretary in consultation with the Chairman and Chief Executive Officer, the President and the senior management. During 2021, the Board covered a wide range of matters in relation to strategy, financing, operations, financial performance, regulatory compliance and governance. The principal items considered by the Board are summarized below.

(a) Operational and business oversight

The key areas on which the Board focused during the year were as follows:

- Reviewed and approved the annual budget for 2021.
- Approved significant capital expenditure project.
- Received and considered updates from the management team on operational matters, development projects and any material litigation on a regular basis throughout the year.

(b) Governance

The main governance matters considered by the Board during the year were as follows:

- Received and considered recommendations from Board Committees on a regular basis.
- Reviewed and approved the management incentive program.
- Conducted the reviews required by the Code and the CG Guidelines including annual self-review of performance.
- Recommended to Shareholders the proposal to re-appoint Deloitte as auditor.
- Reviewed and approved the 2021 Phantom Award Scheme.
- Reviewed and approved the re-designation and appointment of Directors.
- Reviewed and approved the change in composition of the Capex Committee.
- Reviewed and approved the establishment and composition of the ESG Committee.

The Board's activity in respect of risk management and internal control, including its interaction with the Audit Committee, is set out in more detail in section 3.10 of this Annual Report.

(c) Financial

Following the reviews and recommendations by the Audit Committee, the Board approved:

- The Company's preliminary annual results announcement and interim results announcement for release to the market.
- The Company's annual report and interim report for publication.
- The Company's Form 20-F annual report for filing with the SEC.
- The Company's quarterly U.S. GAAP financial results for inclusion by LVS in its consolidated financial statements.

(d) Regulatory

The Board focused on the following regulatory matters during the year:

- Approved public announcements prior to release through the Stock Exchange.
- Approved the publication and dispatch of the Company's annual report and interim report to Shareholders.
- Approved the publication of the Company's ESG report.

(e) Other matters

The Board additionally considered and/or approved a number of other matters following recommendations from the Audit Committee, including the entry into waiver extension and amendment request letter to the 2018 SCL Credit Facility and the interest rate and currency swap. The Board also considered and/or approved charitable contributions, the issue of unsecured senior notes, the redemption of the 2023 Notes and the sale of ferries.

In addition, the Independent Non-Executive Directors conducted an annual review of the continuing connected transactions between the Company and LVS and are of the opinion the transactions were entered into in the ordinary and usual course of business of the Company on normal commercial terms and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

3.5 AUDIT COMMITTEE

The Audit Committee plays a key oversight role at Sands China by ensuring the Group has effective and appropriate risk management and internal control systems, backed up by comprehensive governance, internal and external audit and reporting functions.

Composition

At the Latest Practicable Date, the Audit Committee comprises four Directors, all of whom are Independent Non-Executive Directors. The terms of reference specify a minimum membership of three Non-Executive Directors appointed by the Board, a majority of which should be independent. Mr. Victor Patrick Hoog Antink and Mr. Kenneth Patrick Chung have the appropriate professional qualifications and accounting and related financial management expertise.

In addition to the members of the Audit Committee and the senior management, meetings are normally attended by Vice President of Audit, Senior Vice President and Chief Compliance Officer and the external auditor.

Responsibilities

The Audit Committee's responsibilities are set out in detail in its terms of reference. Its main responsibilities are to support the Board in fulfilling its oversight responsibilities in the following key areas:

- Overseeing the Company's relationship with the external auditor.
- Monitoring the integrity of financial information published by Sands China.
- Performing an oversight role in respect of internal audit, risk management and internal control.
- Evaluating its own performance and review the adequacy of its terms of reference annually.

Activities in 2021

During 2021, the Audit Committee met seven times and additionally passed written resolutions in discharging its responsibilities. Its terms of reference require it to meet at least four times in the year on a quarterly basis, or more frequently as circumstances require. The membership of the Audit Committee, and attendance at the meetings held during the year, is as follows:

Name of Committee Member	Attendance/No. of Meeting(s)
Victor Patrick Hoog Antink (Chairman)	7/7
Chiang Yun	7/7
Steven Zygmunt Strasser	7/7
Kenneth Patrick Chung	7/7

The principal matters the Audit Committee considered were:

(a) Oversight of relationship with the external auditor

The Audit Committee monitored Sands China's relationship with its external auditor, Deloitte. In particular, the Audit Committee:

- Evaluated the performance of Deloitte and their independence and objectivity. The Audit Committee recommended to the Board that they be re-appointed as auditor.
- Reviewed and approved non-audit services provided by Deloitte.

(b) Financial information

During 2021, the Audit Committee met at regular intervals to review the financial statements prepared by management for publication, discussing these with management and the external auditor, focusing on the matters specified in the terms of reference. The financial statements review included:

- The Company's preliminary annual results announcement, the annual report, the interim results announcement and the interim report.
- The Company's quarterly U.S. GAAP financial results for inclusion by LVS in its consolidated financial statements.
- The Company's Form 20-F annual report for filing with the SEC.
- Continuing connected transactions for the year.

The Audit Committee also regularly met with the external auditor, Deloitte and considered its interim report, its report on the full year audit and its audit plan.

(c) Internal audit function, risk management and internal control

The Audit Committee regularly considered internal audit, risk management and internal control matters. These included:

- Reviewed the ERM program and the effectiveness of risk management and internal control systems.
- Reviewed the Company's financial reporting system.
- Reviewed the report of the Audit Services Group (the Company's internal audit function) on its activities and findings on a quarterly basis.
- Reviewed the performance of the Audit Services Group on an annual basis.
- Received updates on compliance issues and reviewed the whistleblowing hotline reports on a quarterly basis.
- Received updates on ERM and reports on a number of specific topics, including cybersecurity, information technology, credit and collections and gaming promoter services, crisis management and business continuity, human resources, information governance and privacy and quarterly occupational safety and health reports.
- Received regular reports on legal issues affecting the Group.
- Reviewed resources adequacy, staff qualifications and experience, training programs and budget for internal audit, accounting and financial reporting functions.

Further details of the Group's risk management and internal control processes, including the Audit Committee's role and activities in 2021, is given in section 3.10 of this Annual Report.

(d) Other matters

The Audit Committee additionally reviewed a number of other matters during the year. This included certain business matters prior to consideration by the Board, including the annual budget for 2021, the entry into waiver extension and amendment request letter to the 2018 SCL Credit Facility and the interest rate and currency swap.

The Audit Committee also conducted a review of its performance during the year and its terms of reference. It remained satisfied with its performance and that its terms of reference remained appropriate.

3.6 REMUNERATION COMMITTEE

The primary purpose of the Remuneration Committee is to make recommendations to the Board on the Company's remuneration policy and structure. This includes base salary, benefits, long-term and short-term incentives, profit sharing plans and the terms of any agreements.

Composition

At the Latest Practicable Date, the Remuneration Committee comprises three Directors — two Non-Executive Directors (both of whom are independent) and one Executive Director who is the President. The terms of reference require a majority of the members of the Remuneration Committee (including its Chairman) are Independent Non-Executive Directors. In addition to the members of the Remuneration Committee and the senior management, the Senior Vice President of Human Resources attends the meetings by invitation.

Responsibilities

The Remuneration Committee's responsibilities are set out in detail in its terms of reference. Its main responsibilities are as follows:

- Making recommendations on the Company's remuneration policy and structure, the establishment of a formal and transparent procedure for developing remuneration policy and the remuneration of Non-Executive Directors.
- Having delegated responsibility to determine the remuneration packages of individual Executive Directors and senior management (as defined in the terms of reference of the Remuneration Committee).
- Evaluating and making recommendations to the Board with regard to incentive and share-based plans.
- Evaluating its own performance and reviewing the adequacy of its terms of reference annually.

Activities in 2021

During 2021, the Remuneration Committee met five times and additionally passed written resolutions in discharging its responsibilities. Its terms of reference suggest it should meet four times a year, but permit it to meet less frequently as circumstances require. The membership of the Remuneration Committee, and attendance at the meetings held during the year, is as follows:

Name of Committee Member	Attendance/No. of Meeting(s)
Steven Zygmunt Strasser (Chairman)	5/5
Victor Patrick Hoog Antink	5/5
Wong Ying Wai	5/5

The principal matters the Remuneration Committee dealt with were:

- Reviewed and recommended the appointment letter and emolument arrangement of directors to the Board for approval.
- Reviewed and approved the proposed bonus payments.
- Reviewed and approved the phantom award grants and remuneration package adjustments of Directors and senior management.
- Reviewed and recommended the management incentive program for approval by the Board.
- Reviewed and recommended the 2021 Phantom Award Scheme for approval by the Board.
- Reviewed and approved a one-time retention award.

In conducting its work in relation to the remuneration of Directors and senior management, the Remuneration Committee ensured:

- No individual was involved in determining his or her own remuneration.
- Remuneration awards were determined by reference to the performance of the individual and the Company and aligned to the market practices and conditions, the Company's goals and strategies.

In respect of Non-Executive Directors, the Remuneration Committee has reviewed fees payable taking into account the particular nature of their duties, relevant guidance available and the requirements of the Listing Rules.

The Remuneration Committee conducted a review of its performance during the year and its terms of reference. It remained satisfied with its performance and that its terms of reference remained appropriate.

Additional disclosures required in respect of remuneration including the equity award plans are included later in the Directors' Report and Note 5 to the Consolidated Financial Statements in this Annual Report.

3.7 NOMINATION COMMITTEE

The primary purpose of the Nomination Committee is to assist the Board by making recommendations on the appointment or re-appointment of Directors and succession planning for Directors. It thereby helps the Board to ensure the size, structure and composition of the Board remains appropriate to enable the Board to remain effective in fulfilling its responsibilities.

Composition

The terms of reference require a majority of the members of the Nomination Committee are Independent Non-Executive Directors. They also provide the Nomination Committee should be chaired by the Chairman of the Board or an Independent Non-Executive Director. At the Latest Practicable Date, the Nomination Committee comprises three Directors – the Chairman of the Board (who also is Chairman of the Nomination Committee) and two Independent Non-Executive Directors who accordingly form a majority of the Nomination Committee.

Responsibilities

The Nomination Committee's responsibilities are set out in detail in its terms of reference. Its main responsibilities are to support the Board in ensuring appropriate balance and composition of its membership by:

- Reviewing the structure, size and composition (including but not limited to the perspective, skills, knowledge, experience and diversity) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- Identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships.
- Making recommendations to the Board for appointments or re-appointments of Directors and succession planning for Directors.
- Assessing the independence of Independent Non-Executive Directors with reference to the factors set out in the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board.
- Reviewing the Nomination Policy (as defined in its terms of reference) and the Board Diversity Policy.
- Evaluating its own performance and reviewing the adequacy of its terms of reference annually.

Nomination Policy and Board Diversity Policy

The Company has a formal, considered and transparent procedure for the nomination and appointment of new Directors. The Board has delegated its authority and duties for matters relating to selection and appointment of Directors to the Nomination Committee and set out the same in the terms of reference of the Nomination Committee.

(a) Key nomination criteria and principles for the nomination of Directors

The Nomination Committee considers the following key nomination criteria and principles for the nomination of Directors:

- Review the structure, size and composition (including but not limited to the perspective, skills, knowledge, experience and diversity) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- Identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Board Diversity Policy and the individuals' ability to contribute to the effectiveness of the Board in carrying out its responsibilities set out in the Company's articles of association, the Listing Rules and applicable law and regulation and the CG Guidelines.

The criteria for Board membership is set out in paragraph I (3) of the CG Guidelines, including:

- o Members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity, with reference to the Board Diversity Policy.
- o Ability to dedicate sufficient time and attention to the Company's affairs.
- o Possessing financial literacy.
- o Possessing good character, including:
  - ▪ Integrity: Directors should demonstrate high ethical standards and integrity in their personal and professional dealings.
  - ▪ Accountability: Directors should be willing to be accountable for their decisions as directors.
  - ▪ Judgement: Directors should possess the ability to provide wise and thoughtful counsel on a broad range of issues.
  - ▪ Responsibility: Directors should interact with each other in a manner which encourages responsible, open, challenging and inspired discussion.
  - ▪ High performance standards: Directors should have a history of achievements which reflects high standards for themselves and others.
  - ▪ Commitment and enthusiasm: Directors should be committed to, and enthusiastic about, their performance for the Company as directors, both in absolute terms and relative to their peers.
  - ▪ Courage: Directors should possess the courage to express views openly, even in the face of opposition.
- o Able to meet the following expectations:
  - ▪ Dedicate sufficient time, energy and attention to ensure the diligent performance of his/her duties.
  - ▪ Comply with duties and responsibilities set forth in the CG Guidelines and in the Company's articles of association.
  - ▪ Comply with all duties of care, loyalty and confidentiality applicable to directors of publicly traded corporations.
  - ▪ Adhere to the Company's Code of Business Conduct and Ethics, including but not limited to, the policies on conflicts of interest expressed therein.

- Make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

(b) Nomination procedures for appointment and re-appointment of Directors

The Nomination Committee follows the following procedures regarding the appointment of Directors:

(1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed Independent Non-Executive Director(s) as appropriate.

(2) The Nomination Committee makes recommendation(s) to the Board.

(3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy, the Board Diversity Policy and the CG Guidelines.

(4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by Shareholders at the next annual general meeting after initial appointment in accordance with the Company's articles of association.

(5) The Shareholders approve the election of individual(s), who stand(s) for election at the general meeting, as Director(s).

The Nomination Committee follows the following procedures regarding the re-appointment of Directors:

(1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy, the Board Diversity Policy and the CG Guidelines, and assesses the independence of each retiring Independent Non-Executive Director.

(2) The Nomination Committee makes recommendation(s) to the Board.

(3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy, the Board Diversity Policy and the CG Guidelines.

(4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's articles of association.

(5) The Shareholders approve the re-election of Directors at the annual general meeting.

(c) Board Diversity Policy

When identifying candidates for Board membership, the Nomination Committee takes into account the Nomination Policy and the Board Diversity Policy. Appointments are based on merit and contribution the selected individuals will bring to the Board and factors considered include gender, age, cultural and educational background, professional and industry experience, skills, knowledge and time commitments of such individuals. The Nomination Committee also takes into account the Company's business model and specific needs from time to time. External recruitment professionals might be engaged to assist with the selection process when necessary.

Activities in 2021

During 2021, the Nomination Committee met twice in discharging its responsibilities. Its terms of reference require it to meet at least once in the year. The membership of the Nomination Committee, and attendance at the meetings held during the year, is as follows:

Name of Committee Member	Attendance/No. of Meeting(s)
Robert Glen Goldstein (Chairman)[1]	1/1
Victor Patrick Hoog Antink	2/2
Chiang Yun	2/2

Note:

(1) Appointed as the Acting Chairman with effect from January 7, 2021 and subsequently appointed as the Chairman with effect from January 27, 2021.

The Nomination Committee completed its annual review of the structure, size and composition of the Board and assessed the independence of the Independent Non-Executive Directors as required by its terms of reference.

The Nomination Committee reviewed its terms of reference, the Nomination Policy and Board Diversity Policy and results of reviews remained adequate. The Nomination Committee also conducted a review of its performance during the year and it remained satisfied.

3.8 CAPEX COMMITTEE

The Capex Committee assists the Board by reviewing and recommending to the Board non-budgeted capital expenditure projects with a project value exceeding US$10 million in each instance. This enables the Board, through the Committee, to exercise appropriate oversight and control over management for material projects while allowing more effective use of Board time in focusing on more significant matters.

Composition

On April 16, 2021, Mr. Chum Kwan Lock, Grant was appointed to replace Mr. Robert Glen Goldstein as the Chairman of the Capex Committee and Mr. Goldstein ceased to be a member of the Capex Committee. At the Latest Practicable Date, the Capex Committee comprises three Directors – two Executive Directors, the Chief Operating Officer (who also is Chairman of the Capex Committee) and the President, and one Independent Non-Executive Director.

The terms of reference specify a minimum membership of three Directors appointed by the Board. The purpose of the Capex Committee is to assist effective decision-making by management with an appropriate level of control. As the Capex Committee is not a governance committee, a majority of its members are not required to be Independent Non-Executive Directors.

Responsibilities

The Capex Committee's responsibilities are set out in detail in its terms of reference. Its principal purpose is to support the Board and management in making decisions on capital expenditure by:

- Reviewing and recommending to the Board the terms of any non-budgeted capital expenditure project with a project value exceeding US$10 million in each instance.
- Evaluating its own performance and reviewing the adequacy of its terms of reference annually.

Activities in 2021

During 2021, the Capex Committee met twice in discharging its responsibilities. Its terms of reference require it to meet as required. The membership of the Capex Committee, and attendance at the meetings held during the year, is as follows:

Name of Committee Member	**Attendance/No. of Meeting(s)**
Robert Glen Goldstein(1)	2/2
Chum Kwan Lock, Grant (Chairman)(2)	N/A
Victor Patrick Hoog Antink	2/2
Wong Ying Wai	2/2

Notes:
(1) Ceased to be the Chairman and member with effect from April 16, 2021.
(2) Appointed as the Chairman with effect from April 16, 2021.

The principal matters the Capex Committee dealt with were as follows:

- Reviewed capital improvement project reports presented by management on a quarterly basis.
- Reviewed capital expenditure project with a project value exceeded US$10 million prior to consideration by the Board.

The Capex Committee also conducted a review of its performance during the year and its terms of reference. It remained satisfied with its performance and that its terms of reference remained appropriate.

3.9 ESG COMMITTEE

The primary purpose of the ESG Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Group's ESG issues, strategy and reporting.

Composition

At the Latest Practicable Date, the ESG Committee comprises three Directors — two Independent Non-Executive Directors and one Executive Director who is the President. The terms of reference specify a minimum membership of three Directors, at least one of whom shall be an Independent Non-Executive Director. In addition to the members of the ESG Committee and the senior management, Senior Vice President of Resort Operations and Executive Director of ESG Program and Sustainability attend the meetings by invitation.

Responsibilities

The ESG Committee's responsibilities are set out in detail in its terms of reference. Its main responsibilities are as follows:

- Monitoring and overseeing the Group's ESG strategy and approach, the Group's ESG reporting and the implementation of the Group's ESG-related policies and initiatives.
- Reviewing the Group's environmental and social performance.
- Reviewing and making recommendation to the Board with regard to the ESG related matters, including the annual ESG Report.
- Evaluating its own performance and reviewing the adequacy of its terms of reference annually.

Activities in 2021

The ESG Committee was established on April 16, 2021. During 2021, the ESG Committee met once in discharging its responsibilities. Its terms of reference require it to meet as required. The membership of the ESG Committee, and attendance at the meeting held during the year, is as follows:

Name of Committee Member	Attendance/No. of Meeting(s)
Chiang Yun (Chairlady)	1/1
Kenneth Patrick Chung	1/1
Wong Ying Wai	1/1

The principal matters the ESG Committee dealt with were as follows:

- Establishment and composition of the ESG Steering Committee with its charter approved.
- ESG governance structure.
- ESG issues, approach and planning, in particular the ESG strategy development process, ESG stakeholder engagement, ESG materiality assessment and ESG risk management approach.
- Identification of the below topics as "Very Important" material ESG issues:
  - Ethical Conduct
  - Human and Labour Rights
  - Responsible Gaming
  - Climate Change
  - Energy
  - Waste and Packaging
- ESG reporting, ESG consultant and key ongoing ESG initiatives and projects.

The ESG Committee also conducted a review of its performance during the year and its terms of reference. It remained satisfied with its performance and that its terms of reference remained appropriate.

3.10 RISK MANAGEMENT AND INTERNAL CONTROL

Governance and Implementation Structure for Risk Management

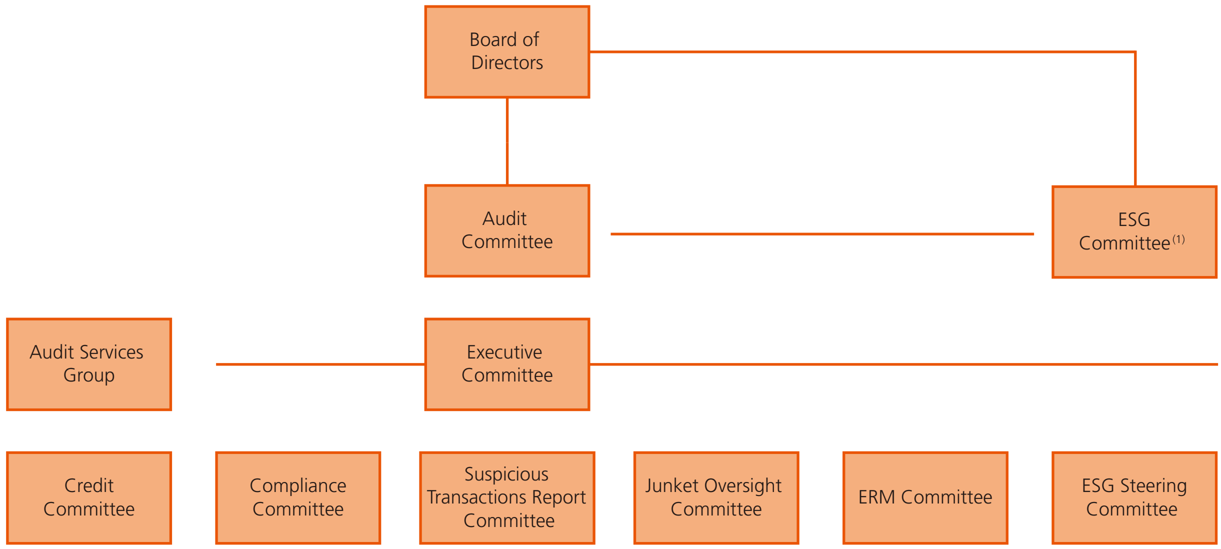
In executing its strategy and operating its business, the Company faces various risks and uncertainties. Effective risk management is a central element of Sands China's governance practices, designed to mitigate and manage these risks. Ultimately, the accurate and timely identification, assessment and management of Sands China's priority risks are critical to the operational and financial success of the business.

Sands China's governance framework for risk management and internal control is set out in its ERM Charter. The ERM Charter was developed in 2016 with latest revision in January 2022. This underpins Sands China's processes in three ways:

- Firstly, the ERM Charter clearly sets out the roles and responsibilities of different committees, functions and individuals for risk management activity. This helps to ensure risk management is embedded across the organization with clear accountability for its implementation and oversight.
- Secondly, the ERM Charter describes the methodology and approach to risk identification and assessment. This helps to ensure a consistent approach to risk management both across the Group and over time.
- Thirdly, the ERM Charter establishes protocols for both internal and external communication to appropriate individuals where risk events arise or existing risk events change. This helps Sands China to respond effectively to mitigate or address risk events.

The ERM Charter is aligned with LVS' ERM program, thereby enabling Sands China to benefit from the breadth of risk management experience across the LVS Group. The operation of the ERM Committee is under the review of the Audit Committee on behalf of the Board with a view to the continuous improvement of risk management and internal control systems.

Sands China's governance structure for its risk management system is set out below:



Note:

(1) The ESG Committee oversees the ESG program, which includes management of ESG risks. Please refer to the 2021 ESG report for more information.

Key roles

(a) The Board of Directors and the Audit Committee

The Board has overall responsibility for risk management and internal control systems and for reviewing their effectiveness at least annually through the Audit Committee. The Board recognizes these systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and therefore can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board meets its responsibility in respect of risk management and internal control systems in a number of ways. It sets and communicates Sands China's strategies and objectives. Through its Audit Committee, it oversees the Company's risk management and internal control systems on an on-going basis. The Board monitors risk appetite by evaluating and determining the nature and extent of the priority risks the Group will accept in order to achieve its strategic objectives.

The Audit Committee and the Board receive regular analysis of risk-related key matters for consideration in advance of each meeting, covering financial and operational matters. The regular provision of risk information allows the early identification of potential issues and an assessment of the adequacy of any mitigating actions to address them.

On behalf of the Board, the Audit Committee conducts an on-going review of the effectiveness of Sands China's and its subsidiaries' risk management and internal control systems. The review covers all material controls, including financial, operational and compliance controls. This looks at how the nature and extent of priority risks has changed since the previous review, the scope and quality of management's on-going risk monitoring and mitigation efforts, the frequency of communication to the Audit Committee/Board and any significant changes in Sands China's risks in the year and how these were addressed.

Section 3.5 of this Annual Report sets out the principal activities of the Audit Committee during 2021 in respect of risk management and internal control. This included an annual review of risk management and internal control systems on behalf of the Board. Based on the following considerations, the Audit Committee concluded the Company's risk management and internal control systems are effective and adequate:

- Adequacy of resources, qualifications, experience, training and budgets of the Company's accounting, internal audit (Audit Services Group), financial reporting, information technology, cybersecurity, legal and compliance functions.
- Changes in the nature and extent of priority risks and management's responsiveness to changes in the business and external environment.
- Scope and quality of management's on-going monitoring of risks and of the internal control systems.
- Effectiveness and the work of the internal audit function (Audit Services Group) and other assurance providers.
- Extent and frequency of communication of results of risk monitoring to the Audit Committee.
- Significant control weaknesses and potential deficiencies identified as well as the adequacy of planned actions to mitigate risks, which could pose a material impact on the Company's financial performance or condition.
- Effectiveness of the processes for financial reporting and Listing Rules compliance.
- Confirmation from management on the effectiveness of the risk management and internal control systems.

(b) ERM Executive Sponsors

The ERM Executive Sponsors comprise the President, Chief Operating Officer and Chief Financial Officer. The ERM Executive Sponsors are responsible for detailed executive level oversight of the Company's risk management processes over the course of the year.

(c) Audit Services Group

The Audit Services Group is the Company's internal audit function. Its responsibilities are set out in the Internal Audit Charter, which was approved by the Audit Committee and the Board. These include independently reviewing the effectiveness of the Company's risk management and internal control systems.

The Audit Services Group meets this responsibility through performing independent assessments of the adequacy and effectiveness of the Company's risk management processes; the scope and frequency of these assessments are determined in consultation with the ERM Executive Sponsors. In addition to its primary reporting line to the Audit Committee, the Audit Services Group reports the results of its assessments of Sands China's risk management processes to the ERM Executive Sponsors. The Audit Services Group additionally advises on the design, implementation and development of risk management processes. Meanwhile, the outputs of the risk management processes are considered in the development of the Audit Services Group's audit plans.

(d) Risk Owners

Risk Owners are department and functional heads across Sands China who have overall responsibility for implementing, leading and supporting risk management activities. They are required to operate in a manner consistent with the Company's risk management objectives and are responsible for fostering an effective risk culture and developing risk and performance metrics to measure, track and report on risk trends within their departments or functions.

Risk Management Methodology

Sands China has adopted a risk management methodology which consists of four key processes and is applied on an on-going basis. The methodology is based on that set out by the Committee of Sponsoring Organizations of the Treadway Commission. It is also consistent with LVS' ERM program, which means the Company is able to leverage and benefit from the experience and learnings of the LVS Group in relation to the effective management of risk.

Risk Identification

- Risk Owners identify risks in the operations and those relevant to the Company as a whole.
- ERM Executive Sponsors identify emerging risks or strategic risks.
- An updated risk inventory is prepared as a basis of the risk assessment and for development of the audit plan of the Audit Services Group.

Risk Assessment

- Risk inventory is updated and assessed in conjunction with management team updates.
- Risk ranking is produced based on periodic risk assessments to facilitate and refresh the identification of priority risks.
- Impact of a risk event is assessed in terms of severity of its consequences (both financial and non-financial).
- Likelihood is assessed in terms of the probability a risk event could materialize.
- A consistent and robust global approach is taken in the determination and execution of the risk assessment methodology.

Risk Response

- Prioritized risk ranking is reviewed by the stakeholders.
- Risk is managed by Risk Owners with appropriate skills and experiences.
- Risk mitigation plans are developed for each risk by the respective Risk Owners.
- Risk mitigation plans are reviewed and approved by the ERM Committee, executive management and, for priority risks, the Audit Committee.

Risk Monitoring and Reporting

- Known and emerging risks as well as the implementation and effectiveness of the risk mitigation plans are monitored by the Risk Owners.
- Periodic updates on the implementation and progress of the risk mitigation plans are provided to the ERM Committee.
- On-going effectiveness of the ERM program is reviewed by the ERM Committee and priority risks are reported to the Audit Committee on a quarterly basis.

Communications of Risk Events

An integral part of risk management processes includes the communication of risk events, both internally and externally, when major risk events arise. Complete, accurate and timely communication of relevant information to the right individuals and functions is key to enabling Sands China to make the appropriate decisions and responses when a risk event arises. The necessary level of information, appropriate parties and suitable timeframe required for a response will vary significantly according to the nature and severity of the risk event that has occurred.

Inside Information

Sands China has written procedures in place for the handling of inside information in accordance with the Listing Rules. Officers of the Company and its subsidiaries (i.e. members of the Board of Directors of the Company and its subsidiaries, Department Heads, Executive Vice Presidents, Senior Vice Presidents and Vice Presidents) carry out the following periodically:

- Business developments and events are monitored so any potential Inside Information (as defined in the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission in June 2012) is promptly identified.
- Inside Information, where identified, is reported to the General Counsel and Company Secretary (or, in his absence, the Assistant General Counsel) who will then report it to the President, the Chief Operating Officer and the Chief Financial Officer followed by the Executive Committee, as is appropriate. The Executive Committee will meet to consider the matter and make a decision as to whether or not it should be treated as Inside Information and whether an announcement is required or, where necessary, the matter will be referred to the Board for its decision. A record of any meetings and discussions concerning the assessment of whether or not information constitutes Inside Information will be maintained.
- A sensitivity list is maintained and reviewed by the Executive Committee; this list identifies factors or developments likely to give rise to Inside Information.
- Any Inside Information or potential Inside Information is kept confidential and team members are reminded of the need to preserve confidentiality. Appropriate confidentiality agreements are put in place when the Company enters into significant negotiations.
- Inside Information is first disclosed by a Stock Exchange announcement before it is released via other channels.

Activities in 2021

During 2021, the ERM Committee met four times to discharge its responsibilities. The principal matters it dealt with were as follows:

- Reviewed the 2021 ERM risk inventory.
- Reviewed and approved 2021 priority risk reporting timeline.
- Reviewed and considered updates from the Risk Owners on the implementation and progress of the risk mitigation plans.
- Monitored risk mitigation progress in coordination with Risk Owners and provided updates to the Audit Committee on a quarterly basis.
- Reviewed and updated its Charter during the year.

Priority Risks and Key Mitigations

The priority risks facing the Company, as identified by the Board in their annual review of the risk management processes, are set out in section 2.5 of this Annual Report.

Through the Risk Management Methodology adopted by the Company, risk factors are identified, prioritized and communicated, and related risk strategies are developed to manage and mitigate risks.

The priority risks identified are addressed by the following key mitigation measures:

- Implementation of additional controls, safeguards, policies and procedures.
- Implementation of appropriate response plans.
- Deployment of appropriate insurance instruments.
- Diversification of business.
- Proactively monitoring of industry trends, competitors and innovations.
- Proactively monitoring of regulatory changes.
- Effective monitoring and timely remediation of identified deficiencies.
- Internal audit oversight.
- Review and ensure the adequacy of resources.
- Employ and develop the best talent and leadership capabilities.
- Organize comprehensive training programs for team members, including awareness training, compliance training and continuing professional training.
- Design and implementation of succession plan program.
- Review the Company's compensation policies and practices to ensure they do not provide incentives for employees to take inappropriate business risks or risks reasonably likely to have a material adverse effect on the Company.

3.11 SHAREHOLDERS

The Company considers effective communication with Shareholders is essential for good investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information.

To facilitate maintaining an on-going dialogue with Shareholders and to encourage Shareholder engagement and participation, the Company has developed and maintains a Shareholder Communication Policy, which is available on the website of the Company. Under this policy, the Company commits to give Shareholders balanced and understandable information about the Company's performance, position and prospects. Information is made available to Shareholders through a number of means, including formal announcements of information required under the Listing Rules and through the constructive use of general meetings. Updated information (for example, including in relation to the Company's financial information and its corporate governance practices) as well as standing information about the Company is also made available through the Company's website (www.sandschina.com).

The general meetings of the Company provide a forum for communication between the Board and Shareholders. The Chairman of the Board, as well as the chairperson and/or other members of the Committees will, in the absence of unforeseen circumstances, attend to answer questions raised at these meetings. The external auditor will be asked to attend the annual general meeting to answer questions about relevant matters including the conduct of the audit, the auditor's report and auditor independence.

The Company maintains procedures for Shareholders to propose a person for election as a Director of the Company. The details of these procedures are available on the Company's website.

To safeguard Shareholders' interests and rights, separate resolutions will be proposed for each substantial separate issue at general meetings, including the election of Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Company's articles of association and the Listing Rules, and poll results will be posted on the Company's website and that of the Stock Exchange after each general meeting.

Procedures for Shareholders to Convene an Extraordinary General Meeting

Article 68 of the Company's articles of association provides general meetings shall be convened on the written requisition of the following members of the Company deposited at the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for the attention of Company Secretary, specifying the objects of the meeting and signed by the requisitionist(s), provided such requisitionists held, as at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company, which carries the right of voting at general meetings of the Company:

- Any two or more members; or
- Any one member which is a recognized clearing house (or its nominee(s)).

If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as in which meetings may be convened by the Directors provided any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Note: Any such written requisition from the Shareholders should be marked "Shareholders' Communication" on the envelope.

Procedures for Shareholders to Put Forward Proposals at General Meeting

Within 10 days of the date on which a notice (the "Notice") is deemed to be received by Shareholders in respect of any general meeting of the Company (the "Relevant General Meeting"), two or more Shareholders holding at least one-tenth of the paid up capital of the Company, which carries the right of voting at general meetings of the Company may together, by written notice to the Company at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for the attention of Company Secretary, propose a resolution to be proposed and considered at the Relevant General Meeting in addition to the resolutions set out in the Notice. Such written notice shall be accompanied by a statement in no more than 1,000 words explaining the matters referred to, and the reasons for, any such proposed resolution. Following the receipt of such written notice and accompanying statement by the Company, the Company may, in the Company's absolute discretion (taking into account, without limitation, legal, regulatory and practical considerations relating to the issue of any supplemental notice to all Shareholders in relation to the Relevant General Meeting), include the proposed resolution in the business of (i) the Relevant General Meeting or (ii) in a general meeting of the Company that is subsequent to the Relevant General Meeting.

The Company will circulate a revised Notice including any proposed resolution and the accompanying statement to all Shareholders in accordance with the articles of association of the Company provided that if, in the Company's sole opinion (without having to give reasons therefor), the above process is being abused in any way whatsoever, the Company has absolute discretion to not include such proposed resolution in the business of the Relevant General Meeting or a subsequent general meeting of the Company.

Note: Any such written notice from the Shareholders should be marked "Shareholders' Communication" on the envelope.

Procedures for Shareholders to Put Forward Enquiries to the Board

Shareholders are, at any time, welcome to raise questions and request information (to the extent it is publicly available and appropriate to provide) from the Board and management by writing to the Company Secretary at The Venetian Macao Resort Hotel, Executive Offices, L2, Estrada da Baía de N. Senhora da Esperança, s/n, Taipa, Macao.

Note: Any such letter from the Shareholders should be marked "Shareholders' Communication" on the envelope.

Investor Relations

During the year 2021, the Company has not made any amendment to its memorandum and articles of association. The Company's memorandum and articles of association is available on the websites of the Company and the Stock Exchange.

Dividend Policy

It is the Company's intention to provide Shareholders with consistent regular dividends depending on the Company's earnings, financial condition, cash flows and capital requirements, as well as economic and other conditions our Board may deem relevant. Our ability to declare and pay dividends on our Shares is also subject to the requirements of the Cayman Islands law. Moreover, we are a holding company, which is dependent upon the operations of our subsidiaries for cash. The laws where our subsidiaries operate and the terms of our subsidiaries' debt and other agreements may restrict the ability of our subsidiaries to make dividends or other distributions to us.

On July 7, 2021, the Company entered into a further waiver extension and amendment request letter with respect to certain provisions of the 2018 SCL Credit Facility, pursuant to which lenders agreed to, among other things: (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 ending 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. In deciding whether to propose a dividend, the Board shall consider, amongst other factors, any restrictions on payment of dividends that have been, or may be, agreed between any Group company and contracting party.

3.12 COMPLIANCE DISCLOSURES AND OTHER MATTERS

The Listing Rules require certain corporate governance disclosures to be made. This section of the report details certain disclosures that have not been covered above.

Disclosure of Directors' Information pursuant to the Listing Rule 13.51B(1)

Saved as disclosed in our 2020 annual report and 2021 interim report, there were no changes to the Directors' information pursuant to the Listing Rule 13.51B(1).

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 Annual Report (i.e. March 18, 2022).

Quarterly Reporting

LVS, as a U.S. Securities Exchange Act 1934 reporting company, is required to file quarterly financial reports with the SEC. When LVS releases its press release relating to quarterly financial information (which contains financial information about the Group) in the U.S., the Company simultaneously makes an announcement pursuant to Rule 13.09(2)(a) of the Listing Rules extracting key highlights of the press release pertaining to the Group. The financial information relating to the Group contained in such press release is presented in accordance with U.S. GAAP and there is no reconciliation of such information with IFRS. When LVS files its quarterly financial report (which contains financial information about the Group) on Form 10-Q, the Company makes an announcement pursuant to Rule 13.09(2)(a) of the Listing Rules providing a hyper-link to such Form 10-Q, which contains financial information relating to the Group presented in accordance with U.S. GAAP.

Remuneration of Senior Management

The remuneration of the members of the senior management by band for the year ended December 31, 2021 is set out below:

	Number of members of senior management
HK$8,000,001 (approximately US$1,026,000)–HK$12,000,000 (approximately US$1,539,000)	1
HK$16,000,001 (approximately US$2,051,000)–HK$20,000,000 (approximately US$2,564,000)	1
HK$30,000,001 (approximately US$3,846,000)–HK$34,000,000 (approximately US$4,359,000)	2
	4

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" in section 4.1 of this Annual Report. During the year ended December 31, 2021, the remuneration paid and payable to the Company's external auditor is set out below:

Type of services	Amount of Fees Payable/Paid (US$'000)
Audit services[i]	2,505
Non-audit services[ii]	106
Total	**2,611**

Notes:
(i) Auditor's remuneration of US$335,000 was capitalized during the year ended December 31, 2021 related to the issuance of Senior Notes.
(ii) Non-audit services include fees for tax compliance services and accounting training programs.

3.13 DIRECTORS' REPORT

The Directors present their report together with the audited Consolidated Financial Statements of the Group for the year ended December 31, 2021.

Principal Activities

The principal activity of the Company is investment holding and the principal activities of our subsidiaries are the development and operation of integrated resorts in Macao, which contain not only gaming and hotel areas, but also meeting space, convention and exhibition halls, retail and dining areas and entertainment venues.

Consolidated Financial Statements

The Consolidated Financial Statements of the Group for the year ended December 31, 2021 are set out in section 4.2 of this Annual Report.

Business Review

The business review of the Group for the year ended December 31, 2021 is set out in section 2 of this Annual Report.

Dividends

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

Share Capital

Details of movements in the share capital of the Company during the year are set out in Note 18 to the Consolidated Financial Statements.

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.

Distributable Reserves of the Company

The Company's reserves available for distribution to Shareholders as at December 31, 2021 amounted to approximately US$1.71 billion (2020: US$1.70 billion).

Borrowings

The total borrowings of the Group as at December 31, 2021 amounted to US$7.96 billion (2020: US$7.06 billion). Particulars of borrowings are set out in Note 21 to the Consolidated Financial Statements.

Finance Costs Capitalized

Finance costs amounting to US$14 million (2020: US$21 million) were capitalized by the Group during the year as set out in Note 7 to the Consolidated Financial Statements.

Donations and Contributions

Donations and contributions by the Group for charitable and other purposes amounted to US$2 million (2020: US$3 million).

Financial Summary

A summary of the results for the year and of the assets and liabilities of the Group as at December 31, 2021 and for the previous four financial years are set out in section 4.4 of this Annual Report.

Directors

The Directors of the Company during the year and as at the Latest Practicable Date are:

Executive Directors	Title	Note
Robert Glen Goldstein	Chairman of the Board and Chief Executive Officer[(1)]	Re-designated January 7, 2021
Wong Ying Wai	President	Appointed January 22, 2016
Chum Kwan Lock, Grant	Chief Operating Officer	Appointed January 7, 2021

Non-Executive Directors		
Sheldon Gary Adelson[(2)]		Passed away January 11, 2021
Charles Daniel Forman		Elected May 30, 2014

Independent Non-Executive Directors		
Chiang Yun		Appointed October 14, 2009
Victor Patrick Hoog Antink		Appointed December 7, 2012
Steven Zygmunt Strasser		Elected May 31, 2013
Kenneth Patrick Chung		Appointed July 15, 2016

Notes:

(1) Mr. Robert Glen Goldstein was appointed as the Acting Chairman, Acting Chief Executive Officer and the Acting Chairman of the Nomination Committee, and re-designated as an Executive Director with effect from January 7, 2021 and was subsequently appointed as the Chairman of the Board and Chief Executive Officer and the Chairman of the Nomination Committee with effect from January 27, 2021.

(2) Mr. Sheldon Gary Adelson took a medical leave of absence from his positions as the Chairman, Chief Executive Officer and the Chairman of the Nomination Committee, and was re-designated as a Non-Executive Director with effect from January 7, 2021 and passed away in the United States on January 11, 2021.

The Board has established five committees, being the Audit Committee, the Remuneration Committee, the Nomination Committee, the Capex Committee and the ESG Committee. The table below details the membership and composition of each of the five committees as at the Latest Practicable Date.

Name of Director	Audit Committee	Remuneration Committee	Nomination Committee	Capex Committee	ESG Committee
Robert Glen Goldstein	—	—	Chairman	—	—
Wong Ying Wai	—	Member	—	Member	Member
Chum Kwan Lock, Grant	—	—	—	Chairman	—
Charles Daniel Forman	—	—	—	—	—
Chiang Yun	Member	—	Member	—	Chairlady
Victor Patrick Hoog Antink	Chairman	Member	Member	Member	—
Steven Zygmunt Strasser	Member	Chairman	—	—	—
Kenneth Patrick Chung	Member	—	—	—	Member

Director Independence

The Company has received written annual confirmation from all Independent Non-Executive Directors of their independence pursuant to the requirements of the Listing Rules. The Company considers all Independent Non-Executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules. Directors are required to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at Board meetings and withdraw if appropriate.

Directors' Service Contracts

Each of the Non-Executive and Independent Non-Executive Directors is appointed for a term of three years. The appointment may be terminated by either the Company or the Director on not less than one month's written notice. The Directors shall retire by rotation and be eligible for re-election in accordance with the articles of association of the Company.

None of the Directors offering themselves for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

No emoluments were paid to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2020: nil).

On October 15, 2021, the Board approved the appointment letter of Dr. Wong Ying Wai as Executive Director for a term of three years from January 22, 2022.

For the year ended December 31, 2021, details of remuneration of the Directors and senior management are set out in Note 5 to the Consolidated Financial Statements and page 97 of this report respectively.

Directors' Interests

Directors are required to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board and withdraw from that part of the Board meetings, if appropriate.

With the exception of the continuing connected transactions disclosed herein, no transaction, arrangement or contract in relation to the Group's business to which the Company or any of its fellow subsidiaries was a party and in which a Director (or any person who at any time in the financial year ended December 31, 2021 was a Director or any entity connected with a Director or such person) had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year ended December 31, 2021.

Management Contracts

No contracts, other than employment contracts, concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year 2021.

Permitted Indemnity

Pursuant to the Company's articles of association, every Director shall be indemnified and held harmless out of the assets of the Company, to the fullest extent permitted by applicable law, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred. The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against the Directors and officers arising out of corporate activities.

Interests of Directors and Chief Executives

The interests of each of the Directors and Chief Executives in the shares, underlying shares and debentures of the Company and any of the Company's associated corporations (within the meaning of Part XV of the SFO) as at December 31, 2021, as recorded in the register required to be kept under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out in the table and explanatory notes below:

Name of Director	Company	Nature of interest	Number of Shares	Approximate percentage of shareholding interest
Wong Ying Wai	Company	Beneficial owner	5,510,600 (L)[1]	0.07%
Chum Kwan Lock, Grant	Company	Beneficial owner	2,862,500 (L)[2]	0.04%

Name of Director	Associated corporation	Nature of interest	Number of securities	Approximate percentage of shareholding interest
Robert Glen Goldstein	LVS	Beneficial owner	5,037,057 (L)[3]	0.66%
Charles Daniel Forman	LVS	Beneficial owner	215,178 (L)[4]	0.03%

The letter "L" denotes the person's long position in such shares/securities.

Notes:

(1) This amount includes (a) 4,000,000 options to purchase 4,000,000 Shares, all of which are vested and exercisable, and (b) 1,510,600 unvested restricted share units of SCL.

(2) This amount includes (a) 1,238,500 options to purchase 1,238,500 Shares, of which 875,000 are vested and exercisable, and (b) 1,624,000 unvested restricted share units of SCL.

(3) This amount includes (a) 137,057 shares of LVS' common stock, (b) 4,750,000 options to purchase 4,750,000 shares in LVS' common stock, of which 2,750,000 are vested and exercisable, and (c) 150,000 unvested restricted stock units of LVS.

(4) This amount includes (a) 212,040 shares of LVS' common stock, and (b) 3,138 unvested shares of LVS' restricted stock.

None of the Directors or the Chief Executives had short positions in respect of shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as at December 31, 2021.

Save as disclosed above, so far as was known to the Directors, as at December 31, 2021, none of the Directors or the Chief Executives had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares or underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that were required to be notified to the Company and the Stock Exchange, or any interests that were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests that were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at December 31, 2021, save as disclosed above, none of the Directors nor the Chief Executives (including their spouses and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations (within the meaning of Part XV of the SFO).

Interests of Substantial Shareholders

The interests of substantial Shareholders in the Shares and underlying shares of the Company as at December 31, 2021, as recorded in the register required to be kept under Section 336 of Part XV of the SFO or as the Company is aware or had been notified of, are set out in the table below.

Name of substantial Shareholder	Capacity/ Nature of interest	Number of Shares	Approximate percentage of issued share capital
Irwin Chafetz	Interest of a controlled corporation	5,657,814,885(L)	69.91%
Las Vegas Sands Corp.	Interest of a controlled corporation	5,657,814,885(L)	69.91%
Las Vegas Sands, LLC	Interest of a controlled corporation	5,657,814,885(L)	69.91%
Venetian Casino Resort, LLC	Interest of a controlled corporation	5,657,814,885(L)	69.91%
LVS (Nevada) International Holdings, Inc.	Interest of a controlled corporation	5,657,814,885(L)	69.91%
LVS Dutch Finance C.V.	Interest of a controlled corporation	5,657,814,885(L)	69.91%
LVS Dutch Holding B.V.	Interest of a controlled corporation	5,657,814,885(L)	69.91%
Sands IP Asset Management B.V.	Interest of a controlled corporation	5,657,814,885(L)	69.91%
Venetian Venture Development Intermediate II	Beneficial owner	5,657,814,885(L)	69.91%

The letter "L" denotes the person's long position in such shares.

As at December 31, 2021, VVDI (II) was a substantial Shareholder which held 5,657,814,885 Shares (representing approximately 69.91% of the total issued share capital of the Company). VVDI (II) was a wholly-owned subsidiary of Sands IP. Sands IP was a wholly-owned subsidiary of LVS Dutch Holding, which was in turn wholly-owned by LVS Dutch Finance. LVS Dutch Finance was 99% owned by LVS Nevada, with the remaining 1% owned by a wholly-owned subsidiary of LVS Nevada, which was in turn wholly-owned by Venetian Casino. Venetian Casino was a wholly-owned subsidiary of LVS LLC, which was in turn wholly-owned by LVS. Mr. Irwin Chafetz had voting control in certain shares of common stock of LVS resulting in him having one third or more of the voting power at general meetings of LVS. Other than 83,299 shares (0.01%) of LVS' common stock owned directly by Mr. Chafetz, all other shares of LVS' common stock were held by Mr. Chafetz as a (co-)trustee of trusts and co-manager of a limited liability company, in each case for the benefit of members of the Adelson family.

As at December 31, 2021, the Company had not been notified of any short positions being held by any substantial Shareholder in the Shares or underlying shares of the Company.

Interests of Any Other Persons

Save as disclosed above, as at December 31, 2021, the Company had not been notified of any persons who had interests or short positions in the Shares or underlying shares of the Company, as recorded in the register required to be kept under Section 336 of Part XV of the SFO.

Senior Management

The biographical details of the senior management as at the date of this report are set out in section 1.3 of this Annual Report.

Major Customers and Suppliers

For the year ended December 31, 2021, the aggregate amount of turnover attributable to the Group's five largest customers represented less than 30% of the Group's total turnover; and the aggregate amount of purchases (not including the purchases of items that are of a capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's purchases.

Non-Competition Deed with LVS

We entered into a Non-Competition Deed with LVS on November 8, 2009 so as to maintain a clear delineation of the respective businesses of each party with effect from the Listing Date. Please see our Prospectus for additional information on the Non-Competition Deed. Since the Listing Date, there have been no business opportunities offered by LVS to us and LVS and its associates have not carried out, nor proposed to carry out, any business activity, whether directly or indirectly, which competes or may lead to competition with us. LVS has provided its written declaration in respect of LVS and its subsidiaries' (other than that which form part of our Group) compliance with the undertakings under the Non-Competition Deed during the year ended December 31, 2021. Our Independent Non-Executive Directors consider that LVS has complied with the terms set out in the Non-Competition Deed during the year ended December 31, 2021.

Continuing Connected Transactions — Shared Services Agreement

The Company and LVS entered into a Shared Services Agreement in respect of the provision of certain products and services by the LVS Group to our Group or by our Group to the LVS Group. Details of the Shared Services Agreement are disclosed in the Prospectus.

2021 Shared Services Agreement

On December 10, 2020, the Company and LVS entered into an agreement to renew the terms of the Shared Services Agreement on amended terms for a period of three years which commenced on January 1, 2021 and will end on December 31, 2023 (the "2021 Shared Services Agreement").

The following are continuing connected transactions contemplated by the 2021 Shared Services Agreement:

I. Continuing Connected Transactions Fully Exempt From Shareholders' Approval, Annual Review and All Disclosure Requirements Under Listing Rule 14A.76(1) or 14A.98

1. Reciprocal global procurement consultancy services;
2. Reciprocal transportation and related logistic services;
3. Reciprocal design, development and construction consultancy services;
4. Reciprocal administrative and logistics services; and
5. Joint international marketing services provided by our Group to the LVS Group.

II. Continuing Connected Transactions Exempt From Shareholders' Approval Requirement but subject to Reporting, Announcement and Annual Review Requirements Under Listing Rule 14A.76(2)

The following transactions between our Group and the LVS Group are on-going and are exempt from Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules but are subject to the reporting, announcement and annual review requirements.

Joint International Marketing and Retail Leasing, Management and Marketing Services provided by the LVS Group to our Group

Under the 2021 Shared Services Agreement, the LVS Group agreed to provide to our Group Joint International Marketing and Retail Leasing, Management and Marketing Services.

Pursuant to the 2021 Shared Services Agreement, the annual caps set for the Joint International Marketing and Retail Leasing, Management and Marketing Services to be provided by the LVS Group to our Group for each of the three years ending December 31, 2023 are US$10.2 million, US$11.2 million and US$12.2 million, respectively.

The annual caps for the Joint International Marketing and Retail Leasing, Management and Marketing Services for each of the three years ending December 31, 2023 are determined by reference to, among others, (a) the historical figures related to such services, (b) the necessary amount to be paid to properly and adequately compensate for the services of the marketing executives, (c) sufficient additional fee capacity to address the expected growth of our Group's business in those three years, and (d) the extent and volume of the services our Group expects the LVS Group to provide during such periods.

As, based on the annual caps, one or more of the relevant percentage ratios in relation to the Joint International Marketing and Retail Leasing, Management and Marketing Services are more than 0.1% but each of them is less than 5%, the Company is required to comply with the reporting, announcement and annual review but is exempt from the Shareholders' approval requirements of Chapter 14A of the Listing Rules in respect of continuing connected transactions.

Under the 2021 Shared Services Agreement, our Group also agreed to provide to the LVS Group joint international marketing and retail leasing, management and marketing services. The fees to be paid by the LVS Group to our Group will be calculated on a cost basis. As the relevant percentage ratios in relation to these services are less than 0.1%, the Company is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

Continuing Connected Transactions — The Second Trademark Sub-License Agreement

Overview

LVS LLC and SCL IP Holdings, LLC entered into the Second Trademark Sub-License Agreement on November 8, 2009. LVS LLC is a connected person as it is our Controlling Shareholder. SCL IP Holdings, LLC is our wholly-owned subsidiary. The Second Trademark Sub-License Agreement is subject to Shareholders' approval, annual review and all disclosure requirements. The Stock Exchange has granted to us a waiver from strict compliance with the announcement and Shareholders' approval requirements in respect of The Second Trademark Sub-License Agreement for a period of slightly over twelve and a half years from the Listing Date, provided that the annual value of the transactions does not exceed the caps for the relevant period.

Pursuant to the Second Trademark Sub-License Agreement, LVS LLC (as licensor) granted to our Group a license to use certain trademarks and the service marks (a) in mainland China, Macao, Hong Kong and Taiwan (and their respective territorial seas) (the "Restricted Zone") for the development, operation and marketing of casinos, hotels, integrated resorts and associated facilities located in the Restricted Zone and (b) in the rest of the world, for the marketing of our business in the Restricted Zone. Nothing in the Second Trademark Sub-License Agreement shall grant to the licensee or any permitted sublicensee the right to use any licensed marks for the purpose of carrying on any Internet gaming business, even when the portal or the primary users targeted are domiciled within the Restricted Zone. The Second Trademark Sub-License Agreement shall remain in effect for an initial term of slightly over twelve and a half years commencing from the Listing Date and ending on December 31, 2022, so that its term is aligned with the initial term of VML's Subconcession, which expires on June 26, 2022. The Second Trademark Sub-License Agreement may be renewed upon the agreement of both parties on such terms as the parties may mutually agree, subject to compliance with the Listing Rules.

The parties are permitted to terminate the Second Trademark Sub-License Agreement prior to the expiration of its initial term by mutual agreement. The licensor is also entitled, upon the compulsion of any law of any of the jurisdictions within the Restricted Zone, to terminate the grant of a license. The Second Trademark Sub-License Agreement shall terminate automatically, without any notice to the licensee, in the event that LVS is no longer a Controlling Shareholder, or in the event of any sale of all or substantially all of the assets of the licensee, to any person or legal entity that is not a subsidiary or affiliate of LVS, our Company or the licensor.

The Venetian Macao, Sands Macao and The Plaza Macao

Under the Second Trademark Sub-License Agreement: (a) for each of the full fiscal years under the initial term through the full fiscal year ended December 31, 2012, the licensee will pay the licensor an annual royalty at the rate of 1.5% of the total gross revenue of The Venetian Macao, 1.5% of the total gross non-gaming revenue and Paiza-related gaming revenue of Sands Macao and 1.5% of the total gross gaming revenue of the Plaza Casino at The Plaza Macao (the "Relevant Royalty"), provided that the total royalty payable in respect of those three properties in each such fiscal year will be capped at US$20.0 million per full fiscal year, and (b) for each of the subsequent full fiscal years under the initial term, commencing with the full fiscal year ended December 31, 2013 and ending with the full fiscal year ending December 31, 2022, the licensee will pay the licensor an annual royalty being the lesser of the Relevant Royalty or the annual caps set out in the table below, such annual caps reflecting an increase of 20.0% for each subsequent year.

Royalty Cap for The Venetian Macao, Sands Macao and The Plaza Macao (2021–2022)

Year	2021	2022
Cap (US$ in millions)	103.2	123.8

The Londoner Macao

Under the Second Trademark Sub-License Agreement: (a) for each of the first three full fiscal calendar years after commencement of operations beginning in 2012, the licensee will pay the licensor an annual royalty fee of 1.5% of the gross revenues of the operations at The Londoner Macao that utilizes any of the licensed marks ("The Londoner Macao Royalty"), subject to a US$20 million cap per fiscal year, and (b) for the fiscal calendar years thereafter until expiration of the initial term, commencing with the full fiscal year ended December 31, 2016 and ending with the full fiscal year ending December 31, 2022, the licensee will pay the licensor an annual royalty being the lesser of The Londoner Macao Royalty or the annual caps set out in the table below, such annual caps reflecting an increase of 20.0% for each subsequent year.

Royalty Cap for The Londoner Macao (2021–2022)

Year	2021	2022
Cap (US$ in millions)	59.7	71.7

The Parisian Macao

Under the Second Trademark Sub-License Agreement: (a) for each of the first three full fiscal calendar years after commencement of operations beginning in 2016, the licensee will pay the licensor an annual royalty fee of 1.5% of the gross revenues of the operations at The Parisian Macao that utilizes any of the licensed marks ("The Parisian Macao Royalty"), subject to a US$20 million cap per fiscal year, and (b) for the fiscal calendar years thereafter until expiration of the initial term, commencing with the full fiscal year ended December 31, 2020 and ending with the full fiscal year ending December 31, 2022, the licensee will pay the licensor an annual royalty being the lesser of The Parisian Macao Royalty or the annual caps set out in the table below, such annual caps reflecting an increase of 20.0% for each subsequent year.

Royalty Cap for The Parisian Macao (2021–2022)

Year	**2021**	**2022**
Cap (US$ in millions)	28.8	34.6

Each Subsequent Casino Gaming Property

Each subsequent casino gaming property we operate that utilizes any of the licensed marks in connection with generating the relevant revenue will pay, for each of the first three full fiscal calendar years after commencement of operations of each subsequent property, a royalty fee of 1.5% of the respective gross revenues of the operations in connection with which such licensed marks are used (each, the "Subsequent Casino Gaming Property Royalty"), subject to a US$20.0 million cap per fiscal year.

Royalty Cap for Each Subsequent Casino Gaming Property

Year	**1**	**2**
Cap (US$ in millions)	20.0	20.0

Note: This assumes, for illustrative purposes, that the Casino Gaming properties open on January 1, 2021 and have the right to use the licensed marks until expiration of the initial term.

Further details of the Second Trademark Sub-License Agreement, the caps and these continuing connected transactions are set out in the Prospectus.

Continuing Connected Transactions — Procurement of Equipment and Supplies

On May 12, 2020, the Company entered into an agreement with LVS in respect of the procurement and provision of equipment and supplies by our Group to the LVS Group for a term of two years which commenced on May 12, 2020 and will end on May 11, 2022 (the "Agreement on Procurement of Equipment and Supplies").

Pursuant to the Agreement on Procurement of Equipment and Supplies, our Group shall procure and acquire Equipment and Supplies (as defined therein) upon request from the LVS Group and then sell the Equipment and Supplies to the LVS Group. The amounts payable by the LVS Group under the Agreement on Procurement of Equipment and Supplies are calculated on a cost basis, which means the cost incurred by our Group in providing the relevant Equipment and Supplies to the LVS Group. The allocation is done on a fair and equitable basis with reference to the actual salary and benefits, employment-related expenses and statutory costs for the relevant employees and the hours worked by them in providing such services attributable to the LVS Group. The annual cap for the transactions under the Agreement on Procurement of Equipment and Supplies for each of the three years ending December 31, 2022 are US$15.5 million, US$12.6 million and US$8.3 million, respectively.

The annual cap for the procurement of Equipment and Supplies services for each of the three years ending December 31, 2022 are determined by the Board after due and careful consideration, having considered the projected procurement volume of Equipment and Supplies from the LVS Group, price quotes from suppliers, and the historical purchase price paid by our Group for similar equipment and supplies.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Agreement on Procurement of Equipment and Supplies is more than 0.1% but less than 5%, the Company is required to comply with the reporting, announcement and annual review but is exempt from the Shareholders' approval requirements of Chapter 14A of the Listing Rules in respect of continuing connected transactions.

Summary of Continuing Connected Transactions

The aggregate amount paid by our Group to the LVS Group and/or by the LVS Group to our Group during the years ended December 31, 2020 and 2021 along with the annual caps for the financial year ended December 31, 2021 are set out below:

	Aggregate amount paid for the year ended December 31, 2020 (US$ in million)	**Aggregate amount paid for the year ended December 31, 2021 (US$ in million)**	**Annual Cap for the year ended December 31, 2021 (US$ in million)**
Reciprocal Global Procurement Consultancy Services(1)	N/A	N/A	N/A
Reciprocal Transportation and related Logistics Services(1)	N/A	N/A	N/A
Reciprocal Design, Development and Construction Consultancy Services(1)	N/A	N/A	N/A
Reciprocal Administrative and Logistics Services(2)	N/A	N/A	N/A
The First Trademark License Agreement(3)	Nil	Nil	N/A
Joint International Marketing and Retail Leasing, Management and Marketing Services(4)	3.7	5.7	10.2
The Second Trademark Sub-License Agreement	21.7	42.0	191.7
Procurement of Equipment and Supplies(5)	3.6	Nil	12.6

Notes:

(1) Per Rule 14A.76(1) of the Listing Rules, these continuing connected transactions are fully exempt from Shareholders' approval, annual review and all disclosure requirements.

(2) Per Rule 14A.98 of the Listing Rules, these continuing connected transactions are fully exempt from Shareholders' approval, annual review and all disclosure requirements.

(3) Per page 220 of our Prospectus, the First Trademark License is a fully paid-up, royalty free license.

(4) These amounts represent amounts paid for the services provided by the LVS Group to our Group. The services provided by our Group to the LVS Group are fully exempt from Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

(5) These amounts represent amounts paid for the services provided by our Group to the LVS Group.

Payments by Our Group That Do Not Constitute Continuing Connected Transactions

The Shared Services Agreement also documents certain historical arrangements in which our Group and the LVS Group have coordinated efforts to obtain insurance coverage and information technology products and services from third-party service providers. These arrangements continue after the Listing Date. Such arrangements permit our Group together with the LVS Group to leverage our combined negotiating power for such services or coverage.

With respect to insurance coverage, LVS has executed various insurance policies that provide global coverage for its subsidiaries (including coverage for certain members of our Group). We bear that portion of the premiums charged for such insurance coverage that is proportionate to our share of the insurance coverage. In the event of losses suffered by any members of our Group, the indemnification from the insurers under such policies for such losses will be paid to us.

With respect to information technology products and services, LVS has entered into various enterprise level agreements in order to meet the combined requirements of its subsidiaries (including the requirements of members of our Group). We bear that portion of the cost for such information technology products and services that is proportionate to our share of the use of such information technology products and services.

The above arrangements are not considered continuing connected transactions between our Group and the LVS Group as the LVS Group is not providing our Group with any services or products and vice versa.

Auditor's Letter

In accordance with Rule 14A.56 of the Listing Rules, our Board engaged the auditor of our Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group above in accordance with Rule 14A.56 of the Listing Rules.

Directors' Review

The Directors, including the Independent Non-Executive Directors, have reviewed the continuing connected transactions for the year ended December 31, 2021 and are of the opinion they were entered into in the ordinary and usual course of business of the Company on normal commercial terms and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's Shareholders as a whole.

Related Party Transactions in the Normal Course of Business

Details of the significant related party transactions undertaken in the normal course of business are provided under Note 25 to the Consolidated Financial Statements. With the exception of the connected transactions disclosed herein, none of those related party transactions constitute a disclosable connected transaction as defined under the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules relating to related party transactions.

Equity Award Plans

The Company maintained the 2009 Equity Award Plan and the 2019 Equity Award Plan (collectively the "Equity Award Plan") for the purpose of attracting able persons to enter and remain in the employ of our Group. They will also provide a means whereby employees, directors and consultants of our Group can acquire and maintain Share ownership, or be paid incentive compensation measured by reference to the value of Shares, thereby strengthening their commitment to the welfare of our Group and promoting an identity of interest between Shareholders and these persons.

Persons who are eligible to participate in the Equity Award Plan (the "Eligible Persons") are limited to those who have entered into an award agreement with us or who have received written notification from the Remuneration Committee (or a person designated by the Remuneration Committee) that they have been selected to participate in the Equity Award Plan. Eligible Persons include:

(i) any individual regularly employed by our Company or any of our subsidiaries, provided, however, no such employee covered by a collective bargaining agreement shall be an Eligible Person unless and to the extent such eligibility is set forth in such collective bargaining agreement or in an agreement or instrument related thereto;
(ii) a director of our Company or any of our subsidiaries; or
(iii) a consultant or advisor to our Company or any of our subsidiaries.

2009 Equity Award Plan

The Company adopted the 2009 Equity Award Plan on November 8, 2009 (amended on February 19, 2016) which expired on November 30, 2019, being the tenth anniversary of November 30, 2009. On and after November 30, 2019, no awards may be granted under the 2009 Equity Award Plan. However, all existing awards granted under the 2009 Equity Award Plan which are unexercised or unvested will remain valid and (where applicable) exercisable in accordance with their respective terms of grant despite the expiry of the 2009 Equity Award Plan.

2019 Equity Award Plan

The 2019 Equity Award Plan was approved by the Shareholders at the Company's annual general meeting held on May 24, 2019, and took effect on December 1, 2019. There is no material difference between the terms of the 2009 Equity Award Plan and the terms of the 2019 Equity Award Plan. Unless otherwise terminated, the 2019 Equity Award Plan will be valid and effective for a period of ten years from December 1, 2019. The 2019 Equity Award Plan is subject to the administration of the Remuneration Committee.

The maximum number of Shares that may be issued upon exercise of all share-based awards (including options) under which new Shares will be issued to be granted under the 2019 Equity Award Plan and similar share-based awards under any other award plans of the Company (under which new Shares will be issued pursuant to any grant) must not in aggregate exceed 808,619,139 Shares, representing 10% of the total number of Shares in issue as at May 24, 2019, being the date of Shareholders' approval of the 2019 Equity Award Plan, excluding for this purpose options (or any other share-based awards) that have lapsed in accordance with the terms of the 2019 Equity Award Plan (or any other plans of our Company). As at the date of this Annual Report (i.e. March 18, 2022), the total number of Shares available for issue under the 2019 Equity Award Plan was 808,619,139 Shares, which represented approximately 10% of the issued share capital of the Company on that date.

Notwithstanding the foregoing, the Shares that may be issued upon exercise of all outstanding options and other share-based awards granted and yet to be exercised under the 2019 Equity Award Plan and similar share-based awards under any other award plans of the Company at any time shall not exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and which may be issued upon exercise of options or other share-based awards granted and to be granted (including both exercised, cancelled, outstanding options, Shares and other share-based awards which have been granted and accepted) to each Eligible Person, when aggregated with any similar share-based awards under any other plans of the Company granted to that Eligible Person, in any 12-month period prior to (and including) the date of grant shall not exceed 1% of the Shares in issue on the date of grant.

Share Options

No option may vest more than ten years after the date of grant.

The minimum period for which an option must be held before it can be exercised will be specified in the relevant option agreement between our Company and the relevant Eligible Person. Grant of options are accepted by the relevant Eligible Person upon remittance of HK$1.00 to the Company within 28 days.

The exercise price per Share for each option shall be set by the Remuneration Committee at the time of grant but shall not be less than the highest of:

(i) the official closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day;

(ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Share.

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorized share capital of our Company.

As at December 31, 2021, 140,932,591 options to purchase Shares had been granted under the 2009 Equity Award Plan of which 45,323,782 options had been exercised and 47,428,509 options had lapsed. No options to purchase Shares had been granted under the 2019 Equity Award Plan during the year ended December 31, 2021.

Details of the grant of options and a summary of movements of the outstanding options during the year under the 2009 Equity Award Plan were as follows:

Directors & other eligible persons	Date granted	Options granted	Exercise price per Share[1] HK$	Closing price of Shares immediately before the date of grant HK$	Exercise period	Number of options: outstanding as at January 1, 2021	granted during the year	lapsed during the year	exercised during the year	outstanding as at December 31, 2021	Weighted average closing price of Shares immediately before the dates on which options were exercised HK$
Wong Ying Wai	November 2, 2015	4,000,000[3]	28.59	28.15	November 2, 2016–November 1, 2025	4,000,000	—	—	—	4,000,000	—
Chum Kwan Lock, Grant	February 24, 2016	406,000	26.97	27.05	February 24, 2017–February 23, 2026	101,500	—	—	—	101,500	—
	February 24, 2017	406,000	32.15	32.25	February 24, 2018–February 23, 2027	203,000	—	—	—	203,000	—
	February 26, 2018	414,000	44.85	44.00	February 26, 2019–February 25, 2028	414,000	—	—	—	414,000	—
	February 25, 2019	520,000	39.25	39.00	February 25, 2020–February 24, 2029	520,000	—	—	—	520,000	—

Directors & other eligible persons	Date granted	Options granted	Exercise price per Share[1] HK$	Closing price of Shares immediately before the date of grant HK$	Exercise period	Number of options					Weighted average closing price of Shares immediately before the dates on which options were exercised HK$
						outstanding as at January 1, 2021	granted during the year	lapsed during the year	exercised during the year	outstanding as at December 31, 2021	
Other eligible employees	August 30, 2011	1,584,400	22.48	22.80	August 30, 2012–August 29, 2021	15,825	—	—	15,825	—	37.45
	November 24, 2011	2,108,800	20.23	20.95	November 24, 2012–November 23, 2021	60,400	—	60,400	—	—	—
	May 14, 2012	1,787,100	28.14	28.90	May 14, 2013–May 13, 2022	176,575	—	—	176,575	—	35.85
	August 31, 2012	1,538,100	26.82	27.50	August 31, 2013–August 30, 2022	330,100	—	—	—	330,100	—
	February 15, 2013	1,486,800	36.73	36.50	February 15, 2014–February 14, 2023	742,150	—	—	—	742,150	—
	May 16, 2013	1,241,900	40.26	40.45	May 16, 2014–May 15, 2023	199,100	—	—	—	199,100	—
	February 24, 2014	2,602,300	59.35	58.90	February 24, 2015–February 23, 2024	637,100	—	—	—	637,100	—
	March 18, 2014	3,238,800	62.94	62.25	March 18, 2015–March 17, 2024	1,438,900	—	196,300	—	1,242,600	—
	May 21, 2014	2,723,800	57.75	57.40	May 21, 2015–May 20, 2024	651,100	—	—	—	651,100	—
	June 18, 2014	857,100	53.64	53.10	June 18, 2015–June 17, 2024	585,300	—	—	—	585,300	—
	August 29, 2014	1,063,100	52.33	51.35	August 29, 2015–August 28, 2024	450,500	—	—	—	450,500	—
	September 26, 2014	195,000	43.27	41.30	September 26, 2015–September 25, 2024	195,000	—	—	—	195,000	—
	May 5, 2015	795,600	33.15	32.80	May 5, 2016–May 4, 2025	165,000	—	—	—	165,000	—
	May 22, 2015	1,300,000	32.35	32.05	May 22, 2016–May 21, 2025	325,000	—	—	325,000	—	38.05
	February 24, 2016	14,078,400	26.97	27.05	February 24, 2017–February 23, 2026	4,071,700	—	60,000	926,000	3,085,700	36.78
	March 23, 2016	2,520,400	31.00	30.35	March 23, 2017–March 22, 2026	948,500	—	31,400	183,600	733,500	36.47
	May 20, 2016	317,600	27.55	27.25	May 20, 2017–May 19, 2026	98,800	—	—	13,400	85,400	36.87
	September 13, 2016	433,600	34.03	34.45	September 13, 2017–September 12, 2026	253,000	—	—	—	253,000	—
	February 24, 2017	12,523,200	32.15	32.25	February 24, 2018–February 23, 2027	6,488,050	—	180,600	1,158,700	5,148,750	37.43
	March 23, 2017	2,626,400	35.25	35.05	March 23, 2018–March 22, 2027	1,465,600	—	71,700	126,200	1,267,700	36.66
	May 19, 2017	494,000	34.31	33.80	May 19, 2018–May 18, 2027	226,400	—	22,500	64,500	139,400	38.79
	September 13, 2017	889,600	37.90	37.20	September 13, 2018–September 12, 2027	497,500	—	73,900	—	423,600	—
	February 26, 2018	12,637,200	44.85	44.00	February 26, 2019–February 25, 2028	9,209,800	—	795,700	—	8,414,100	—
	March 23, 2018	2,478,000	44.31	43.65	March 23, 2019–March 22, 2028	1,725,600	—	173,900	—	1,551,700	—
	May 21, 2018	1,035,200	47.95	47.10	May 21, 2019–May 20, 2028	814,600	—	92,200	—	722,400	—
	September 13, 2018	1,720,800	33.80	31.70	September 13, 2019–September 12, 2028	1,342,400	—	120,000	55,400	1,167,000	37.01
	February 25, 2019	12,455,200	39.25	39.00	February 25, 2020–February 24, 2029	10,336,000	—	796,500	11,500	9,528,000	39.25

Directors & other eligible persons	Date granted	Options granted	Exercise price per Share[1] HK$	Closing price of Shares immediately before the date of grant HK$	Exercise period	Number of options: outstanding as at January 1, 2021	granted during the year	lapsed during the year	exercised during the year	outstanding as at December 31, 2021	Weighted average closing price of Shares immediately before the dates on which options were exercised HK$
Other eligible employees	April 23, 2019	2,582,400	43.60	43.05	April 23, 2020–April 22, 2029	2,258,000	—	240,000	—	2,018,000	—
	May 20, 2019	1,705,600	39.93	38.85	May 20, 2020–May 19, 2029	1,519,300	—	136,100	—	1,383,200	—
	September 5, 2019	1,791,200	36.45	36.85	September 5, 2020–September 4, 2029	1,597,600	—	116,200	13,400	1,468,000	38.24
Consultants	February 24, 2016	43,200	26.97	27.05	February 24, 2017–February 23, 2026	10,800	—	—	—	10,800	—
	March 23, 2016	45,200	31.00	30.35	March 23, 2017–March 22, 2026	45,200	—	—	—	45,200	—
	February 24, 2017	43,200	32.15	32.25	February 24, 2018–February 23, 2027	43,200	—	—	—	43,200	—
	March 23, 2017	45,200	35.25	35.05	March 23, 2018–March 22, 2027	45,200	—	—	—	45,200	—
	February 26, 2018	51,600	44.85	44.00	February 26, 2019–February 25, 2028	51,600	—	—	—	51,600	—
	March 23, 2018	48,000	44.31	43.65	March 23, 2019–March 22, 2028	48,000	—	—	—	48,000	—
	February 25, 2019	57,200	39.25	39.00	February 25, 2020–February 24, 2029	57,200	—	—	—	57,200	—
	April 23, 2019	53,200	43.60	43.05	April 23, 2020–April 22, 2029	53,200	—	—	—	53,200	—

Notes:

(1) The exercise price per Share of the options is determined at the time of grant of the options and should not be less than the highest of (a) the official closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the options, which must be a business day; (b) the average of the official closing price of Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant of the options; and (c) the nominal value of a Share.

(2) Save as disclosed in note (3) below, the proportion of underlying shares in respect of which the above options will vest is as follows:

	Proportion of underlying shares in respect of which the above options will vest is as follows:
Before the first anniversary of the date of grant of the option (the "Offer Anniversary")	None
From the first Offer Anniversary to the date immediately before the second Offer Anniversary	One-quarter
From the second Offer Anniversary to the date immediately before the third Offer Anniversary	Two-quarters
From the third Offer Anniversary to the date immediately before the fourth Offer Anniversary	Three-quarters
From the fourth Offer Anniversary and thereafter	All

(3) Among the 4,000,000 options granted to Dr. Wong Ying Wai on November 2, 2015, 266,666 options vested on November 2, 2016, 533,334 options vested on November 2, 2017, 800,000 options vested on November 2, 2018, 800,000 options vested on November 2, 2019 and 1,600,000 options vested on September 30, 2020.

When the options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based compensation reserve will be transferred to retained earnings.

The Company estimates the fair value of options granted using the Black-Scholes option-pricing model. No options were granted during the year ended December 31, 2021.

Restricted Share Units

As at December 31, 2021, 16,781,200 restricted share units (under which no new Shares will be issued) had been granted under the Equity Award Plan, of which 1,205,044 restricted share units had vested and 254,612 restricted share units had lapsed.

Save as disclosed herein, no options, restricted share units or any other share-based awards were granted under the Equity Award Plan or any equity award plan of the Group and no options, restricted share units or any other share-based awards were cancelled during the year.

Closures of Register of Members

The Register of Members of the Company will be closed on the following dates:

Book Closure Period/Date	Purpose	Final Lodging Time/Date
May 10, 2022 to May 20, 2022	To determine the identity of Shareholders who are entitled to attend and vote at the 2022 annual general meeting ("AGM")	no later than 4:30 p.m. (Hong Kong time) on May 6, 2022

During and including the book closure period/dates described in the table above, no transfer of Shares will be registered.

In order to be eligible to attend and vote at the AGM, all duly completed and signed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on the final lodging date mentioned in the table above.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Sufficiency of Public Float

Based on information publicly available to the Company and within the knowledge of the Directors at the Latest Practicable Date, the Company has maintained the prescribed public float under the Listing Rules.

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report in section 3 of this Annual Report.

Auditor

The Consolidated Financial Statements for the year have been audited by Deloitte who retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

On behalf of the Board
Robert Glen Goldstein
Chairman of the Board and Chief Executive Officer

March 18, 2022

4.1 INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF SANDS CHINA LTD.

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sands China Ltd. (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 122 to 202, which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated income statement and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Provision of Expected Credit Losses for Casino Receivables As disclosed in note 16(a) to the consolidated financial statements, the Group had net amount of casino receivables before provision for expected credit losses of approximately US$152 million as at December 31, 2021 and out of which an aggregate gross carrying amount of approximately US$141 million were past due. The Group maintained a provision for credit losses based on the amount of expected credit losses on casino receivables and regularly evaluated the balances. As further disclosed in note 16(a) to the consolidated financial statements, the Group specifically analyzed the collectability of each casino receivables account with a significant balance, based upon the aging of the account, the customer's financial condition, collection history and any other known information. The Group also monitored regional and global economic conditions and forecasts in its evaluation of the adequacy of the recorded provisions. For the remaining debtors which consist of a large number of small customers with common risk characteristics, the Group applied expected loss rates to account balances, and the expected loss rates were estimated based on the historical observed default rates over the expected life of the receivable balance and forward-looking information. Auditing the valuation of the casino receivables involved evaluation of management's judgment pertaining to the collectability of casino receivables, especially as it relates to the evaluation of the customer's ability to repay amounts owed.	Our procedures in relation to the provision of expected credit losses of casino receivables included: • Obtaining an understanding and testing the operating effectiveness of controls over granting of casino credit, collection processes and management's review controls over the assessment of the collectability of casino receivables and appropriateness of the estimated allowance, including the information used by management in those controls; and • Developing expectations of current year loss allowance based on repayment history of debtors and forward looking information and examining their subsequent settlement on a sample basis to assess the reasonableness of the amount of expected credit losses made for casino receivables by the Group.
Classification of the Senior Notes and the Bank Borrowings (as defined below) The Group classified (i) senior notes with an aggregate carrying value of approximately US$7,150 million, before the net of deferred financing costs (the "Senior Notes") under the indentures of the Senior Notes, and (ii) approximately US$753 million in loans outstanding under the 2018 SCL Credit Facility (as defined in note 21 to the consolidated financial statements) (the "Bank Borrowings") as non-current liabilities as of December 31, 2021.	Our procedures in relation to the classification of the Senior Notes and the Bank Borrowings included: • Inspecting copies of the indentures of the Senior Notes and the 2018 SCL Credit Facility and understanding the terms of the Investor Put Option and clauses on events of default to assess their impact on the classification of the Senior Notes and the Bank Borrowings;

4.1 INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
As explained in note 1 to the consolidated financial statements, Venetian Macau Limited ("VML"), a subsidiary of the Company conducts gaming operations in Macao pursuant to concession agreements awarded by the Macao Special Administrative Region government to three different concessionaires and three subconcessionaires, of which VML is one. These concession agreements were set to expire on June 26, 2022. Under the indentures of the Senior Notes, upon the occurrence of any event resulting from any change in Macao's gaming law 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"). Additionally, under the terms of the 2018 SCL Credit Facility, the events that trigger an Investor Put Option under the Senior Notes 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 classification of the Senior Notes and the Bank Borrowings involved significant management's judgment and an increased extent of effort, as this classification is, dependent on whether the Group had the unconditional right to defer settlement of the liability for a 12-month period from the end of the reporting period. As disclosed in notes 3(b) and 21 to the consolidated financial statements, the Senior Notes and the Bank Borrowings have been classified by the Group's management as non-current liabilities on the basis that the Investor Put Option is considered to be a future uncertain event that had not been triggered and the events of default under the 2018 SCL Credit Facility had not been breached as at December 31, 2021.	• Obtaining an understanding of and controls over the Group management's process to determine the classification of the Senior Notes and the Bank Borrowings, including such controls over identifying and assessing applicable authoritative accounting standards and related interpretive literature; • Assessing the Group management's judgement on the interpretation and application of IAS 1 regarding the classification of the Senior Notes and the Bank Borrowings with the assistance of our internal subject matter experts; and • Evaluating the appropriateness of the Group's classification and disclosures, in particular the critical judgements exercised by the Group's management in relation to the Senior Notes and the Bank Borrowings in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Stephen David Smart.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 18, 2022

4.2 FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Notes	**Year ended December 31, 2021**	2020
		US$ in millions, except per share data	
Net revenues	4	**2,874**	1,687
Gaming tax		**(1,017)**	(625)
Employee benefit expenses	5	**(1,049)**	(1,050)
Depreciation and amortization	4	**(733)**	(684)
Inventories consumed		**(34)**	(23)
Other expenses, gains and losses	6	**(578)**	(544)
Operating loss		**(537)**	(1,239)
Interest income		**2**	11
Finance costs, net of amounts capitalized	7	**(373)**	(279)
Loss on early retirement of debt	21	**(137)**	—
Loss before income tax		**(1,045)**	(1,507)
Income tax expense	8	**(3)**	(16)
Loss for the year attributable to equity holders of the Company		**(1,048)**	(1,523)
Loss per share for loss attributable to equity holders of the Company			
— Basic	9	**(US12.95 cents)**	(US18.82 cents)
— Diluted	9	**(US12.95 cents)**	(US18.82 cents)

The notes on pages 128 to 202 are an integral part of these consolidated financial statements.

4.2 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

The notes on pages 128 to 202 are an integral part of these consolidated financial statements.

4.2 FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

	Notes	December 31, **2021**	2020
		US$ in millions	
ASSETS			
Non-current assets			
Investment properties, net	11	**637**	543
Property and equipment, net	12	**8,477**	8,832
Intangible assets, net	14	**38**	41
Other assets, net		**26**	32
Other receivables and prepayments, net	16	**24**	18
Total non-current assets		**9,202**	9,466
Current assets			
Inventories		**15**	15
Trade and other receivables and prepayments, net	16	**183**	190
Restricted cash and cash equivalents		**16**	16
Cash and cash equivalents	17	**678**	861
Total current assets		**892**	1,082
Total assets		**10,094**	10,548

4.2 FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Notes	December 31, 2021 US$ in millions	2020
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	18	**81**	81
Reserves	19	**807**	1,848
Total equity		**888**	1,929
LIABILITIES			
Non-current liabilities			
Trade and other payables	20	**112**	105
Borrowings	21	**7,946**	7,044
Deferred income tax liabilities	15	**54**	56
Total non-current liabilities		**8,112**	7,205
Current liabilities			
Trade and other payables	20	**1,071**	1,388
Current income tax liabilities		**5**	5
Borrowings	21	**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

Approved by the Board of Directors on March 18, 2022 and signed on behalf of the Board by

Robert Glen Goldstein
Chairman of the Board and Chief Executive Officer
Director

Wong Ying Wai
President
Director

The notes on pages 128 to 202 are an integral part of these consolidated financial statements.

4.2 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital reserve (Note 19(a))	Share premium	Statutory reserve (Note 19(b))	Share-based compensation reserves	Currency translation reserve	Hedge reserve	Retained earnings/ (accumulated losses)	Total
					US$ in millions				
Balance at January 1, 2020	81	87	1,491	6	97	(12)	—	2,696	4,446
Loss for the year	—	—	—	—	—	—	—	(1,523)	(1,523)
Other comprehensive income for the year	—	—	—	—	—	16	—	—	16
Total comprehensive income/(expense)	—	—	—	—	—	16	—	(1,523)	(1,507)
Exercise of share options	—	—	6	—	—	—	—	—	6
Transfer to share premium upon exercise of share options	—	—	1	—	(1)	—	—	—	—
Forfeiture of share options	—	—	—	—	(8)	—	—	8	—
Share-based compensation of the Company	—	—	—	—	9	—	—	—	9
Dividends to equity holders of the Company (Note 10)	—	—	—	—	—	—	—	(1,025)	(1,025)
Balance at December 31, 2020	**81**	**87**	**1,498**	**6**	**97**	**4**	**—**	**156**	**1,929**
Loss for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1,048)**	**(1,048)**
Fair value adjustment on cash flow hedge	**—**	**—**	**—**	**—**	**—**	**—**	**(4)**	**—**	**(4)**
Other comprehensive expense for the year	**—**	**—**	**—**	**—**	**—**	**(6)**	**—**	**—**	**(6)**
Total comprehensive expense	**—**	**—**	**—**	**—**	**—**	**(6)**	**(4)**	**(1,048)**	**(1,058)**
Exercise of share options	**—**	**—**	**12**	**—**	**—**	**—**	**—**	**—**	**12**
Transfer to share premium upon exercise of share options	**—**	**—**	**5**	**—**	**(5)**	**—**	**—**	**—**	**—**
Forfeiture of share options	**—**	**—**	**—**	**—**	**(2)**	**—**	**—**	**2**	**—**
Share-based compensation of the Company	**—**	**—**	**—**	**—**	**4**	**—**	**—**	**—**	**4**
Share-based compensation charged by LVS	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**1**
Balance at December 31, 2021	**81**	**87**	**1,515**	**6**	**95**	**(2)**	**(4)**	**(890)**	**888**

The notes on pages 128 to 202 are an integral part of these consolidated financial statements.

4.2 FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended December 31, 2021	2020
		US$ in millions	
Cash flows generated from/(used in) operating activities			
Cash generated from/(used in) operations	23	**93**	(811)
Income tax paid		**(5)**	(5)
Net cash generated from/(used in) operating activities		**88**	(816)
Cash flows used in investing activities			
Purchases of property and equipment		**(564)**	(1,019)
Additions to investment properties		**(60)**	(8)
Purchases of intangible assets		**(16)**	(11)
Proceeds from disposal of property and equipment, investment properties and intangible assets		**3**	1
Interest received		**3**	13
Net cash used in investing activities		**(634)**	(1,024)
Cash flows from financing activities			
Proceeds from exercise of share options		**12**	6
Proceeds from Senior Notes	21	**1,946**	1,496
Proceeds from bank loans	21	**756**	403
Repayment of 2023 Notes	21	**(1,800)**	—
Repayments of bank loans	21	**—**	(404)
Dividends paid	21	**—**	(1,030)
Repayments of lease liabilities	21	**(12)**	(11)
Payments of financing costs	21	**(27)**	(20)
Make-whole premium on early retirement of debt		**(131)**	—
Interests paid	21	**(378)**	(209)
Net cash from financing activities		**366**	231
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)
Cash and cash equivalents at end of year	17	**678**	861

The notes on pages 128 to 202 are an integral part of these consolidated financial statements.

4.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Principal activities

The Group is principally engaged in the operation of casino games of chance or games of other forms and the development and operation of destination properties and other ancillary services in Macao. The Group's immediate holding company is Venetian Venture Development Intermediate II. Las Vegas Sands Corp. ("LVS"), a company incorporated in Nevada, U.S.A., indirectly holds 69.91% ownership interest in the Group as at December 31, 2021, and is the Group's ultimate holding company.

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.

The Group owns and operates The Venetian Macao Resort Hotel ("The Venetian Macao"), The Londoner Macao, The Parisian Macao, The Plaza Macao, and Sands Macao. The Group's properties collectively feature some of the world's largest casinos, luxury suites and hotel rooms, different restaurants and food outlets, spas and theaters for live performances, as well as other integrated resort amenities.

During 2021, the Group achieved milestones in advancing several strategic objectives. The Group continued progress on 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; the opening of Londoner Court in September 2021, featuring approximately 370 luxury suites; and the expansion of the retail offerings has been rebranded as Shoppes at Londoner in 2021. The Group anticipates the Londoner Arena, expansion of Shoppes at Londoner and other amenities to be completed before the end of 2022.

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 United States dollars ("US$ in millions"), unless otherwise stated.

The consolidated financial statements were approved for issue by the Board of Directors on March 18, 2022.

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 virus 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.

1. GENERAL INFORMATION (CONTINUED)

COVID-19 Pandemic update (continued)

Visitation to Macao has remained substantially below pre-COVID-19 levels as a result of various government policies limiting or discouraging travel. As at the date of this report, 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 at the date of this report, 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.

1. GENERAL INFORMATION (CONTINUED)

COVID-19 Pandemic update (continued)

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 at December 31, 2021. On March 15, 2022, the Company drew down US$19 million and HK$1.42 billion (approximately US$182 million at the exchange rate in effect on the date of this transaction) under the 2018 SCL Credit Facility for general corporate purposes, resulting in a remaining available borrowing capability of US$1.54 billion. 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 Contract 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").

1. GENERAL INFORMATION (CONTINUED)

Macao subconcession (continued)

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.

On March 2, 2022, the Macao government announced its intention to extend the term of Macao's six concession and subconcession contracts from June 26, 2022 until December 31, 2022 in order to ensure sufficient time to complete the amendment to the Gaming Law and conduct a public tender for the awarding of new gaming concessions. The Macao government invited VML to submit a formal request for an extension along with a commitment to pay the Macao government up to MOP47 million (approximately US$6 million at exchange rates in effect on December 31, 2021) and provide a bank guarantee to secure the fulfilment of VML's payment obligations towards its employees should VML be unsuccessful in tendering for a new concession contract after its Subconcession expires. VML submitted its request for an extension on March 14, 2022. The extension of VML's Subconcession is subject to approval by the Macao government as well as entering into a Subconcession amendment contract with Galaxy Casino, S.A. ("Galaxy").

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 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 at 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The consolidated financial statements have been prepared 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.

(b) Changes in accounting policies and disclosures

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 ended December 31, 2021. The Group has commenced the assessment of the impact of the new or amendments to standards 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.

(c) Subsidiaries

Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate there are changes to one or more of the three elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The particulars of the Group's principal subsidiaries as at December 31, 2021 are set out in Note 29.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency translation

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Macao patacas ("MOP"). The consolidated financial statements are presented in US$, which is the presentation currency of LVS.

Companies within the Group that have a functional currency different from the presentation currency translate their results of operations and financial position into the presentation currency based on the following:

- Assets and liabilities are translated at the closing rate at balance sheet date;
- Income and expenses are translated at average exchange rates during the year; and
- Translation adjustments arising from this process are recognized in other comprehensive income/(expense) (currency translation differences) and will not be reclassified subsequently to profit or loss.

Gains or losses from foreign currency remeasurements that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in "other expenses, gains and losses".

(e) Investment properties

Investment properties, principally comprising buildings and building improvements relating to mall operations, are held for long-term rental yields or capital appreciation or both, and are not occupied by the Group. Investment properties currently being constructed or developed are classified as investment properties and stated at cost, less accumulated impairment losses, if any. Investment properties are initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties are depreciated on a straight-line basis, at rates sufficient to write off their costs over their estimated useful lives of 3 to 50 years. The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are included in the consolidated income statement when the changes arise.

(f) Property and equipment

Property and equipment, except construction-in-progress, are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Leasehold interests in land are classified as leases and commence amortization from the time when the land interest becomes available for its intended use. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, as follows:

Leasehold interests in land classified as leases	50 years
Leasehold improvements	Shorter of lease term or 3 years
Land improvements, buildings and building improvements	10–50 years
Leased buildings and equipment	Lease term
Ferries	20 years
Furniture, fittings and equipment	3–20 years
Vehicles	5–6 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property and equipment (continued)

The estimated useful lives are based on the nature of the assets as well as current operating strategy and legal considerations, such as contractual life, and are periodically reviewed. Future events, such as property expansions, property developments, new competition or new regulations, could result in a change in the manner in which the Group uses certain assets requiring a change in the estimated useful lives of such assets.

Maintenance and repairs that neither materially add to the value of the asset nor appreciably prolong its life are charged to expense as incurred. Gains or losses on disposition of property and equipment are included in the consolidated income statement.

Construction-in-progress represents property and equipment under construction and is stated at cost, less accumulated impairment losses, if any. This includes the direct costs of purchase, construction and capitalized borrowing costs. Construction-in-progress is not depreciated until such time as the relevant assets are completed and ready for their intended use, at which time they are transferred to the relevant asset category.

The residual values and useful lives of the assets are reviewed, and adjusted as appropriate at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other expenses, gains and losses" in the consolidated income statement.

(g) Intangible assets

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over their estimated useful lives of 4 years.

(h) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units or "CGU").

(i) Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a. the financial asset is held within a business model whose objective is to collect contractual cash flows; and

b. the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

b. the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss.

The Group's financial assets primarily consist of cash and cash equivalents, restricted cash and cash equivalents, trade and other receivables and derivative financial instruments.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Interest income is recognized by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on trade and other receivables which are subject to impairment under IFRS 9 *Financial Instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. Assessments are done based on the Group's historical credit loss experience, adjusted for factors specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

a. Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

b. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence of a financial asset that is credit-impaired includes observable data about the following events:

i. Significant financial difficulty of the issuer or the borrower;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

Impairment of financial assets (continued)

b. *Credit-impaired financial assets (continued)*

ii. A breach of contract, such as a default or past due event;

iii. The Group, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower a concession the lender would not otherwise consider;

iv. It becomes probable the borrower will enter bankruptcy or other financial reorganization; or

v. Observable data indicating there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(i) adverse changes in the payment status of borrowers in the portfolio; or

(ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

c. *Write-off policy*

The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

d. *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information.

Generally, the ECL is the difference between all contractual cash flows due to the Group in accordance with the contract and the cash flows the Group expects to receive.

Where ECL is measured on a collective basis or for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on shared credit risk characteristics and days past due.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognizes an impairment gain or loss in profit or loss for trade and other receivables by adjusting their carrying amount through a loss allowance account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (continued)

Derecognition of financial assets

The Group derecognizes a financial asset when the consideration was received. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents include cash and short-term deposits with original maturities of three months or less. Restricted cash and cash equivalents are excluded from cash and cash equivalents in the consolidated statement of cash flows. Restricted cash and cash equivalents represent sinking funds set aside to cover the cost of capital expenses, including repairs, renovations, replacements and maintenance of a substantial but infrequent or irregular nature of the Group's shopping malls.

(k) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

(l) Financial liabilities

The Group's financial liabilities consists of primarily borrowings and trade and other payables, are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method. The Group's financial liabilities also may include derivative financial instruments (if any) which are measured at fair value.

Derecognition/substantial modification of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the contractual terms of financial liability are modified such that the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of the financial liability derecognized and the fair value of consideration paid or payable, including any liabilities assumed and derivative components, is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial liabilities (continued)

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortized over the remaining term. Any adjustment to the carrying amount of the financial liability is recognized in profit or loss at the date of modification.

(m) Trade payables

Trade payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(n) Borrowings and financing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent it is probable some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence it is probable some or all of the facilities will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Financing costs incurred for the construction of any qualifying asset which takes a substantial period of time to get ready for its intended use, less any investment income on the temporary investment of related borrowings, are capitalized during the period that is required to complete and prepare the asset for its intended use. Other financing costs, net of interest income, are expensed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Current and deferred income tax and gaming tax

Income tax

Income tax expense is comprised of current and deferred tax.

(i) *Current income tax*

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred income tax*

Deferred income tax is recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent it is probable future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided for temporary differences arising from investments in subsidiaries, except when the timing of the reversal of the temporary difference can be controlled by the Group and it is probable the temporary difference will not reverse in the foreseeable future.

(iii) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Gaming tax

According to the gaming Subconcession granted by the Macao government and the relevant legislation, the Group is required to pay 35% gaming tax on gross gaming revenues, which represents net wins from casino operations. The Group is also required to pay an additional 4% of gross gaming revenues as public development and social related contributions. On a monthly basis, the Group also makes certain variable and fixed payments to the Macao government based on the number of slot machines and table games in its possession. These expenses are reported as "Gaming tax" in the consolidated income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits

(i) Pension obligations

The Group operates the Private Provident Fund Scheme and Non-Mandatory Central Provident Fund Scheme (collectively, the "Schemes") through its subsidiaries in Macao. The Schemes are managed by fund management entities and are defined contribution plans. The Group has no further payment obligations once the contributions have been paid to the Schemes managed by fund management entities. The contributions are recognized as employee benefit expenses when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to the contributions being fully vested. Prepaid contributions are recognized as an asset to the extent a cash refund or a reduction in the future payments is available.

(ii) Share-based compensation

Equity-settled share-based payment transactions

Share-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized over the employee's requisite service period (generally the vesting period of the equity grant). When the options of the 2009 Equity Award Plan and 2019 Equity Award Plan are exercised, the Company issues new shares. The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs. At the time when the options are exercised, the amount previously recognized in share-based compensation reserve will be transferred to share premium. When the options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based compensation reserve will be transferred to retained earnings.

The Group recognizes the impact of revisions to the original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

Share-based compensation expense arising from the granting of share options and restricted share units by LVS to the employees of the Group, to the extent of services rendered to the Group, is deemed to have been allocated to the Group as an expense with the corresponding increase in the share-based compensation reserves under equity.

Cash-settled share-based payment transactions of the Company

For cash-settled share-based payments, a financial liability is recognized for the employee services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

(iii) Annual leave and other paid leave

Employee entitlement to annual leave is recognized when it accrues to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees during the year. Employee entitlements to maternity leave and sick leave are not recognized until the time of leave. Unused compensation leave earned by employee is accrued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of when the Group can no longer withdraw the offer of the termination benefits and when it recognizes any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the balance sheet date are discounted to their present value.

(v) Bonus plans

The Group recognizes a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable an outflow of economic resources will be required or the amount of the obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements unless the probability of outflow of resources embodying economic benefits is remote. When a change in the probability of an outflow occurs so the outflow is probable, it will then be recognized as a provision.

(r) Revenue recognition

Revenue from contracts with customers primarily consists of casino wagers, room sales, food and beverage transactions, convention sales and entertainment and ferry ticket sales. These contracts can be written, oral or implied by customary business practices.

Gross casino revenue is the aggregate of gaming wins and losses. The commissions rebated to gaming promoters and premium players for rolling play, cash discounts and other cash incentives to patrons related to gaming play are recorded as a reduction to gross casino revenue. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis to incentivize gaming or in exchange for points earned under the Group's loyalty programs.

For wagering contracts that include complimentary products and services provided by the Group to incentivize gaming, the Group allocates the relative stand-alone selling price of each product and service to the respective revenue type. Complimentary products or services provided under the Group's control and discretion, which are supplied by third parties, are recorded as an operating expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Revenue recognition (continued)

For wagering contracts that include products and services provided to a patron in exchange for points earned under the Group's loyalty programs, the Group allocates the estimated fair value of the points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs. Upon redemption of loyalty program points for Group-owned products and services, the stand-alone selling price of each product or service is allocated to the respective revenue type. For redemptions of points with third parties, the redemption amount is deducted from the loyalty program liability and paid directly to the third party. Any discounts received by the Group from the third party in connection with this transaction are recorded to other revenue.

After allocation to the other revenue types for products and services provided to patrons as part of a wagering contract, the residual amount is recorded to casino revenue as soon as the wager is settled. As all wagers have similar characteristics, the Group accounts for its gaming contracts collectively on a portfolio basis versus an individual basis.

Hotel revenue recognition criteria are met at the time of occupancy. Food and beverage revenue recognition criteria are met at the time of service. Convention revenues are recognized when the related service is rendered or the event is held. Deposits for future hotel occupancy, convention space or food and beverage services contracts are recorded as deferred revenue until the revenue recognition criteria are met. Cancellation fees for convention contracts are recognized upon cancellation by the customer and are included in other revenues. Ferry and entertainment revenue recognition criteria are met at the completion of the ferry trip or event, respectively. Revenue from contracts with a combination of these services is allocated pro rata based on each service's relative stand-alone selling price.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leases/right-of-use below.

(s) Pre-opening expenses

Pre-opening expenses represent personnel and other costs incurred prior to the opening of new properties and are expensed as incurred.

(t) Leases/right-of-use

As the lessee for leases

The Group leases various land, real estate, vehicles, and equipment. The Group determines if a contract is or contains a lease at the inception or modification of a contract. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases/right-of-use (continued)

As the lessee for leases (continued)

The Group's lease arrangements have lease and non-lease components. The Group applies the practical expedient to account for the lease components and any associated non-lease components as a single lease component for all classes of underlying assets.

The Group applies the recognition exemption for leases with an expected term of 12 months or less and leases of low-value assets. These leases are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

The lease liability is initially measured at the present value of fixed lease payments over the expected lease term at commencement date. As the implicit rate is not determinable in most of the Group's leases, management uses the incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The expected lease terms include options to extend the lease when it is reasonably certain the Group will exercise such extension option or to terminate the lease when it is reasonably certain the Group will not exercise such termination option.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is initially measured at cost comprising the amount of the initial measurement of lease liability with adjustments, if any, at commencement date, any lease payments made at or before the commencement date less any lease incentives received, any initial indirect costs, and restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. It is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities.

In the consolidated balance sheet, the Group presents right-of-use assets that do not meet the definition of "investment property" in "property and equipment" and lease liabilities are presented within "borrowings". Right-of-use assets that meet the definition of "investment property" are presented within "investment properties". Right-of-use assets are included within the same category under "property and equipment", which the corresponding underlying assets would be presented if they were owned.

In the consolidated statement of cash flows, lease payments and any associated interest paid are presented under cash flows from financing activities except for leases with an expected term of 12 months or less and leases of low-value assets which are presented under cash flows from operating activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases/right-of-use (continued)

As the lessor/grantor for leases/right-of-use

The Group leases space at several of its integrated resorts to various third parties as part of its mall operations, as well as retail and office space.

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Leases, in which the Group is the lessor, are substantially all accounted for as operating leases and the lease components and non-lease components are accounted for separately.

When assets are leased/granted out under an agreement for the right-of-use, the asset is included in the consolidated balance sheet based on the nature of the asset. Lease rental/income from right-of-use (net of any incentives given to tenants or to retailers) is recognized over the terms of the lease/right-of-use on a straight-line basis. Turnover fees arising under operating leases/right-of-use are recognized as income in the period in which they are earned.

When the legal system in which the Group operates contains a legal provision governing the change in circumstances which adversely impacts the performance of the lessee or the lessor due to a force majeure event, or a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the relevant legal provision or the specific clause is accounted for as part of the original lease and not as a lease modification. The Group recognizes such rent reduction or suspension of rent in profit or loss in the period in which the event or condition that triggers those payments to occur.

(u) Provisions

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure to be required to settle the present obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and prepared based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of potentially causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision of expected credit losses for casino receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses, using a lifetime expected loss allowance for all trade and other receivables. The Group determines the allowance based on specific customer information, historical write-off experience, current industry and economic data, which include the impact of the COVID-19 Pandemic, and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. A provision of expected credit losses for trade receivables is recorded when the Group believes it is probable the recoverable amount of the receivables will be less than their carrying amounts. Account balances are written off against the allowance when the Group considers the receivables to be uncollectible.

During the year ended December 31, 2021, there continued to be a delay in payments on casino receivables due to the inability of patrons to travel to the Group's properties or to accomplish financial transactions due to the travel restrictions caused by the COVID-19 Pandemic. The collection of casino receivables has also been impacted by liquidity issues faced by certain patrons also stemming from the COVID-19 Pandemic. The Group has increased the provision for expected credit losses accordingly to account for the expected credit losses due to the COVID-19 Pandemic. The Group continues to closely monitor any delays in payments due to the COVID-19 Pandemic and will increase the provision accordingly depending on the facts and circumstances. Although the Group believes the provision on the casino receivables is adequate as at December 31, 2021, it is possible the provisions could increase if the Group experiences further delays on payments from patrons.

Management believes there are no concentrations of credit risk for which an allowance has not been established. Although management believes the allowance is adequate, it is possible the estimated amount of cash collections with respect to trade receivables could change.

(b) Classification of Senior Notes and bank borrowings

The Group follows IAS 1 *Presentation of Financial Statements* to determine the classification of Senior Notes and outstanding balance under the 2018 SCL Credit Facility, which requires significant judgment and an increased extent of effort, as this classification is dependent on whether the Group has the unconditional right to defer settlement of the liabilities for a 12-month period from the balance sheet date.

The Senior Notes and outstanding balance under the 2018 SCL Credit Facility were classified as non-current liabilities on the basis that the Investor Put Option is considered to be a future uncertain event which had not been triggered and the events of default under the 2018 SCL Credit Facility had not been breached as at December 31, 2021.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Useful lives of investment properties and property and equipment

The Group depreciates investment properties and property and equipment on a straight-line basis over their estimated useful lives with no residual value assumed. The estimated useful lives are based on the nature of the assets, as well as current operating strategy and legal considerations, such as contractual life. Future events, such as property expansions, property developments, new competition or new regulations, could result in a change in the manner in which the Group uses certain assets and could have an impact on the estimated useful lives of such assets.

The Group 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. Therefore, the useful lives of investment properties and property and equipment has taken into consideration of such factor.

(d) Impairment of non-financial assets

The Group follows the guidance of IAS 36 *Impairment of Assets* to determine when assets are impaired, which requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of assets is less than their carrying balance, including factors such as the industry performance and changes in operational and financing cash flows. When required, the recoverable amount of the CGU would be determined based on value-in-use calculations. These calculations require the use of estimates, including operating results, income and expenses of the business, long-term growth rates, macro-economic factors, regulatory environments, future returns and discount rate.

Changes in the key assumptions on which the recoverable amount of the assets is based could significantly affect the Group's financial position and results of operations.

During the year ended December 31, 2020, due to the substantial reduction in the cash flows generated from the Group's operating properties and the ongoing travel restrictions due to the COVID-19 Pandemic, the Group determined a triggering event occurred in 2020 and an impairment assessment was warranted for the CGUs within the Group. Fixed assets in the operating properties of the Group were tested for recoverability as at December 31, 2020, resulting in no impairment as the estimated discounted future cash flows exceeded their carrying values.

During the year ended December 31, 2021, the Group's cash flow generation continued to be impacted by the COVID-19 Pandemic. As such, the Group performed an impairment assessment and no impairment was resulted in 2021.

The Group has made reasonable estimates and judgements in performing the analysis in light of the uncertainties surrounding the COVID-19 Pandemic; however, should the effects of the COVID-19 persist for a prolonged duration and projected operating results further decline in future periods, the Group could be required to recognize an impairment loss.

(e) Litigation provisions

The Group is subject to various claims and legal actions. The accruals for these claims and legal actions are estimated in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Based on consultations with legal counsel, management estimated no significant loss would be incurred beyond the amounts provided. Actual results could differ from these estimates.

4. 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 income statement and consolidated balance sheet.

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 transportation services.

4. SEGMENT INFORMATION (CONTINUED)

Revenue disaggregated by type of revenue and property is as follows:

	Casino	Rooms	Mall(ii), (iii)	Food and beverage	Convention, ferry, retail and other	Net revenues
			US$ in millions			
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)**
	1,987	**276**	**473**	**93**	**45**	**2,874**
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)
	1,169	144	269	59	46	1,687

(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) were 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.

4. SEGMENT INFORMATION (CONTINUED)

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

	Notes	Year ended December 31, 2021	2020
		US$ in millions	
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)
Total adjusted property EBITDA		**341**	(428)
Share-based compensation, net of amount capitalized[(ii)]		**(10)**	(15)
Corporate expense[(iii)]	(a)	**(68)**	(45)
Pre-opening expense	(b)	**(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)
Operating loss		**(537)**	(1,239)
Interest income		**2**	11
Finance costs, net of amounts capitalized		**(373)**	(279)
Loss on early retirement of debt		**(137)**	—
Loss before income tax		**(1,045)**	(1,507)
Income tax expense		**(3)**	(16)
Loss for the year attributable to equity holders of the Company		**(1,048)**	(1,523)

(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 comprised 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 excluded share-based payment expense of US$1 million (2020: US$2 million).

4. SEGMENT INFORMATION (CONTINUED)

(a) Corporate expense

	Note	Year ended December 31, 2021	2020
		US$ in millions	
Royalty fees	25(a)(v)	**42**	22
Management fees		**4**	4
Employee benefit expenses		**11**	10
Other support services		**4**	3
Other expenses		**7**	6
		68	45

(b) Pre-opening expense

	Year ended December 31, 2021	2020
	US$ in millions	
Employee benefit expenses	**5**	4
Advertising and promotions	**2**	2
Contract labor and services	**1**	2
Utilities and operating supplies	**1**	2
Other expenses	**2**	1
	11	11

4. SEGMENT INFORMATION (CONTINUED)

	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

	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

	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

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

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended December 31, 2021	2020
	US$ in millions	
Wages, salaries, bonus and termination costs	**930**	919
Staff meals	**45**	46
Pension costs — defined contribution plan	**36**	35
Share-based compensation, net of amount capitalized(i)	**10**	15
Other employee benefit expenses	**28**	35
	1,049	1,050

(i) Share-based compensation capitalized during the year ended December 31, 2021 was less than US$1 million (2020: US$1 million). For further information related to the Company's equity award plan and LVS' equity award plan, see Note 26 to the consolidated financial statements.

(a) Pension costs — defined contribution plan

Contributions totaling US$6 million (2020: US$6 million) remained payable to the provident fund as at December 31, 2021. Forfeited contributions totaling US$3 million (2020: US$4 million) were utilized during the year leaving US$1 million (2020: US$1 million) available at year end to reduce future contributions.

(b) Directors' emoluments

	Fees	Salaries and other allowances	Discretionary bonuses(i)	Pension costs	Estimated monetary value of other benefits(ii)	Total
			US$ in thousands			
Year ended December 31, 2021						
Executive Directors						
Sheldon Gary Adelson(iii)	—	—	—	—	—	—
Robert Glen Goldstein(iv)	—	—	—	—	—	—
Wong Ying Wai	—	3,000	—	150	1,020	4,170
Chum Kwan Lock, Grant(v)	—	2,732	—	87	1,163	3,982
Non-Executive Director						
Charles Daniel Forman	200	—	—	—	—	200
Independent Non-Executive Directors						
Chiang Yun	221	—	—	—	—	221
Victor Patrick Hoog Antink	230	—	—	—	—	230
Steven Zygmunt Strasser	230	—	—	—	—	230
Kenneth Patrick Chung	200	—	—	—	—	200
	1,081	5,732	—	237	2,183	9,233

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(b) Directors' emoluments (continued)

	Fees	Salaries and other allowances	Discretionary bonuses(i)	Pension costs	Estimated monetary value of other benefits(ii)	Total
			US$ in thousands			
Year ended December 31, 2020						
Executive Directors						
Sheldon Gary Adelson(iii)	—	—	—	—	—	—
Wong Ying Wai	—	2,724	—	136	2,832	5,692
Non-Executive Directors						
Robert Glen Goldstein(iv)	—	—	—	—	—	—
Charles Daniel Forman	200	—	—	—	—	200
Independent Non-Executive Directors						
Chiang Yun	200	—	—	—	—	200
Victor Patrick Hoog Antink	230	—	—	—	—	230
Steven Zygmunt Strasser	230	—	—	—	—	230
Kenneth Patrick Chung	200	—	—	—	—	200
	1,060	2,724	—	136	2,832	6,752

(i) The discretionary bonuses are determined by reference to the individual performance of the Directors and the Chief Executives and the Group's performance, and approved by the Remuneration Committee.

(ii) Other benefits mainly include share options and restricted share units under the Equity Award Plan, accommodation, meals, home visit travel costs and medical insurance. The value of share options and restricted share units granted to the Directors represents the amount recognized as an expense during the year in accordance with IFRS 2 *Share-based payment*.

(iii) Sheldon Gary Adelson took a medical leave of absence from his positions as the Chairman, Chief Executive Officer and the Chairman of the Nomination Committee of the Company and was re-designated as a Non-Executive Director of the Company, in each case, with effect from January 7, 2021. Mr. Adelson passed away in the United States on January 11, 2021.

(iv) Robert Glen Goldstein was appointed as the Acting Chairman, Acting Chief Executive Officer, the Acting Chairman of the Nomination Committee, and was re-designated as an Executive Director of the Company, in each case, with effect from January 7, 2021. Subsequently he was appointed as the Chairman of the Board, the Chief Executive Officer and the Chairman of the Nomination Committee of the Company, in each case, with effect from January 27, 2021.

(v) Chum Kwan Lock, Grant was appointed as the Executive Director of the Company with effect from January 7, 2021.

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(b) Directors' emoluments (continued)

The Executive Directors' emoluments were for their services in connection with the management of the affairs of the Group. The Non-Executive Directors' and Independent Non-Executive Directors' emoluments were for their services as directors of the Company.

In addition to the Directors' emoluments disclosed above, Robert Glen Goldstein received compensation (inclusive of share-based compensation) from LVS in respect of his services to LVS and its subsidiaries (including the Group). During the year ended December 31, 2021, US$1 million (2020: US$1 million) was charged by LVS to the Group in respect of such management and administrative services of Robert Glen Goldstein provided to the Group.

No emoluments were paid to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2020: nil).

With the exception of the continuing connected transactions disclosed in the 2021 Annual Report of the Company, none of the Directors has any material interests in transactions, arrangements or contracts entered into by the Company or the LVS Group.

None of the Directors waived or has agreed to waive any emoluments during the year (2020: nil).

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group included two Directors (2020: one) whose emoluments were reflected in the analysis presented above. The emoluments of the remaining three individuals (2020: four) during the year were as follows:

	Year ended December 31,	
	2021	2020
	US$ in thousands	
Basic salaries, allowances and benefits in kind	**4,874**	6,530
Discretionary bonus	**—**	—
Share-based compensation[i]	**1,415**	2,846
Pension costs	**132**	206
	6,421	9,582

(i) The value of share options and restricted share units granted to the individuals represents the amount recognized as an expense during the year in accordance with IFRS 2 *Share-based payment*.

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (CONTINUED)

(c) Five highest paid individuals (continued)

The emoluments of the above mentioned individuals fall within the following bands:

Range in HK$	Range in US$ equivalent	Year ended December 31, **2021** Number of individuals	2020
10,500,001–11,000,000	1,346,000–1,410,000	**—**	1
13,500,001–14,000,000	1,731,000–1,795,000	**—**	1
15,500,001–16,000,000	1,987,000–2,051,000	**1**	—
16,000,001–16,500,000	2,051,000–2,116,000	**1**	—
17,500,001–18,000,000	2,244,000–2,308,000	**—**	1
18,000,001–18,500,000	2,308,000–2,372,000	**1**	—
32,000,001–32,500,000	4,103,000–4,167,000	**—**	1
		3	4

No emoluments were paid to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended December 31, 2021 (2020: nil).

6. OTHER EXPENSES, GAINS AND LOSSES

	Notes	Year ended December 31, 2021	2020
		US$ in millions	
Utilities and operating supplies		**144**	116
Contract labor and services		**70**	65
Repairs and maintenance		**64**	65
Royalty fees	25(a)(v)	**43**	22
Advertising and promotions		**42**	27
Management fees[(i)]		**19**	16
Provision for expected credit losses, net		**3**	52
Auditor's remuneration		**2**	2
Lease payments exempted from recognition and variable lease payments	13(c)	**1**	3
Net foreign exchange losses/(gains)		**38**	(17)
Loss on disposal of property and equipment, investment properties and intangible assets[(ii)]		**19**	73
Fair value gain on derivative financial instruments	22	**(1)**	—
Other support services		**62**	58
Other operating expenses		**72**	62
		578	544

(i) Total management fees for the year ended December 31, 2021 included US$3 million charged by third parties and US$16 million charged by related parties, net of amounts capitalized (2020: US$3 million and US$13 million respectively). Refer to Note 25(a)(ii) for further information.

(ii) Loss on disposal of property and equipment, investment properties and intangible assets for the year ended December 31, 2021 included demolition cost of US$11 million (2020: US$34 million) primarily related to The Londoner Macao project.

7. FINANCE COSTS, NET OF AMOUNTS CAPITALIZED

	Year ended December 31, 2021	2020
	US$ in millions	
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
	387	300
Less: interest capitalized	**(14)**	(21)
	373	279

A capitalization rate of 4.5% to 5.1% (2020: 3.2% to 5.1%) was used, representing the effective finance costs of the loans to finance the assets under construction.

8. INCOME TAX EXPENSE

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

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.

(a) Macao complementary tax

Macao complementary tax is levied at progressive rates ranging from 3% to 9% on the taxable income above MOP32,000 (equivalent to US$4,000) but below MOP300,000 (equivalent to US$37,500), and thereafter at a fixed rate of 12%. For the year ended December 31, 2021, a special complementary tax incentive was provided to the effect that the tax free income threshold was increased from MOP32,000 to MOP600,000 (equivalent to US$4,000 to US$75,000) with the profit above MOP600,000 (equivalent to US$75,000) being taxed at a fixed rate of 12% (2020: same). Additionally, for the year ended December 31, 2020, a special complementary tax incentive was provided to reduce complementary tax payable by a maximum of MOP300,000 (equivalent to US$37,500).

Pursuant to the Dispatch No. 194/2018 issued by the Chief Executive of Macao on August 20, 2018, VML was granted an extension of the tax exemption regarding Macao complementary tax on its gaming activities effective from the tax year 2019 through June 26, 2022, the date VML's Subconcession Contract expires. After the extension of VML's Subconcession Contract to December 31, 2022 is approved by the Macao government, VML will submit an application for extension of the tax exemption correspondingly to December 31, 2022. There is no assurance that this tax arrangement will be extended beyond its expiration date. Regarding the other subsidiaries, during the year ended December 31, 2021, Macao complementary tax is calculated progressively at a maximum of 12% of the estimated assessable profit (2020: same).

(b) Lump sum in lieu of Macao complementary tax on dividends

In April 2019, VML entered into a renewed Shareholder Dividend Tax Agreement with the Macao government, effective through June 26, 2022, to correspond to the Macao complementary tax exemption on its gaming activities (see also Note 8(a)). The agreement provides for payments in lieu of Macao complementary tax otherwise due by VML's shareholders on dividend distributions to them from gaming profits; namely an annual payment of MOP 38 million (equivalent to US$5 million) for 2021 and 2020, each payment to be made on or before January 31 of the following year, and a payment of MOP18 million (equivalent to US$2 million) for the period between January 1, 2022 through June 26, 2022, to be paid on or before July 26, 2022. After the extension of the tax exemption regarding Macao complementary tax on its gaming activities to December 31, 2022 is approved by the Macao government (see also Note 8(a)), VML will submit an application for extension of the agreement correspondingly to December 31, 2022. There is no assurance that this tax arrangement will be extended beyond its expiration date.

8. INCOME TAX EXPENSE (CONTINUED)

(c) Hong Kong profits tax

The Company's subsidiaries that carry on business in Hong Kong are subject to the Hong Kong profits tax at the maximum rate of 16.5% for the year ended December 31, 2021 (2020: same).

(d) Reconciliation between income tax expense and accounting loss at applicable tax rates

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the domestic tax rates applicable to the consolidated entities in the respective jurisdictions as follows:

	Year ended December 31,	
	2021	2020
	US$ in millions	
Loss before income tax	**(1,045)**	(1,507)
Tax calculated at domestic rates applicable in the respective jurisdictions	**(121)**	(174)
Tax effects of:		
Income not subject to tax[(i)]	**(365)**	(247)
Expenses not deductible for tax purposes[(i), (ii)]	**332**	271
Amortization of pre-opening expenses previously not recognized	**(2)**	(2)
Origination and reversal of temporary differences, net	**—**	5
Tax losses for which no deferred income tax assets were recognized	**154**	158
Lump sum in lieu of Macao complementary tax on dividends	**5**	5
Income tax expense	**3**	16

(i) During the year ended December 31, 2021, VML was exempt from Macao complementary tax on its gaming activities (see also Note 8(a)). In addition, lease/right-of-use income recorded in VML, Venetian Cotai Limited ("VCL") and Venetian Orient Limited ("VOL") were subject to property tax (Note (ii)), and should, therefore, also be excluded from Macao complementary tax calculations. Accordingly, casino revenues and lease/right-of-use income and their corresponding expenses incurred were presented as "Income not subject to tax" and "Expenses not deductible for tax purposes", respectively, in the calculations above (2020: same).

Additionally, for the year ended December 31, 2020, the Company received dividend income from a subsidiary. The dividend income is not subject to Hong Kong profits tax.

(ii) Lease/right-of-use income recorded in VML, VCL and VOL are exempt from property tax for the first four and six years for the newly constructed buildings in Macao and on Cotai, respectively, pursuant to Article 9(1)(a) of Lei no. 19/78/M. If the buildings in Macao and on Cotai also qualify for Tourism Utility Status, the property tax exemption can be extended by another four and six years, respectively, pursuant to Article 15(a) of Lei no. 81/89/M. The exemption for Sands Macao expired in August 2012, for The Venetian Macao in August 2019, with exception of its casino area which expired in August 2013, and for The Plaza Macao in August 2020. The exemptions for The Londoner Macao and The Parisian Macao will be expiring in December 2027 and September 2028, respectively. Regarding The Grand Suites at Four Seasons, under the initial exemption, it has an exemption with expiration date of April 2019. The Group is currently working on obtaining the second exemption for The Grand Suites at Four Seasons.

9. LOSS PER SHARE

The calculation of basic and diluted loss per share are set out in the following:

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

(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).

10. DIVIDENDS

On January 17, 2020, the Board declared an interim dividend of HK$0.99 (equivalent to US$0.127) per share in respect of the year ended December 31, 2019, payable to Shareholders of the Company whose names appeared on the register of members of the Company on February 5, 2020. The interim dividend, amounting in aggregate to HK$8.01 billion (equivalent to US$1.03 billion), was paid on February 21, 2020, and reflected as appropriation of reserves during 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.

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.

11. INVESTMENT PROPERTIES, NET

	2021	2020
	US$ in millions	
Cost		
At January 1	**990**	1,004
Additions	**20**	7
Adjustments to project costs	**—**	(3)
Disposals	**(3)**	(24)
Transfers from property and equipment	**129**	2
Exchange difference	**(6)**	4
At December 31	**1,130**	990
Accumulated depreciation		
At January 1	**(447)**	(417)
Depreciation	**(52)**	(52)
Disposals	**3**	24
Exchange difference	**3**	(2)
At December 31	**(493)**	(447)
Carrying amount		
At December 31	**637**	543

(a) Measuring investment property at fair value

The Group engaged an independent professional valuer, Knight Frank Petty Limited, to perform the valuation of the Group's investment properties, which are located in Macao, on an annual basis. Knight Frank Petty Limited is a professionally qualified independent external valuer, and had appropriate recent experience in the relevant location and category of the properties being valued. In determining the fair value of the investment properties, the valuer uses assumptions and estimates that reflect, amongst other factors, comparable market transactions in an active market, lease/right-of-use income from current leases/right-of-use and assumptions about lease/right-of-use income from future leases/rights-of-use in light of current market conditions, capitalization rates, terminal yield and reversionary income potential. Valuations based on income and an open market value approach for all completed properties are as follows:

	December 31, 2021	2020
	US$ in millions	
Fair value of the investment properties	**7,999**	7,686

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair value estimate of the Group's investment properties is a Level 3 input.

11. INVESTMENT PROPERTIES, NET (CONTINUED)

(b) Amounts recognized in profit or loss for investment properties

	Year ended December 31, **2021**	2020
	US$ in millions	
Mall income	**473**	269
Direct operating expenses arising from investment properties that generate right-of-use income	**34**	37
Direct operating expenses that did not generate right-of-use income	**11**	6

During the year ended December 31, 2021, mall income in the table above included turnover fees, representing variable lease income of US$90 million (2020: US$29 million) and rent concessions of US$41 million granted to mall tenants (2020: US$215 million) as a result of the COVID-19 Pandemic.

(c) Leasing arrangements

The investment properties are leased to mall tenants under operating leases with rentals payable on a monthly basis. Lease payments in the mall leasing contracts include variable lease payments that depend on turnover of the retail store. Where necessary to reduce credit risk, the Group may obtain bank guarantees for the term of a lease or cash security deposit at the commencement of a lease. There is no residual value guarantee for our current mall leases.

The future aggregate minimum lease/base fee receivables under non-cancelable agreements are as follows:

	December 31, **2021**	2020
	US$ in millions	
No later than 1 year	**300**	334
1 to 2 years	**229**	244
2 to 3 years	**174**	178
3 to 4 years	**117**	140
4 to 5 years	**105**	113
Later than 5 years	**308**	407
	1,233	1,416

12. PROPERTY AND EQUIPMENT, NET

The movements of property and equipment for the year are as follows:

	Leasehold interests in land	Land improvements	Buildings and building improvements	Leasehold improvements	Vehicles US$ in millions	Ferries	Furniture, fittings & equipment	Construction-in-progress	Total
Cost									
At January 1, 2020	675	399	9,377	7	63	252	2,082	494	13,349
Additions	1	—	9	2	29	—	47	1,024	1,112
Adjustments to project costs	(2)	(7)	4	—	—	—	(2)	—	(7)
Disposals	—	(24)	(127)	(2)	(26)	—	(58)	(2)	(239)
Transfers[(i)]	—	2	583	—	—	—	156	(743)	(2)
Exchange difference	—	2	44	—	—	—	10	1	57
At December 31, 2020	674	372	9,890	7	66	252	2,235	774	14,270
Accumulated depreciation and impairment									
At January 1, 2020	(135)	(156)	(3,042)	(6)	(27)	(207)	(1,415)	—	(4,988)
Depreciation	(13)	(6)	(404)	(1)	(11)	(5)	(174)	—	(614)
Disposals	—	22	95	2	12	—	55	—	186
Exchange difference	—	(1)	(14)	—	—	—	(7)	—	(22)
At December 31, 2020	(148)	(141)	(3,365)	(5)	(26)	(212)	(1,541)	—	(5,438)
Carrying amount									
At December 31, 2020	526	231	6,525	2	40	40	694	774	8,832
Cost									
At January 1, 2021	**674**	**372**	**9,890**	**7**	**66**	**252**	**2,235**	**774**	**14,270**
Additions	**—**	**—**	**2**	**—**	**2**	**—**	**27**	**485**	**516**
Adjustments to project costs	**—**	**—**	**(9)**	**—**	**(2)**	**—**	**(8)**	**—**	**(19)**
Disposals	**—**	**—**	**(44)**	**—**	**—**	**—**	**(35)**	**(4)**	**(83)**
Transfers[(i)]	**—**	**—**	**859**	**—**	**—**	**—**	**128**	**(1,116)**	**(129)**
Exchange difference	**—**	**(2)**	**(64)**	**—**	**—**	**—**	**(13)**	**(1)**	**(80)**
At December 31, 2021	**674**	**370**	**10,634**	**7**	**66**	**252**	**2,334**	**138**	**14,475**
Accumulated depreciation and impairment									
At 1 January, 2021	**(148)**	**(141)**	**(3,365)**	**(5)**	**(26)**	**(212)**	**(1,541)**	**—**	**(5,438)**
Depreciation	**(13)**	**(4)**	**(439)**	**(1)**	**(11)**	**(5)**	**(189)**	**—**	**(662)**
Disposals	**—**	**—**	**38**	**—**	**—**	**—**	**34**	**—**	**72**
Exchange difference	**—**	**—**	**21**	**—**	**—**	**—**	**9**	**—**	**30**
At December 31, 2021	**(161)**	**(145)**	**(3,745)**	**(6)**	**(37)**	**(217)**	**(1,687)**	**—**	**(5,998)**
Carrying amount									
At December 31, 2021	**513**	**225**	**6,889**	**1**	**29**	**35**	**647**	**138**	**8,477**

(i) During the year ended December 31, 2021, the net transfers to investment properties was US$129 million (2020: US$2 million).

Interest expense of US$14 million in Note 7 (2020: US$21 million) and other direct costs of US$20 million (2020: US$24 million) were capitalized for the year ended December 31, 2021.

12. PROPERTY AND EQUIPMENT, NET (CONTINUED)

The Group received land concessions from the Macao government to build on the sites on which Sands Macao, The Venetian Macao, The Plaza Macao, The Londoner Macao and The Parisian Macao are located. The Group does not own these land sites; however, the land concessions, which have an initial term of 25 years and are renewable at the Group's option, in accordance with Macao laws, grant the Group exclusive use of the land. As specified in the land concessions, the Group is required to pay premiums for each parcel as well as annual rent for the term of the land concessions, which may be revised every five years by the Macao government. The initial land lease premiums for all parcels have been fully paid for. The Group anticipates a useful life of 50 years related to these land concessions.

As at December 31, 2021, the Group's property and equipment were not pledged as securities for any liabilities (2020: same).

13. LEASES

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 11(b) and 11(c).

(a) Right-of-use assets

The movements of right-of-use assets included within "Property and equipment, net" and "Investment properties, net" for the year are as follows:

	Property and equipment, net — Leasehold interests in land	Investment properties, net — Leasehold interests in land	Property and equipment, net — Other	Total Right-of-use assets
		US$ millions		
Cost				
At January 1, 2020	675	56	32	763
Additions	1	—	25	26
Adjustments to costs	(2)	—	—	(2)
Disposals	—	—	(17)	(17)
At December 31, 2020	674	56	40	770
Accumulated depreciation				
At January 1, 2020	(135)	(13)	(11)	(159)
Depreciation	(13)	(1)	(13)	(27)
Disposals	—	—	3	3
At December 31, 2020	(148)	(14)	(21)	(183)
Carrying amount				
At December 31, 2020	526	42	19	587
Cost				
At January 1, 2021	**674**	**56**	**40**	**770**
Additions	**—**	**—**	**9**	**9**
Disposals	**—**	**—**	**(7)**	**(7)**
At December 31, 2021	**674**	**56**	**42**	**772**
Accumulated depreciation				
At January 1, 2021	**(148)**	**(14)**	**(21)**	**(183)**
Depreciation	**(13)**	**(1)**	**(11)**	**(25)**
Disposals	**—**	**—**	**7**	**7**
At December 31, 2021	**(161)**	**(15)**	**(25)**	**(201)**
Carrying amount				
At December 31, 2021	**513**	**41**	**17**	**571**

13. LEASES (CONTINUED)

(b) Lease liabilities

The lease liabilities included within borrowings are as follows:

	December 31, 2021	2020
	US$ in millions	
Current liabilities — Borrowings	**17**	21
Non-current liabilities — Borrowings	**124**	124
Total lease liabilities	**141**	145

The weighted average effective interest rate of lease liabilities as at December 31, 2021 was 4.8% (2020: 4.9%). The maturity analysis of the lease liabilities are presented in Note 27(a)(iii).

(c) Amounts recognized in the consolidated income statement

	Year ended December 31, 2021	2020
	US$ in millions	
Depreciation charge of right-of-use assets:		
Property and equipment, net — Leasehold interests in land	**13**	13
Property and equipment, net — Other	**11**	13
Investment properties, net — Leasehold interests in land	**1**	1
	25	27
Interest expense on lease liabilities	**8**	8
Expense relating to short-term leases exempted from recognition	**1**	1
Expense relating to low-value items exempted from recognition	**—**	1
Expense relating to variable lease payments	**—**	1
	34	38

The total cash outflow for leases including interest payments for the year ended December 31, 2021 was US$14 million (2020: US$15 million), which included variable lease payments, low-value lease payments and short-term lease payments of US$1 million in total (2020: US$3 million).

4.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. LEASES (CONTINUED)

(d) Extension and termination options and residual value guarantee

The Group has leases for various real estate (including leasehold interest in land), vehicles and equipment. The Group's leases include options to extend the lease term by one month to 10 years. Land concessions in Macao generally have an initial term of 25 years with automatic extensions of 10 years thereafter in accordance with Macao law. The Group anticipates a useful life of 50 years related to the land concessions in Macao. Termination options are included in property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of the termination options held are exercisable only by the Group and not by the respective lessor.

The Group's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

14. INTANGIBLE ASSETS, NET

	Computer software	
	2021	2020
	US$ in millions	
Cost		
At January 1	**141**	130
Additions	**16**	11
At December 31	**157**	141
Accumulated amortization		
At January 1	**(100)**	(82)
Amortization	**(19)**	(18)
At December 31	**(119)**	(100)
Carrying amount		
At December 31	**38**	41

15. DEFERRED INCOME TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movements of the deferred tax liabilities are as follows:

	Accelerated depreciation allowance US$ in millions
At January 1, 2020	(45)
Charge for the year	(11)
At December 31, 2020	**(56)**
Credit for the year	**2**
At December 31, 2021	**(54)**

Deferred tax assets are recognized for tax loss carryforwards to the extent realization of the related tax benefit through future taxable profits is probable. The unrecognized deferred income tax assets in respect of losses that can be carried forward against future taxable income and pre-opening expenses are as follows:

	December 31, 2021	2020
	US$ in millions	
Arising from unused tax losses	**421**	346
Arising from pre-opening expenses	**1**	3
	422	349

As at December 31, 2021, subject to the agreement by tax authorities, out of the total unrecognized tax losses of approximately US$3,457 million (2020: US$2,835 million), an amount of approximately US$140 million (2020: US$133 million) can be carried forward indefinitely. The remaining amount of approximately US$3,317 million (2020: US$2,702 million), will expire in one to three years (2020: same).

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS, NET

	Note	December 31, 2021 US$ in millions	2020
Trade receivables		**241**	257
Less: provision for expected credit losses		**(125)**	(137)
Trade receivables, net	16(a)	**116**	120
Deferred rent		**73**	69
Less: amortization of deferred rent		**(42)**	(42)
provision for doubtful deferred rent		**(2)**	(2)
Prepayments		**49**	52
Other receivables		**13**	11
Trade and other receivables and prepayments, net		**207**	208
Less: non-current portion:			
deferred rent		**(17)**	(13)
prepayments and other receivables		**(7)**	(5)
		(24)	(18)
Current portion		**183**	190

(a) Trade receivables, net

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

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

Trade receivables are measured at amortized costs and the carrying values approximate their fair values at each balance sheet date. The maximum exposure to credit risk is the fair values of trade receivables at each balance sheet date.

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS, NET (CONTINUED)

(a) Trade receivables, net (continued)

Trade receivables are comprised of casino, mall and hotel receivables. The Group extends credit to approved customers and gaming promoters following background checks and investigations of creditworthiness. Business or economic conditions, the legal enforceability of gaming debts, or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Trade receivables mainly consist of casino receivables. Credit is granted to certain gaming promoters on a revolving basis. All gaming promoter credit lines are generally subject to monthly review and regular settlement procedures to evaluate the current status of liquidity and financial health of these gaming promoters. Credit is granted based on the performance and financial background of the gaming promoter and, if applicable, the gaming promoter's guarantor(s). 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. The Group generally does not charge interest for credit granted, but requires a personal check or other acceptable forms of security.

There is a concentration of credit risk related to net casino receivables as 47.6% (2020: 67.6%) of the casino receivables as at December 31, 2021 were from the top five customers. Other than casino receivables, there are no other concentrations of credit risk with respect to trade receivables. The Group believes the concentration of its credit risk in casino receivables is mitigated substantially by its credit evaluation process, credit policies, credit control and collection procedures, and also believes that there are no concentrations of credit risk for which a provision has not been established as at December 31, 2021 and 2020.

The Group maintains a provision for expected credit losses on casino, mall and hotel receivables and regularly evaluates the balances. The Group specifically analyzes the collectability of each account with a significant balance, based upon the aging of the account, the customer's financial condition, collection history and any other known information, and the Group makes an allowance for trade receivables. The Group also monitors regional and global economic conditions and forecasts in its evaluation of the adequacy of the recorded provisions. Table games play is primarily cash play, as credit play represented approximately 14.5% of total table games play for the year ended December 31, 2021 (2020: 24.0%). The credit extended to gaming promoters and premium players can be offset by the commissions payable to and front money deposited by these gaming promoters and premium players, which is considered in the establishment of the provision for expected credit losses.

As at December 31, 2021, a gross amount of casino receivables of US$160 million (2020: US$247 million), was offset by commissions payable and front money deposits in an aggregate amount of US$8 million (2020: US$39 million), resulting in net amounts of casino receivables before provision for expected credit losses of US$152 million (2020: US$208 million). As at December 31, 2021, all outstanding receivables from gaming promoters were fully collected resulting from the closure of fixed room junket operations in December 2021.

As at December 31, 2021, included in the Group's trade receivables balance were debtors with aggregate gross carrying amount of US$159 million (2020: US$181 million) which were past due as at the reporting date, of which US$141 million (2020: US$158 million) related to casino receivables.

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS, NET (CONTINUED)

(a) Trade receivables, net (continued)

During the year ended December 31, 2021, there continued to be a delay in payments on casino receivables due to the inability of patrons to travel to the Group's properties or to accomplish financial transactions due to the travel restrictions caused by the COVID-19 Pandemic. The collection of casino receivables has also been impacted by liquidity issues faced by certain patrons also stemming from the COVID-19 Pandemic. The Group has increased the provision for expected credit losses accordingly to account for the expected credit losses due to the COVID-19 Pandemic. The Group continues to closely monitor any delays in payments due to the COVID-19 Pandemic and will increase the provision accordingly depending on the facts and circumstances. Although the Group believes the provision on the casino receivables is adequate as at December 31, 2021, it is possible the provisions could increase if the Group experiences further delays on payments from patrons.

As at December 31, 2021, except for credit impaired balances and outstanding significant balances with gross amount of US$135 million (2020: US$130 million) that have been assessed individually, as part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these remaining customers consist of a large number of small customers with common risk characteristics representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at December 31, 2021 and 2020 within lifetime ECL.

Provision's matrix — debtor's aging	Expected loss rate	December 31, 2021	2020
		US$ in millions	
Current (not past due)	—	**17**	53
1–90 days past due	2%–10%	**10**	16
91–360 days past due	15%–25%	**4**	6
More than 360 days past due	50%–100%	**75**	52
		106	127

The expected loss rates are estimated based on historical observed default rates over the expected life of the receivable balance and forward-looking information available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS, NET (CONTINUED)

(a) Trade receivables, net (continued)

The following table shows the movement in lifetime ECL that has been recognized for trade receivables under the simplified approach.

	December 31, 2021	2020
	US$ in millions	
At beginning of year	**137**	106
Provision for expected credit losses, net	**1**	50
Amounts written-off	**(13)**	(19)
At end of year	**125**	137

(b) Other receivables and deferred rent

Other receivables are measured at amortized costs and the carrying values approximate their fair values at each balance sheet date, which also represent the Group's maximum exposure to credit risk as at December 31, 2021. The Group holds security deposits, bank guarantees and letters of credit for certain other receivables and deferred rent. Impairment charges of US$2 million (2020: US$2 million) related to deferred rent were recorded for the year ended December 31, 2021, and included in "Other expenses, gains and losses" in the consolidated income statement. Amounts are charged to the provision account and generally written off when the recoverability is remote.

17. CASH AND CASH EQUIVALENTS

	December 31, 2021	2020
	US$ in millions	
Cash at bank and on hand	**316**	532
Short-term bank deposits	**362**	329
	678	861

As at December 31, 2021, the effective interest rates on short-term bank deposits ranged from 0.1% to 1.0% (2020: 0.1% to 1.0%) per annum. These deposits have maturities ranging from 5 to 28 days (2020: 5 to 19 days).

Cash and cash equivalents are measured at amortized costs and the carrying values of cash equivalents are their fair values as at December 31, 2021 (2020: same). The estimated fair value of the Group's cash and cash equivalents is based on level 1 inputs (quoted market prices in active markets) (2020: same). The maximum credit exposure of cash and cash equivalents of the Group as at December 31, 2021 amounted to US$564 million (2020: US$747 million).

18. SHARE CAPITAL

	Ordinary shares of US$0.01 each	US$ in millions
Authorized		
At January 1, 2020, December 31, 2020 and December 31, 2021	16,000,000,000	160
Issued and fully paid:		
At January 1, 2020	8,088,352,216	81
Shares issued upon exercise of share options	1,766,550	—
At December 31, 2020	8,090,118,766	81
At January 1, 2021	**8,090,118,766**	**81**
Shares issued upon exercise of share options	**3,070,100**	**—**
At December 31, 2021	**8,093,188,866**	**81**

19. RESERVES

The amount of the Group's reserves and the movements therein for the current and prior years are set out in the consolidated statement of changes in equity.

(a) Capital reserve

The capital reserve represents the combined share premium of Venetian Venture Development Intermediate Limited ("VVDIL") and Cotai Services (HK) Limited.

(b) Statutory reserve

The statutory reserve represents amounts set aside from the income statement that are not distributable to Shareholders/quotaholders of the group companies incorporated.

The Macao Commercial Code #432 requires that companies incorporated in Macao that are limited by shares should set aside a minimum of 10% of the company's profit after taxation to the statutory reserve until the balance of the reserve reaches a level equivalent to 25% of the company's capital.

For companies incorporated in Macao that are limited by quotas, the Macao Commercial Code #377 requires that a company should set aside a minimum of 25% of the company's profit after taxation to the statutory reserve until the balance of the reserve reaches a level equivalent to 50% of the company's capital.

20. TRADE AND OTHER PAYABLES

	Notes	December 31, **2021**	2020
		US$ in millions	
Trade payables	20(a)	**31**	51
Customer deposits and other deferred revenue	20(b)	**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	20(b)	**65**	189
Loyalty program liability	20(b)	**26**	28
Casino liabilities		**21**	22
Payables to related companies	25(b)	**5**	3
Other payables and accruals		**56**	62
		1,183	1,493
Less: non-current portion		**(112)**	(105)
Current portion		**1,071**	1,388

Trade and other payables are measured at amortized cost and the carrying amount approximate their fair values at each balance sheet date.

(a) Trade payables

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

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

20. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Contract and contract related liabilities

The Group provides numerous products and services to its customers. There is often a timing difference between the cash payment by the customers and recognition of revenue for each of the associated performance obligations. The Group has the following main types of liabilities associated with contracts with customers: (1) outstanding chip liability, (2) loyalty program liability, and (3) customer deposits and other deferred revenue for gaming and non-gaming products and services yet to be provided.

The outstanding chip liability represents the collective amounts owed to gaming promoters and patrons in exchange for gaming chips in their possession. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of being purchased. The loyalty program liability represents a deferral of revenue until patron redemption of points earned. The loyalty program points are expected to be redeemed and recognized as revenue within one year of being earned. Customer deposits and other deferred revenue represent cash deposits made by customers for future services provided by the Group. With the exception of mall deposits, which typically extend beyond a year based on the terms of the lease, the majority of these customer deposits and other deferred revenue are expected to be recognized as revenue or refunded to the customer within one year of the date the deposit was recorded.

The following table summarizes the liability activity related to contracts with customers:

	Outstanding chip liability		**Loyalty program liability**		**Customer deposits and other deferred revenue**[(i)]	
	2021	2020	**2021**	2020	**2021**	2020
			US$ in millions			
Balance at January 1	**189**	485	**28**	31	**412**	395
Balance at December 31	**65**	189	**26**	28	**401**	412
(Decrease)/increase[(ii)]	**(124)**	(296)	**(2)**	(3)	**(11)**	17

(i) Of this amount, US$118 million, US$125 million and US$129 million as at December 31, 2021, December 31, 2020, and January 1, 2020, respectively, related to mall deposits that were accounted for based on lease terms usually greater than one year.

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

21. BORROWINGS

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

Borrowings are measured at amortized cost and the estimated fair value of the Group's Senior Notes as at December 31, 2021 was approximately US$7.27 billion (2020: US$7.77 billion). The estimated fair value of the Group's Senior Notes is based on recent trades, if available, and indicative pricing from market information (level 2 inputs) (2020: same).

Senior Notes

On August 9, 2018, the Company issued, in a private offering, three series of senior unsecured unregistered 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"). A portion of the net proceeds from the offering was used to repay in full the outstanding borrowings under the 2016 VML Credit Facility. There are no interim principal payments on the 2023 Notes, 2025 Notes or 2028 Notes and interest is payable semi-annually in arrears on each February 8 and August 8. In connection with the US$5.50 billion Senior Notes, the Company entered into fixed-to-variable interest rate swap contracts which expired in August 2020 (see Note 22).

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.

4.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. BORROWINGS (CONTINUED)

Senior Notes (continued)

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"). There are no interim principal payments on the 2027 Notes, 2029 Notes or 2031 Notes and interest is payable semi-annually in arrears on each March 8 and September 8, commencing on March 8, 2022, with respect to the 2027 Notes and 2029 Notes, and on each February 8 and August 8, commencing on February 8, 2022, with respect to the 2031 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 at 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 2023 Notes, 2025 Notes and 2028 Notes were issued pursuant to an indenture, dated August 9, 2018 (the "2018 Indenture"), 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 the 2018 Indenture 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 indentures also provide for customary events of default.

Under the 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 at 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").

21. BORROWINGS (CONTINUED)

Senior Notes (continued)

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 and Note 3(b) for further information.

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 November 20, 2018, the Company as borrower, entered into a facility agreement with the arrangers and lenders named therein and Bank of China Limited, Macau Branch, as agent for the lenders (the "2018 SCL Credit Facility"), pursuant to which the lenders made available a US$2.0 billion revolving unsecured credit facility to the Company (the "2018 SCL Revolving Facility"). The facility is available until July 31, 2023, and the Company may draw loans under the facility, which may consist of general revolving loans (consisting of a United States dollar component and a Hong Kong dollar component) or loans drawn under a swing-line loan sub-facility (denominated in either United States dollars or Hong Kong dollars). The Company may utilize the loans for general corporate purposes and working capital requirements of the Company and its subsidiaries.

Loans under the 2018 SCL Revolving Facility bear interest calculated by reference to (1) in the case of general revolving loans denominated in United States dollars, the London Interbank Offered Rate ("LIBOR"), (2) in the case of loans denominated in United States dollars drawn under the swing-line loan sub-facility, a United States dollar alternate base rate (determined by reference to, among other things, the United States dollar prime lending rate and the Federal Funds Effective Rate), (3) in the case of general revolving loans denominated in Hong Kong dollars, the Hong Kong Interbank Offered Rate ("HIBOR") or (4) in the case of loans denominated in Hong Kong dollars drawn under the swing-line loan sub-facility, a Hong Kong dollar alternate base rate (determined by reference to, among other things, the Hong Kong dollar prime lending rate), in each case, plus a margin that is determined by reference to the consolidated leverage ratio as defined in the 2018 SCL Credit Facility. The initial margin for general revolving loans is 2.0% per annum and the initial margin for loans drawn under the swing-line loan sub-facility is 1.0% per annum. The Company is also required to pay a commitment fee of 0.60% per annum on the undrawn amounts under the 2018 SCL Revolving Facility.

The 2018 SCL Credit Facility contains affirmative and negative covenants customary for similar unsecured financings, including, but not limited to, limitations on indebtedness secured by liens on principal properties and sale and leaseback transactions. The 2018 SCL Credit Facility also requires the Company to maintain a maximum ratio of total indebtedness to trailing twelve-month adjusted EBITDA (as defined in the 2018 SCL Credit Facility) of 4.0x throughout the life of the facility, and a minimum ratio of trailing twelve-month adjusted EBITDA (as defined in the 2018 SCL Credit Facility) to net interest expense (including capitalized interest) of 2.5x throughout the life of the facility.

21. BORROWINGS (CONTINUED)

2018 SCL Credit Facility (continued)

On March 27, 2020, the Company entered into a waiver and amendment request letter (the "Waiver Letter") with respect to certain provisions of the 2018 SCL Credit Facility, pursuant to which lenders (a) waived the requirements for the Company to comply with the requirements that the Company ensure the maximum consolidated leverage ratio does not exceed 4.0x and minimum consolidated interest coverage ratio of 2.5x for any quarterly period ending during the period beginning on, and including, January 1, 2020 and ending on, and including, July 1, 2021 (the "SCL Relevant Period") (other than with respect to the financial year ended on December 31, 2019); (b) waived any default that may arise as a result of any breach of said requirements during the SCL Relevant Period (other than with respect to the financial year ended on December 31, 2019); and (c) extended the period of time during which the Company may supply the agent with (i) its audited consolidated financial statements for the financial year ended on December 31, 2019, to April 30, 2020; and (ii) its audited consolidated financial statements for the financial year ending on December 31, 2020, to April 30, 2021. Pursuant to the Waiver Letter, the Company agreed to pay a customary fee to the lenders that consented.

On September 11, 2020, the Company entered into a waiver extension and amendment request letter (the "Waiver Extension Letter") with respect to certain provisions of the 2018 SCL Credit Facility, pursuant to which lenders agreed to (a) extend the SCL Relevant Period such that it ends on, and includes, January 1, 2022 instead of July 1, 2021; and (b) amend and restate the 2018 SCL Credit Facility in the form attached to the Waiver Extension Letter, which contains the following amendments: (1) it provides the Company with the option to increase the total borrowing capacity by an aggregate amount of up to US$1.0 billion; and (2) it imposes a restriction on the ability of the Company to declare or make any dividend payment or similar distribution at any time during the period from (and including) July 1, 2020 to (and including) January 1, 2022, if at such time (x) the total borrowing capacity exceeds US$2.0 billion by operation of the increase referred to above; and (y) the maximum 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 Waiver Extension Letter, the Company agreed to pay a customary fee to the lenders that consented.

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 ending 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.

21. BORROWINGS (CONTINUED)

2018 SCL Credit Facility (continued)

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 that the covenants 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 and Note 3(b) for further information.

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.

As at 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). On March 15, 2022, the Company drew down US$19 million and HK$1.42 billion (approximately US$182 million at the exchange rate in effect on the date of this transaction) under the 2018 SCL Credit Facility for general corporate purposes, resulting in a remaining available borrowing capability of US$1.54 billion.

21. BORROWINGS (CONTINUED)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Senior Notes(i)	Bank loans(ii)	Lease liabilities	Deferred financing costs	Net interest payables(iii)	Other borrowings	Dividend payables	Total
				US$ in millions				
Balance as at January 1, 2020	5,535	—	147	(74)	83	—	—	5,691
Financing cash flows	1,496	(1)	(11)	(20)	(209)	—	(1,030)	225
Non-cash changes:						—		
Original issue discount	4	—	—	(4)	—	—	—	—
Accruals	—	—	9	—	282	—	1,025	1,316
Amortization	—	—	—	17	—	—	—	17
Foreign exchange movement	—	1	—	1	—	—	5	7
Fair value adjustment of the interest rate swaps	(35)	—	—	—	—	—	—	(35)
Balance as at December 31, 2020	**7,000**	**—**	**145**	**(80)**	**156**	**—**	**—**	**7,221**
Financing cash flows	**146**	**756**	**(12)**	**(27)**	**(378)**	**—**	**—**	**485**
Non-cash changes:							**—**	
Original issue discount	**4**	**—**	**—**	**(4)**	**—**	**—**	**—**	**—**
Accruals	**—**	**—**	**8**	**(1)**	**364**	**3**	**—**	**374**
Amortization	**—**	**—**	**—**	**23**	**—**	**—**	**—**	**23**
Loss on early retirement of debt	**—**	**—**	**—**	**6**	**—**	**—**	**—**	**6**
Foreign exchange movement	**—**	**(3)**	**—**	**—**	**(1)**	**—**	**—**	**(4)**
Balance as at December 31, 2021	**7,150**	**753**	**141**	**(83)**	**141**	**3**	**—**	**8,105**

(i) During the year ended December 31, 2021, cash flows from Senior Notes consisted of proceeds from Senior Notes of US$1.95 billion and repayment of 2023 Notes of US$1.80 billion.

(ii) Cash flows from bank loans were net of proceeds and repayments in the statement of cash flows.

(iii) As at January 1, 2020, net interest payables represented the net of interest payables and interest rate swap receivables. During the year ended December 31, 2020, cash flows from net interest payables represented the net of interest income received from interest rate swaps and interest payment made. The interest rate swaps expired in August 2020.

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Group recognizes all derivatives as financial instruments measured at fair value through profit or loss on the balance sheet. If specific conditions are met, a derivative may be designated as a hedge of specific financial exposures. The accounting for changes in fair value of a derivative depends on the intended use of the derivative and, if used in hedging activities, on its effectiveness as a hedge. In order to qualify for hedge accounting, the underlying hedged item must expose the Group to risks associated with market fluctuations and the financial instrument used must be designated as a hedge and reduce the Group's exposure to market fluctuation throughout the hedge period.

During the year ended December 31, 2021, the Company entered into two foreign currency swap agreements. The objective of both agreements is to manage the risk of changes in cash flows resulting from foreign currency gains/losses realized upon remeasurement of US$ denominated Senior Notes by swapping a specified amount of HK$ for US$ at the contractual spot rate. The terms in one of the contracts did not effectively match the terms of the related Senior Notes; thus, it was not designated as hedging (the "Non-Hedging Swap"). The remaining contract was designated as a hedge of the cash flows related to a portion of the Senior Notes (the "Hedging Swap", and together with the Non-Hedging Swap, the "FX Swaps"). The Non-Hedging Swap and the Hedging Swap have a total notional value of US$500 million and US$1.0 billion, respectively, and expire in August 2023 and August 2025, respectively.

As at December 31, 2021, the total fair value of the FX Swaps was US$2 million and was recorded as an asset in "Other assets, net — non-current". The fair value of the FX Swaps was estimated using Level 2 inputs from recently reported market transactions of foreign currency exchange rates. As at December 31, 2021, for the Hedging Swap, a total of US$4 million were recognized as hedge reserve in the consolidated balance sheet relating to the changes in fair value of the derivative and foreign currency gains/losses incurred from the remeasurement of the portion of the Senior Notes being hedged during the year. For the Non-Hedging Swap the changes in fair value of the derivative of US$1 million were recorded in other income in the consolidated income statement.

In August 2018, the Group entered into interest rate swap agreements (the "IR Swaps"), which were qualified and designated as fair value hedges, swapping fixed-rate for variable-rate interest to hedge changes in the fair value of the 2023 Notes, 2025 Notes and 2028 Notes. These IR Swaps had a total notional value of US$5.50 billion and expired in August 2020.

For the year ended December 31, 2020, the Group recorded US$53 million as a reduction to interest expense related to the realized amount associated with the IR Swaps. Gains and losses due to changes in fair value of the IR Swaps completely offset changes in the fair value of the hedged portion of the underlying debt; therefore, no gains or losses were recognized due to hedge ineffectiveness.

23. NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

Cash generated from/(used in) operations is as follows:

	Year ended December 31, **2021**	2020
	US$ in millions	
Loss before income tax	**(1,045)**	(1,507)
Adjustments for:		
Interest income	**(2)**	(11)
Interest and other finance costs	**350**	261
Depreciation and amortization	**733**	684
Amortization of deferred financing costs	**23**	17
Amortization of deferred rent	**10**	9
Amortization of other assets	**3**	3
Loss on disposal of property and equipment, investment properties and intangible assets	**8**	39
Loss on early retirement of debt	**137**	—
Provision for expected credit losses, net	**3**	52
Equity-settled share-based compensation expense, net of amounts capitalized	**5**	9
Fair value gain on derivative financial instruments	**(1)**	—
Net foreign exchange losses/(gains)	**36**	(18)
Changes in working capital:		
Other assets	**3**	—
Inventories	**—**	2
Trade and other receivables and prepayments	**(11)**	216
Trade and other payables	**(159)**	(567)
Cash generated from/(used in) operations	**93**	(811)

24. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Significant capital expenditure on property and equipment contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	December 31, **2021**	2020
	US$ in millions	
Contracted but not provided for	**75**	385

(b) Litigation

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 the Group's financial condition, results of operations or cash flows.

(c) Concession and Subconcession

On June 26, 2002, the Macao government granted a concession to operate casinos in Macao through June 26, 2022, subject to certain qualifications, to Galaxy, a consortium of Macao and Hong Kong-based investors. During December 2002, VML and Galaxy entered into a Subconcession Contract that was recognized and approved by the Macao government and allows VML to develop and operate casino projects, including The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza Macao and Sands Macao, separately from Galaxy. Beginning on December 26, 2017, the Macao government had the power to redeem the Subconcession Contract by providing the Group at least one year's prior notice. As at June 26, 2021, that redemption right has expired. The Subconcession of VML will expire on June 26, 2022.

On March 2, 2022, the Macao government announced its intention to extend the term of Macao's six concession and subconcession contracts from June 26, 2022 until December 31, 2022 in order to ensure sufficient time to complete the amendment to the Gaming Law and conduct a public tender for the awarding of new gaming concessions. The Macao government invited VML to submit a formal request for an extension along with a commitment to pay the Macao government up to MOP47 million (approximately US$6 million at exchange rates in effect on December 31, 2021) and provide a bank guarantee to secure the fulfilment of VML's payment obligations towards its employees should VML be unsuccessful in tendering for a new concession contract after its Subconcession expires. VML submitted its request for an extension on March 14, 2022. The extension of VML's Subconcession is subject to approval by the Macao government as well as entering into a Subconcession amendment contract with Galaxy.

Under the Subconcession, the Group is obligated to pay to the Macao government an annual premium with a fixed portion and a variable portion based on the number and type of gaming tables it employs and gaming machines it operates. The fixed portion of the premium is equal to MOP30 million (approximately US$4 million at the exchange rate in effect on December 31, 2021). The variable portion is equal to MOP300,000 per gaming table reserved exclusively for certain kinds of games or players, MOP150,000 per gaming table not so reserved and MOP1,000 per electrical or mechanical gaming machine, including slot machines (approximately US$37,344, US$18,672 and US$124, respectively, at the exchange rate in effect on December 31, 2021), subject to a minimum of MOP45 million (approximately US$6 million at the exchange rate in effect on December 31, 2021). The Group is also obligated to pay a special gaming tax of 35% of gross gaming revenues and applicable withholding taxes. The Group must also contribute 4% of its gross gaming revenue to utilities designated by the Macao government, a portion of which must be used for promotion of tourism in Macao. Based on the number and types of gaming tables employed and gaming machines in operation as at December 31, 2021 and the expiration of the VML subconcession on June 26, 2022, the Group is obligated under the VML subconcession to make minimum future payments of approximately US$22 million through the termination of the gaming subconcession in June 2022.

24. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(d) Construction labor

In recent years, the Group has utilized an imported construction labor quota granted by the Labour Affairs Bureau of the Macao government for purposes of completing outstanding areas within The Londoner Macao and The Parisian Macao project and for additions and alterations works in The Venetian Macao, The Plaza Macao and The Londoner Macao (the "Group Quota"). The Group Quota has been renewed and the import quota increased over the years, but is expected to decrease in 2022 as renovation and refurbishment works at The Londoner Macao are gradually completed. The Group Quota alone has historically not provided for sufficient numbers of staff and labor to complete construction works. The shortfall is covered by separate labor quotas applied by and awarded directly to the contractors by the Labour Affairs Bureau of the Macao government (the "Contractor Quota").

From 2018 until June 2021, BCA (Macau) Limited was retained to manage the Group Quota on behalf and at the direction of the Group, and since July 2021 the Group has been managing the Group Quota directly. In accordance with Macao labor law, the Group remains primarily liable for the fulfilment of all employer legal obligations and for the costs associated with persons employed under the Group Quota, including where such persons are seconded to contractors. Contractors utilizing seconded labor under the Group Quota are contractually obligated to reimburse and indemnify the Group for any and all costs incurred as a result of the secondment arrangement. In addition, the Group has the right to recover such costs against any amounts due to the contractors. Although the Group is not directly liable, it may be held vicariously liable for payments under the Contractor Quota if contractors working on the Company's development projects fail to pay wages. The Group maintains a contingency in case it is unable to fully recover amounts owed to construction labor from contractors in such circumstances.

25. RELATED PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant Shareholders and/or their close family members) or other entities, and include entities which are under the significant influence of related parties of the Group where those parties are individuals. The Group's immediate holding company is VVDI (II). LVS is the Group's ultimate holding company. Related companies represent the group companies of the LVS Group.

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

(a) Transactions during the year

(i) Management fee income

	Year ended December 31,	
	2021	2020
	US$ in millions	
LVS	**1**	—
Fellow subsidiaries	**3**	4
	4	4

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions during the year (continued)

(i) Management fee income (continued)

The Group provides management services to LVS Group companies. These services include, but are not limited to, accounting services, information technology support, sourcing of goods and services, and design, development and construction consultancy services and marketing services. Management fees are charged at actual costs incurred or on a cost-plus basis.

(ii) Management fee cost

	Year ended December 31, 2021	2020
	US$ in millions	
LVS	**16**	10
Fellow subsidiaries	**5**	3
	21	13

LVS Group companies provide management services to the Group. These services include, but are not limited to, human resources support, accounting services, sourcing of goods and services, sourcing of tenants for the malls, transportation services, other various types of marketing and promotion activities for the Group, and design, development and construction consultancy services. Management fees are charged at actual costs incurred or on a cost-plus basis.

The total management fee cost of US$21 million during the year ended December 31, 2021 was before the capitalization to deferred financing costs and prepayments of US$4 million and US$1 million, respectively. The net amount expensed in the consolidated income statement was US$16 million (Refer to Note 6).

(iii) Expenses billed to/paid by other LVS group companies

During the year, the Group incurred certain expenses on behalf of other LVS group companies, or vice versa. The Group charged/reimbursed other LVS group companies for these expenses at cost.

(iv) Key management personnel remuneration

No transactions have been entered into with the Directors of the Company (being the key management personnel) during the year ended December 31, 2021 other than the emoluments paid to them (being the key management personnel remuneration) as disclosed in Note 5 (2020: same).

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions during the year (continued)

(v) Royalty fees

In November 2009, the Group entered into an agreement with Las Vegas Sands, LLC ("LVS LLC"), an intermediate holding company incorporated in the United States of America, for the use of the trademarks and other intellectual property rights as defined in the agreement. For each of the full fiscal years through the full fiscal year ended December 31, 2012, the Group was required to pay LVS LLC an annual royalty in the amount of 1.5% of total gross non-gaming revenue and Paiza-related gaming revenue of Sands Macao, 1.5% of total gross revenue of The Venetian Macao, and 1.5% of total gross gaming revenue of the Plaza Casino at The Plaza Macao (the "Relevant Royalty"), provided that the total royalty payable in connection with these three properties in each fiscal year was capped at US$20 million per full fiscal year. For each of the subsequent full fiscal years through the full fiscal year ending December 31, 2022, the Group is required to pay an annual royalty being the lesser of the Relevant Royalty or the annual caps reflecting an increase of 20.0% for each subsequent year. Each subsequent Casino Gaming property the Group operates which utilizes any of the licensed marks in connection with generating the relevant revenue will pay for each of the first three full fiscal calendar years after commencement of operations of each subsequent property, a royalty fee of 1.5% of the respective total gross revenues of the operations in connection with which such licensed marks are used (each, the "Subsequent Casino Gaming Property Royalty"), subject to a US$20 million cap per fiscal year. For the fiscal calendar years thereafter until expiration of the initial term, the Group will pay LVS LLC an annual royalty being the lesser of the Subsequent Casino Gaming Property Royalty or the annual caps reflecting an increase of 20.0% for each subsequent year. After the commencement of the operation of The Londoner Macao and The Parisian Macao in April 2012 and September 2016 respectively, the Group is required to pay royalty fees in connection with these properties. During the year ended December 31, 2021, the Group incurred US$42 million (2020: US$22 million) of royalty fees.

(vi) Share-based compensation

The Group participates in the share-based compensation plan of LVS (Notes 5 and 26).

25. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Year-end balances between the Group and related companies

	December 31, 2021	2020
	US$ in millions	
Receivables from a related company:		
LVS	**—**	1

The receivables from a related company are unsecured, interest-free and have a credit term of 45 days (2020: same).

	Note	December 31, 2021	2020
		US$ in millions	
Payables to related companies:			
LVS		**1**	—
Intermediate holding company		**4**	3
	20	**5**	3

The payables to related companies are unsecured, interest-free and have a credit term of 45 days (2020: same).

26. SHARE-BASED COMPENSATION

(a) Share options of the Company

Equity Award Plan

The 2009 Equity Award Plan and 2019 Equity Award Plan (collectively, the "Equity Award Plan") gives the Company a competitive edge in attracting, retaining and motivating employees, directors and consultants and to provide the Company with an equity award plan providing incentives directly related to increases in its shareholder value. Subject to certain criteria as defined in the Equity Award Plan, the Company's or its subsidiaries' employees, directors or officers and many of its consultants are eligible for awards under the Equity Award Plan.

26. SHARE-BASED COMPENSATION (CONTINUED)

(a) Share options of the Company (continued)

Equity Award Plan (continued)

The 2009 Equity Award Plan provided for an aggregate of 804,786,508 Shares to be available for awards. The 2009 Equity Award Plan had a term of ten years, which expired on November 30, 2019, no further awards may be granted after the expiration of the term. All existing awards previously granted under the 2009 Equity Award Plan, but which are unexercised or unvested, will remain valid and (where applicable) exercisable in accordance with their respective terms of grant despite the expiry of the 2009 Equity Award Plan. Effective December 1, 2019, the 2019 Equity Award Plan was approved by Shareholders, with materially the same terms of the 2009 Equity Award Plan. As at December 31, 2021, there were 808,619,139 shares available for grant under the 2019 Equity Award Plan and no share options or any other Share-based Awards (under which new Shares will be issued) were granted during the year under the 2019 Equity Award Plan. The Company's Remuneration Committee might, from time to time, grant awards of share options, share appreciation rights, restricted shares, restricted share units, share bonuses ("Share-based Awards"), performance compensation awards or any combination of the foregoing pursuant to the 2019 Equity Award Plan.

Share options under the Equity Award Plan were granted with an exercise price not less than the highest of (i) the official closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day, (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant and (iii) the nominal value of a Share. The outstanding share options generally vest over four years and have ten-year contractual terms. Compensation cost for all share option grants, which all have graded vesting, is net of estimated forfeitures and is recognized on an accelerated granted attribution approach over the awards' respective requisite service periods.

The Company estimates the fair value of share options using the Black-Scholes option-pricing model. Expected volatilities are based on the Company's historical volatility for a period equal to the expected life of the share options. The expected option life is based on the contractual term of the option as well as historical exercise and forfeiture behavior. The risk-free interest rate for periods equal to the expected term of the share option is based on the Hong Kong Government Bond rate in effect at the time of the grant for share options granted. The expected dividend yield is based on the estimate of annual dividends expected to be paid at the time of the grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

26. SHARE-BASED COMPENSATION (CONTINUED)

(a) Share options of the Company (continued)

Equity Award Plan (continued)

A summary of the share option activity for the Company's 2009 Equity Award Plan is presented below:

	Year Ended December 31, 2021 Number of options '000	2021 Weighted average exercise price US$	2020 Number of options '000	2020 Weighted average exercise price US$
Outstanding at January 1	**54,418**	**4.96**	64,874	4.99
Exercised	**(3,070)**	**3.91**	(1,766)	3.41
Forfeited	**(3,168)**	**5.32**	(8,690)	5.51
Outstanding at December 31	**48,180**	**5.01**	54,418	4.96
Exercisable at December 31	**37,620**	**4.94**	32,903	4.85

The weighted average share price at the date of exercise for share options exercised during the year was US$4.86 (2020: US$4.41).

The range of exercise prices and the weighted average remaining contractual life of the above share options outstanding as at the dates indicated are as follows:

Range of exercise prices US$	December 31, 2021 Number of options outstanding '000	2021 Weighted average remaining contractual life (years)	2020 Number of options outstanding '000	2020 Weighted average remaining contractual life (years)
2.01–3.00	**—**	**—**	76	0.85
3.01–4.00	**8,392**	**3.87**	9,783	4.85
4.01–5.00	**11,066**	**5.38**	13,394	6.34
5.01–6.00	**24,433**	**6.67**	26,587	7.68
6.01–7.00	**1,758**	**4.13**	1,851	5.24
7.01–8.00	**1,288**	**2.27**	1,288	3.27
8.01–9.00	**1,243**	**2.21**	1,439	3.21
	48,180	**5.56**	54,418	6.53

26. SHARE-BASED COMPENSATION (CONTINUED)

(b) Restricted share units of the Company

Under the 2009 Equity Award Plan and the 2019 Equity Award Plan, the Company granted certain restricted share units (under which no new Shares will be issued) to eligible participants. Such restricted share units will vest over three to four years. Grantees are entitled to a future cash payment from our Group that is equivalent to the fair value of the vested restricted share units and any accumulated dividends in cash upon vesting.

A summary of the restricted share units under the 2009 Equity Award Plan and the 2019 Equity Award Plan is presented below:

	Year ended December 31,			
	2021		2020	
	Number of restricted share units '000	**Weighted average grant date fair value US$**	Number of restricted share units '000	Weighted average grant date fair value US$
Unvested at January 1	**3,363**	**4.44**	1,407	4.99
Granted	**13,040**	**3.22**	2,337	4.11
Vested	**(961)**	**4.46**	(244)	4.09
Forfeited	**(120)**	**4.53**	(137)	4.97
Unvested at December 31	**15,322**	**3.40**	3,363	4.44

The fair value of each restricted share unit on its grant date is the closing price of the Shares on its grant date. The fair value of each restricted share unit is re-measured at the end of each reporting period until its vesting date. Upon vesting of each restricted share unit, the Group will pay the grantees an amount in cash calculated based on the closing price of the Company's shares on the vesting date or the higher of (i) the closing price of the Company's shares on the vesting date, and (ii) the average closing price of the Company's shares for the five trading days immediately preceding the vesting date, in addition to any accumulated cash and dividends equivalents paid by the Company in respect of one Share. If the vesting date is not a trading day, the trading day immediately preceding the vesting date shall be considered as the vesting date. Compensation cost for all restricted share units, which all have graded vesting, is recognized on an accelerated granted attribution approach over the restricted share units' respective requisite service periods. As at December 31, 2021, the accrued liability associated with these cash-settled restricted share units was US$8 million (2020: US$7 million). For the year ended December 31, 2021, the gain on re-measurement of the liability was US$8 million (2020: less than US$1 million).

26. SHARE-BASED COMPENSATION (CONTINUED)

(c) Share options of LVS

The Group participates in the equity-settled share-based compensation plan of LVS which provides for the granting of share options to purchase LVS common stock (the "LVS Equity Plan").

LVS's compensation committee may grant awards of non-qualified share options, incentive (qualified) share options, share appreciation rights, restricted share awards, restricted share units, share bonus awards, performance compensation awards or any combination of the foregoing. Share option awards are granted with an exercise price equal to the fair market value (as defined in the LVS Equity Plan) of LVS' share on the date of grant. The outstanding share options generally vest over three to four years and have ten-year contractual terms.

For the purpose of financial reporting of the Group, share-based compensation expense arising from the granting of share options by LVS to the Directors and employees of the Group, to the extent of services rendered to the Group, is deemed to have been allocated to the Group as its expense with the corresponding increase in the share option reserve under equity in the relevant companies comprising the Group.

During the year ended December 31, 2021, no share options were granted, exercised nor expired. As at December 31, 2021, there were 132,525 share options outstanding with a weighted average exercise price of US$65.53, and 96,165 share options were exercisable at a weighted average exercise price of US$65.68.

During the year ended December 31, 2020, 33,768 share options were granted at a weighted average exercise price of US$70.06, no share options were exercised nor expired. As at December 31, 2020, there were 132,525 share options outstanding with a weighted average exercise price of US$65.53, and 63,233 share options were exercisable at a weighted average exercise price of US$65.34.

The expense allocated to the Group in relation to the LVS' share options during the year ended December 31, 2021 was US$0.1 million (2020: US$0.3 million).

(d) Restricted share units of LVS

The grant date fair value of the restricted share units is the share price of the ordinary shares of LVS at the respective grant date. The number of unvested restricted share units represents the number of ordinary shares of LVS to be given to the employees upon vesting. The restricted share units vest over 3 years.

During the year ended December 31, 2021, 56,946 restricted share units were granted at a weighted average grant date fair value of US$41.27, no restricted share units were vested and no restricted share units were forfeited. As at December 31, 2021, there were 56,946 unvested restricted share units with a weighted average grant date fair value of US$41.27. There were no restricted share units granted and unvested during the year ended December 31, 2020.

The expense allocated to the Group in relation to the LVS' restricted share units was US$0.4 million (2020: nil).

27. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall financial risk management program, mainly carried out by a central treasury department and approved by the Board of Directors, focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's primary exposures to market risk are interest rate risk associated with long-term borrowings and foreign currency exchange rate risk associated with the Group's operations. The Group has a policy aimed at managing interest rate risk associated with its current and anticipated future borrowings and foreign currency exchange rate risk associated with operations of its foreign subsidiaries. This policy enables the Group to use any combination of interest rate swaps, futures, options, caps, forward contracts and similar instruments. The Group does not hold or issue financial instruments for trading purposes and does not enter into derivative transactions that would be considered speculative positions.

(i) Market risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates.

Interest rate risk

The Group's primary exposure to market risk is interest rate risk associated with its fixed rate and variable rate long-term borrowings for the year ended December 31, 2021 and interest rate risk associated with its fixed rate long-term borrowings and interest rate swaps for the year ended December 31, 2020. Management monitors interest rate exposures and will consider hedging significant interest rate risk should the need arise.

During the year ended December 31, 2020, the Group held derivative financial instruments which consisted of interest rate swap contracts on the fixed rate 2023 Notes, 2025 Notes and 2028 Notes, which were designated as hedging instruments for accounting purposes. The fixed-to-variable interest rate swaps expired in August 2020. The Group's borrowings at fixed rates were denominated in US$ during the years ended December 31, 2021 and December 31, 2020.

As at December 31, 2021, the estimated fair value of fixed rate long-term borrowings was approximately US$7.27 billion, compared to its carrying value of US$7.15 billion (2020: US$7.77 billion, US$7.00 billion respectively). The estimated fair value of fixed rate long-term borrowings is based on level 2 inputs (quoted prices in markets that are not active). A change in interest rates on fixed rate long-term borrowings impacts its fair value. A hypothetical 100 basis points change in market rates would cause the fair value of the fixed rate long-term borrowings to change by US$366 million (2020: US$362 million).

As at December 31, 2021, the estimated fair value of variable rate long-term borrowings is approximately the same as its carrying value of US$753 million (2020: nil). The estimated fair value of variable rate long-term borrowings is based on level 2 inputs (quoted prices in markets that are not active). A hypothetical 100 basis points change in interest rates would cause the annual interest expense of the variable rate long-term borrowings to change by US$7 million (2020: nil).

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(i) Market risk (continued)

Foreign exchange risk

During the year ended December 31, 2021, the Group held derivative financial instruments which consisted of foreign currency swap contracts. Refer to Note 22 for further information.

The Group's financial assets and financial liabilities are denominated in the following currencies:

	HK$	US$	MOP	RMB	Other currencies	Total
			In US$ millions			
December 31, 2021						
Financial assets						
Amortized costs:						
Trade and other receivables, net	**111**	**4**	**14**	**—**	**—**	**129**
Restricted cash and cash equivalents	**—**	**—**	**16**	**—**	**—**	**16**
Cash and cash equivalents	**532**	**76**	**57**	**11**	**2**	**678**
Deposits	**1**	**—**	**1**	**—**	**—**	**2**
	644	**80**	**88**	**11**	**2**	**825**
Fair value through other comprehensive income						
Derivative financial instruments	**—**	**2**	**—**	**—**	**—**	**2**
Total financial assets	**644**	**82**	**88**	**11**	**2**	**827**
Financial liabilities						
Amortized costs:						
Trade and other payables	**380**	**121**	**359**	**3**	**—**	**863**
Borrowings	**9**	**7,822**	**132**	**1**	**—**	**7,964**
Total financial liabilities	**389**	**7,943**	**491**	**4**	**—**	**8,827**

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(i) Market risk (continued)

Foreign exchange risk (continued)

	HK$	US$	MOP	RMB	Other currencies	Total
			In US$ millions			
December 31, 2020						
Financial assets						
Amortized costs:						
Trade and other receivables, net	118	4	9	—	—	131
Restricted cash and cash equivalents	—	—	16	—	—	16
Cash and cash equivalents	438	280	130	11	2	861
Deposits	1	—	1	—	—	2
Total financial assets	557	284	156	11	2	1,010
Financial liabilities						
Amortized costs:						
Trade and other payables	513	143	505	3	1	1,165
Borrowings	4	6,920	139	2	—	7,065
Total financial liabilities	517	7,063	644	5	1	8,230

The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognizes assets and liabilities denominated in a currency other than MOP, which is the functional currency of the major operating companies within the Group. The Group's foreign currency transactions are mainly denominated in US$. For companies with MOP as their functional currency, as at December 31, 2021, a hypothetical 1% weakening of the US$/MOP exchange rate would cause a foreign currency transaction loss of approximately US$53 million, net of the impact from the foreign currency swap agreements entered into in 2021 (2020: US$67 million), mainly as a result of the translation of US$ denominated debt held by SCL (2020: same). The MOP is pegged to the HK$ and the HK$ is pegged to the US$ (within a narrow range), therefore the Group does not expect fluctuations in the values of these currencies to have a material impact on the operations.

(ii) Credit risk

The Group is potentially subject to concentrations of credit risk from financial instruments, which consist principally of cash and cash equivalents, restricted cash and cash equivalents and trade and other receivables.

The Group maintains cash and cash equivalents and restricted cash and cash equivalents with various creditworthy financial institutions and trade receivables with its customers. Management monitors this credit risk on an on-going basis and does not believe that the Group has any other significant exposure to any individual or institution not provided for as at December 31, 2021 and 2020. See Note 16 for details of credit risk related to trade receivables.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(iii) Liquidity risk

Liquidity risk is the financial risk arising from the difficulty in meeting obligations associated with financial liabilities settled by cash or other financial assets.

The 2018 SCL Credit Facility, as amended, contain various financial covenants, which include maintaining a maximum leverage ratio or net debt, as defined, to trailing twelve-month adjusted earnings before interest, income taxes, depreciation and amortization, as defined. In July 2021, the Company extended the waiver and amendment request letter, pursuant to which lenders, among other things, waived the Company's 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. The compliance with the financial covenants for periods beyond January 1, 2023, could be affected by certain factors beyond the Company's control, such as the impact of the COVID-19 Pandemic, including current travel and border restrictions continuing in the future. The Company will pursue additional waivers to meet the required financial covenant ratios, which include a maximum leverage ratio of 4.0x under the 2018 SCL Credit Facility, for periods beyond January 1, 2023, if deemed necessary. The Company believes the Company will be successful in obtaining the additional waivers, although no assurance can be provided that such waivers will be granted, which could negatively impact the ability to be in compliance with the debt covenants for periods beyond January 1, 2023.

The Directors of the Company are of the opinion that, taking into account the Group's available borrowing capacity and the Group's cash flow forecast for the coming year, the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months from December 31, 2021. Refer to Note 1 for further information.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (continued)

(iii) Liquidity risk (continued)

The Group's financial liabilities, based on the contractual undiscounted cash flows are as follows:

	Within the first year	In the second year	In the third to fifth year	Over the fifth year	Total
			US$ in millions		
At December 31, 2021					
Senior Notes principal	**—**	**—**	**2,600**	**4,550**	**7,150**
Senior Notes interests	**306**	**310**	**823**	**464**	**1,903**
Bank loans	**—**	**753**	**—**	**—**	**753**
Bank loans interests	**20**	**12**	**—**	**—**	**32**
Other borrowings	**1**	**1**	**1**	**—**	**3**
Other borrowings interests	**—**	**1**	**—**	**—**	**1**
Lease liabilities	**19**	**15**	**21**	**296**	**351**
Trade and other payables	**767**	**24**	**42**	**30**	**863**
At December 31, 2020					
Senior Notes principal	—	—	3,600	3,400	7,000
Senior Notes interests	342	339	850	461	1,992
Lease liabilities	22	13	19	303	357
Trade and other payables	1,079	25	36	25	1,165

(b) 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 debt (including current and non-current interest-bearing borrowings as shown in the consolidated balance sheet), net of cash and cash equivalents, and equity attributable to Shareholders, comprising issued share capital and reserves as disclosed in Notes 18 and 19, respectively.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management (continued)

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.

	December 31, 2021	2020
	US$ in millions	
Interest bearing borrowings, net of deferred financing costs	**7,820**	6,920
Less: cash and cash equivalents	**(678)**	(861)
restricted cash and cash equivalents	**(16)**	(16)
Net debt	**7,126**	6,043
Total equity	**888**	1,929
Total capital	**8,014**	7,972
Gearing ratio	**88.9%**	75.8%

28. COMPANY BALANCE SHEET

	Note	December 31, 2021	2020
		US$ in millions	
ASSETS			
Non-current assets			
Interests in subsidiaries		**1,154**	1,144
Note receivable from a subsidiary		**8,651**	7,782
Other assets		**2**	—
Total non-current assets		**9,807**	8,926
Current assets			
Other receivables and prepayments		**57**	59
Cash and cash equivalents		**12**	6
Total current assets		**69**	65
Total assets		**9,876**	8,991
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**81**	81
Reserves	28(a)	**1,854**	1,851
Total equity		**1,935**	1,932
LIABILITIES			
Non-current liabilities			
Borrowings		**7,820**	6,920
Other payables		**—**	3
Total non-current liabilities		**7,820**	6,923
Current liabilities			
Other payables		**121**	136
Total liabilities		**7,941**	7,059
Total equity and liabilities		**9,876**	8,991
Net current liabilities		**(52)**	(71)
Total assets less current liabilities		**9,755**	8,855

28. COMPANY BALANCE SHEET (CONTINUED)

(a) Movements of reserves

	Capital reserve	Share premium	Share-based compensation reserves	Currency translation reserve	Hedge reserve	Retained earnings	Total
				US$ in millions			
Balance at January 1, 2020	106	1,491	58	(14)	—	97	1,738
Profit for the year	—	—	—	—	—	1,120	1,120
Other comprehensive income for the year, net of tax	—	—	—	3	—	—	3
Total comprehensive income	—	—	—	3	—	1,120	1,123
Exercise of share options	—	6	—	—	—	—	6
Transfer to share premium upon exercise of share options	—	1	(1)	—	—	—	—
Forfeiture of share options	—	—	(8)	—	—	8	—
Share-based compensation of the Company	—	—	9	—	—	—	9
Dividends to equity holders of the Company (Note 10)	—	—	—	—	—	(1,025)	(1,025)
Balance at December 31, 2020	**106**	**1,498**	**58**	**(11)**	**—**	**200**	**1,851**
Loss for the year	**—**	**—**	**—**	**—**	**—**	**(4)**	**(4)**
Fair value adjustment on cash flow hedge	**—**	**—**	**—**	**—**	**(4)**	**—**	**(4)**
Other comprehensive loss for the year, net of tax	**—**	**—**	**—**	**(5)**	**—**	**—**	**(5)**
Total comprehensive expense	**—**	**—**	**—**	**(5)**	**(4)**	**(4)**	**(13)**
Exercise of share options	**—**	**12**	**—**	**—**	**—**	**—**	**12**
Transfer to share premium upon exercise of share options	**—**	**5**	**(5)**	**—**	**—**	**—**	**—**
Forfeiture of share options	**—**	**—**	**(2)**	**—**	**—**	**2**	**—**
Share-based compensation of the Company	**—**	**—**	**4**	**—**	**—**	**—**	**4**
Balance at December 31, 2021	**106**	**1,515**	**55**	**(16)**	**(4)**	**198**	**1,854**

4.3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. PRINCIPAL SUBSIDIARIES

Details of the Group's principal subsidiaries as at December 31, 2021 are as follows:

Name	Place of incorporation or establishment/ operations and date of incorporation or establishment	Principal activities	Particulars of issued share/ registered capital	Effective interests held
Directly held:				
Venetian Venture Development Intermediate Limited	Cayman Islands, June 21, 2002	Investment holding	US$1	100%
SCL IP Holdings, LLC	United States, September 29, 2009	Holder of trademark licenses	US$527,802,937.56	100%
Indirectly held:				
Cotai Ferry Company Limited	Macao/Macao and Hong Kong, July 19, 2007	High speed ferry transportation services	MOP10,000,000	100%
Cotai Strip Lot 2 Apart Hotel (Macau) Limited	Macao, October 27, 2008	Hotel apartments	MOP6,498,900 MOP722,100 (preference shares)	100% 100%
Cotai Services (HK) Limited	Hong Kong, July 11, 2007	Business support services, marketing, operation of ferry business, and investment holding	HK$749,025,708.72	100%
CotaiJet 1 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 2 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 3 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 4 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 5 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 6 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 7 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 8 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%

29. PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation or establishment/ operations and date of incorporation or establishment	Principal activities	Particulars of issued share/ registered capital	Effective interests held
CotaiJet 9 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 10 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 11 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 12 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 13 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
CotaiJet 14 (HK) Limited	Hong Kong/Macao December 12, 2019	Ferry leasing	HK$1	100%
Cotaiwaterjet Sea Bridge 1 (HK) Limited	Hong Kong/Macao December 12, 2019	Pontoon leasing	HK$1	100%
Cotaiwaterjet Sea Bridge 2 (HK) Limited	Hong Kong/Macao December 12, 2019	Pontoon leasing	HK$1	100%
Sands Cotai West Holdings Limited	Cayman Islands/Macao, May 25, 2011	Holder of hotel franchise agreement	US$1	100%
Sands Resorts Travel Limited	Hong Kong, February 29, 2016	Travel and tourism agency services	HK$500,000	100%
Sands Resorts Transportation 1 Limited	Hong Kong, January 30, 2019	Transportation services	HK$1	100%
Sands Resorts Transportation 2 Limited	Hong Kong, January 30, 2019	Transportation services	HK$1	100%
Sands Resorts Transportation 3 Limited	Hong Kong, February 4, 2019	Transportation services	HK$1	100%
Sands Venetian Security Limited	Macao, June 22, 2011	Security services	MOP1,000,000	100%
Venetian Cotai Hotel Management Limited	Macao, March 12, 2008	Human resources administration	MOP500,000	100%

29. PRINCIPAL SUBSIDIARIES (CONTINUED)

Name	Place of incorporation or establishment/ operations and date of incorporation or establishment	Principal activities	Particulars of issued share/ registered capital	Effective interests held
Venetian Cotai Limited	Macao, November 11, 2004	Hotels, restaurants, shopping mall, and conference and convention	MOP200,000,000	100%
Venetian Macau Limited (Note (i))	Macao, June 21, 2002	Gaming and other related activities	MOP200,000,000	100%
Venetian Orient Limited	Macao, February 2, 2006	Hotels, restaurants, shopping mall, and conference and convention	MOP100,000	100%
Venetian Retail Limited	Macao, June 15, 2007	Mall management	MOP1,500,000	100%
Venetian Travel Limited	Macao, October 16, 2006	Travel and tourism agency services	MOP2,400,000	100%
Venetian Transportation Services Limited	Macao, January 7, 2019	Transportation services and other related activities	MOP25,000	100%
Zhuhai Cotai Information Services Outsourcing Co., Ltd. (Note (ii))	China, September 30, 2010	Outsourcing services, including information technology, accounting, hotel management and marketing	US$800,000	100%
Zhuhai Hengqin Cotai Information Services Co., Ltd. (Note (ii))	China, September 24, 2019	Outsourcing services, including information technology, accounting, hotel management and marketing	US$2,000,000	100%

Notes:

(i) 10% of the company's issued share capital is held through an usufruct agreement whereby VVDIL has the sole and exclusive benefit. Accordingly, the profits and losses and assets and liabilities of the company have been consolidated as to 100% thereof into the consolidated financial statements.

(ii) These entities are wholly foreign owned enterprises established in China.

4.4 FINANCIAL SUMMARY

CONSOLIDATED INCOME STATEMENT

	Year ended December 31,				
	2017	2018	2019	2020	**2021**
	US$ in millions				
Net revenues	7,586	8,665	8,808	1,687	**2,874**
Operating profit/(loss)	1,773	2,154	2,275	(1,239)	**(537)**
Profit/(loss) before income tax	1,625	1,868	2,033	(1,507)	**(1,045)**
Income tax (expense)/benefit	(22)	7	—	(16)	**(3)**
Profit/(loss) for the year attributable to equity holders of the Company	1,603	1,875	2,033	(1,523)	**(1,048)**

CONSOLIDATED BALANCE SHEET

	December 31,				
	2017	2018	2019	2020	**2021**
	US$ in millions				
Assets					
Non-current assets	9,089	8,878	9,053	9,466	**9,202**
Current assets	1,558	3,180	3,047	1,082	**892**
Total assets	10,647	12,058	12,100	10,548	**10,094**
Equity and liabilities					
Equity	4,538	4,409	4,446	1,929	**888**
Non-current liabilities	4,512	5,706	5,756	7,205	**8,112**
Current liabilities	1,597	1,943	1,898	1,414	**1,094**
Total liabilities	6,109	7,649	7,654	8,619	**9,206**
Total equity and liabilities	10,647	12,058	12,100	10,548	**10,094**

Note: Consolidated financial statements for the year ended December 31, 2017 was restated to reflect the adoption of IFRS 15 in 2018. The Group adopted IFRS 16 in 2019 under the modified retrospective approach and the comparative information for the years ended December 31, 2017 and 2018 previously presented under IAS 17 were not restated.

5. CORPORATE INFORMATION

(as at the Latest Practicable Date)

DIRECTORS

Executive Directors

Mr. Robert Glen Goldstein
(Chairman of the Board and Chief Executive Officer)
Dr. Wong Ying Wai
(President)
Mr. Chum Kwan Lock, Grant
(Chief Operating Officer)

Non-Executive Director

Mr. Charles Daniel Forman

Independent Non-Executive Directors

Ms. Chiang Yun
Mr. Victor Patrick Hoog Antink
Mr. Steven Zygmunt Strasser
Mr. Kenneth Patrick Chung

REGISTERED OFFICE IN CAYMAN ISLANDS

Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN MACAO

The Venetian Macao Resort Hotel
Executive Offices, L2
Estrada da Baía de N. Senhora da Esperança, s/n
Taipa, Macao

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY'S WEBSITE

www.sandschina.com

COMPANY SECRETARY

Mr. Dylan James Williams

BOARD COMMITTEES

Audit Committee

Mr. Victor Patrick Hoog Antink *(Chairman)*
Ms. Chiang Yun
Mr. Steven Zygmunt Strasser
Mr. Kenneth Patrick Chung

Remuneration Committee

Mr. Steven Zygmunt Strasser *(Chairman)*
Mr. Victor Patrick Hoog Antink
Dr. Wong Ying Wai

Nomination Committee

Mr. Robert Glen Goldstein *(Chairman)*
Ms. Chiang Yun
Mr. Victor Patrick Hoog Antink

Capex Committee

Mr. Chum Kwan Lock, Grant *(Chairman)*
Mr. Victor Patrick Hoog Antink
Dr. Wong Ying Wai

ESG Committee

Ms. Chiang Yun *(Chairlady)*
Mr. Kenneth Patrick Chung
Dr. Wong Ying Wai

AUTHORIZED REPRESENTATIVES

Dr. Wong Ying Wai
Mr. Dylan James Williams

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKER

Bank of China Limited, Macau Branch
Bank of China Building
Avenida Doutor Mario Soares
Macao

STOCK CODE

1928

6. CONTACT US

ANNUAL REPORT

This 2021 Annual Report is printed in English and Chinese languages and is available on our website at www.sandschina.com and was posted to Shareholders.

Those Shareholders who (a) received our 2021 Annual Report electronically and would like to receive a printed copy or vice versa; or (b) received our 2021 Annual Report in either English or Chinese language only and would like to receive a printed copy of the other language version or to receive printed copies of both language versions in the future, may at any time change their choice of the means of receipt or the language of the Company's corporate communications free of charge by reasonable notice in writing to the Company c/o the branch share registrar in Hong Kong by post at Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email to sandschina.ecom@computershare.com.hk.

Those Shareholders who have chosen to receive this 2021 Annual Report by electronic means but, for any reason, have difficulty in receiving or gaining access to this 2021 Annual Report, may also request to be sent a copy of this 2021 Annual Report in printed form free of charge by submitting a written request to the Company c/o the branch share registrar in Hong Kong by post or by email.

REGISTER OF MEMBERS

The Register of Members of the Company will be closed on the following dates:

Book Closure Period/Date	Purpose	Final Lodging Time/Date
May 10, 2022 to May 20, 2022	To determine the identity of Shareholders who are entitled to attend and vote at the AGM	no later than 4:30 p.m. (Hong Kong time) on May 6, 2022

ANNUAL GENERAL MEETING

To be held on May 20, 2022. The notice of the AGM, which constitutes part of the circular to Shareholders, and the proxy form will be sent to the Shareholders together with this 2021 Annual Report. The notice of the AGM and the proxy form will also be available on the Company's website at www.sandschina.com.

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Address:	Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Telephone:	+852 2862 8628
Facsimile:	+852 2865 0990
Email:	hkinfo@computershare.com.hk

CONTACT US

Address:	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone:	+853 8118 2888
Facsimile:	+853 2888 3382
Email:	scl-enquiries@sands.com.mo

7. GLOSSARY

"2009 Equity Award Plan" the equity award plan of the Company adopted by the Company pursuant to a resolution passed by the Shareholders on November 8, 2009 (as amended on February 19, 2016)

"2018 SCL Credit Facility" the facility agreement, the Company, as borrower, entered into with the arrangers and lenders named therein and Bank of China Limited, Macau Branch, as agent for the lenders, on November 20, 2018, as amended on March 27, 2020, September 11, 2020 and July 7, 2021, pursuant to which the lenders made available a US$2.0 billion revolving unsecured credit facility to the Company. On January 25, 2021, the Company exercised the option to increase the Lenders' Total Commitments (as defined in the 2018 SCL Credit Facility) by HK$3.83 billion (approximately US$491 million at exchange rates in effect on December 31, 2021)

"2018 SCL Revolving Facility" a US$2.0 billion revolving unsecured credit facility made available by the lenders under the 2018 SCL Credit Facility entered into on November 20, 2018, as amended on March 27, 2020, September 11, 2020 and July 7, 2021. On January 25, 2021, the Company exercised the option to increase the Lenders' Total Commitments (as defined in the 2018 SCL Credit Facility) by HK$3.83 billion (approximately US$491 million at exchange rates in effect on December 31, 2021)

"2019 Equity Award Plan" the equity award plan of the Company approved by the Shareholders at the Company's annual general meeting held on May 24, 2019, and became effective on December 1, 2019

"adjusted property EBITDA" 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. In addition, our adjusted property EBITDA presented in the report may differ from adjusted property EBITDA presented by LVS for its Macao segment in its filings with the U.S. Securities and Exchange Commission. For a quantitative reconciliation of adjusted property EBITDA to its most directly comparable IFRS measurement, see "Note 4 — Segment Information"

7. GLOSSARY

"ADR" or "average daily rate"	the average daily rate per occupied room in a given time period, calculated as room revenue divided by the number of rooms sold
"Board"	the board of directors of the Company
"cage"	a secure room within a casino with a facility that allows patrons to exchange cash for chips required to participate in gaming activities, or to exchange chips for cash
"Capex Committee"	Sands China Capital Expenditure Committee of the Company
"casino(s)"	a gaming facility that provides casino games consisting of table games operated in VIP areas or mass market areas, electronic games, slot machines and other casino games
"Chief Executive"	a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the Board of Directors for the conduct of the business of the Company
"chip(s)"	tokens issued by a casino to players in exchange for cash or credit, which are used to place bets on gaming tables, in lieu of cash
"Code"	the Corporate Governance Code set out in Appendix 14 of the Listing Rules
"Company", "our", "we", "us", "SCL" or "Sands China"	Sands China Ltd., a company incorporated in the Cayman Islands on July 15, 2009 as an exempted company with limited liability and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the time before it became the holding company of its present subsidiaries, its present subsidiaries. When used in the context of gaming operations or the Subconcession, "we", "us" or "our" refers exclusively to VML
"Company Code"	the Company's own securities trading code for securities transactions by the Directors and relevant employees
"Concessionaire(s)"	the holder(s) of a concession for the operation of casino games in Macao
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, with respect to our Company, the controlling Shareholders as referred to in "Relationship with Our Controlling Shareholders" of our Prospectus
"Cotai"	the name given to the land reclamation area in Macao between the islands of Coloane and Taipa
"Cotai Strip"	large-scale integrated resort projects on Cotai developed by us and inspired by the Las Vegas Strip in Las Vegas, Nevada, U.S.A. LVS has registered the Cotai Strip trademark in Hong Kong and Macao
"COVID-19 Pandemic"	an outbreak of a respiratory illness caused by a novel coronavirus ("COVID-19") that was identified in early January 2020. The virus has since spread rapidly across the world, causing the World Health Organization to declare the outbreak of a pandemic on March 12, 2020
"Deloitte"	Deloitte Touche Tohmatsu, *Certified Public Accountants*, Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance

7. GLOSSARY

"DICJ"	Gaming Inspection and Coordination Bureau ("*Direcção de Inspecção e Coordenação de Jogos*") under the Secretary for Economy and Finance of Macao
"Director(s)"	member(s) of the board of directors of the Company
"DOJ"	the United States Department of Justice
"EBITDA"	earnings before interest, taxes, depreciation and amortization
"ESG"	Environmental, Social and Governance
"ESG Committee"	Environmental, Social and Governance Committee of the Company
"Exchange Rate"	save as otherwise stated, amounts denominated in U.S. dollars, MOP and Hong Kong dollars have been converted at the exchange rate on December 31, 2021, for the purposes of illustration only, in this Annual Report at: US$1.00: HK$7.7994 US$1.00: MOP 8.0334 HK$1.00: MOP1.03
"FCPA"	the United States Foreign Corrupt Practices Act of 1977, as amended
"First Trademark License Agreement"	the trademark license agreement dated May 25, 2006 entered into between VML and Venetian Cotai Limited (as licensees) with LVS, LVS LLC and Venetian Casino (as licensors)
"Four Seasons Macao"	the Four Seasons Hotel Macao, Cotai Strip, which is managed and operated by FS Macau Lda., an affiliate of Four Seasons Hotels Limited
"gaming area(s)"	a gaming facility that provides casino games consisting of table games operated in VIP areas or mass market areas, electronic games, slot machines and other casino games but has not been designated as a casino by the Macao government
"gaming promoter(s)"	individuals or corporations licensed by and registered with the Macao government to promote games of fortune and chance to patrons, through the arrangement of certain services, including extension of credit (regulated by Law No. 5/2004), transportation, accommodation, dining and entertainment, whose activity is regulated by Administrative Regulation No. 6/2002
"GLA"	gross leasable area
"GLOA"	gross leasable occupied area
"Global Offering"	the offer of Shares in the Company by subscription for cash at HK$10.38 on November 30, 2009 on and subject to the terms outlined in the Prospectus
"Greater Bay Area"	a megalopolis, also known as the Pearl River Delta, consisting of nine cities in Guangdong Province of South China namely Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Zhongshan, Jiangmen, Huizhou, and Zhaoqing, and two special administrative regions namely Hong Kong and Macao

7. GLOSSARY

"Greater Bay Area Initiative(s)"	a policy initiative introduced in China's 13th five-year plan (2016–2020) to promote the development of the Pearl River Delta region via economic and social integration of eleven cities in the Greater Bay Area (the most affluent and populous area in China) so that they can better leverage their competitive advantages in the global economy
"Group"	our Company and its subsidiaries from time to time
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards as issued by the International Accounting Standards Board
"integrated resort(s)"	a resort which provides customers with a combination of hotel accommodations, casinos or gaming areas, retail and dining facilities, MICE space, entertainment venues and spas
"Latest Practicable Date"	March 18, 2022
"Listing"	the listing of the Shares on the Main Board on November 30, 2009
"Listing Date"	November 30, 2009, the date on which dealings in the Shares first commenced on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"LVS"	Las Vegas Sands Corp., a company incorporated in Nevada, U.S.A. in August 2004 and the common stock of which is listed on the New York Stock Exchange
"LVS Dutch Finance"	LVS Dutch Finance C.V., a partnership established under the laws of the Netherlands
"LVS Dutch Holding"	LVS Dutch Holding B.V., a company incorporated in the Netherlands
"LVS Group"	LVS and its subsidiaries (excluding our Group)
"LVS LLC"	Las Vegas Sands, LLC, a company incorporated in Nevada, U.S.A.
"LVS Nevada"	LVS (Nevada) International Holdings, Inc., a company incorporated in Nevada, U.S.A.
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent of and operated in parallel with the GEM of the Stock Exchange
"mass market player(s)"	Non-Rolling Chip and slot players
"MICE"	Meetings, Incentives, Conventions and Exhibitions, an acronym commonly used to refer to tourism involving large groups brought together for an event or corporate meeting
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules

"MOP" or "pataca(s)"	Macao pataca, the lawful currency of Macao
"Parcel 1"	a land parcel on Cotai totaling 290,562 square meters described under Registration No. 23225 by the Macao Property Registry, on which The Venetian Macao has been constructed
"Parcel 2"	a land parcel on Cotai totaling 53,303 square meters described under Registration No. 23223 by the Macao Property Registry, on which The Plaza Macao has been constructed
"Parcel 3"	a land parcel on Cotai totaling 61,681 square meters described under Registration No. 23224 by the Macao Property Registry, on which The Parisian Macao has been constructed
"Parcels 5 and 6"	land parcels on Cotai totaling 150,134 square meters, including 44,576 square meters designated as a tropical garden, described under Registration No. 23288 by the Macao Property Registry, on which The Londoner Macao has been constructed
"premium player(s)"	Rolling Chip players who have a direct relationship with gaming operators and typically participate in gaming activities in casinos or gaming areas without the use of gaming promoters
"Prospectus"	our Listing prospectus dated November 16, 2009, which is available from our website at www.sandschina.com
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"Rolling Chip play"	play by VIP and premium players (excludes Paiza cash players) using non-negotiable chips
"Rolling Chip volume"	casino revenue measurement, measured as the sum of all non-negotiable chips wagered and lost by VIP and premium players (excludes Paiza cash players)
"Rolling Chip win"	a percentage of Rolling Chip volume
"Sands"	a land parcel in Macao totaling 26,082 square meters described under Registration No. 23114 by the Macao Property Registry, on which Sands Macao has been constructed
"Sands IP"	Sands IP Asset Management B.V., a company incorporated in the Netherlands
"Sands Macao"	an integrated resort which includes gaming areas, a hotel tower, restaurants and a theater
"Sands Resorts Macao"	the name given to our integrated resorts on Cotai
"SEC"	the U.S. Securities and Exchange Commission
"Second Trademark Sub-License Agreement"	the trademark sub-license agreement dated November 8, 2009 entered into between LVS LLC and SCL IP Holdings, LLC

"Senior Notes"	senior unsecured notes issued by the Company or, where relevant, any or all of: (i) the three series of senior unsecured unregistered notes in an aggregate principal amount of US$5,500,000,000 issued on August 9, 2018, consisting of US$1,800,000,000 of 4.600% Senior Notes due August 8, 2023, US$1,800,000,000 of 5.125% Senior Notes due August 8, 2025 and US$1,900,000,000 of 5.400% Senior Notes due August 8, 2028. Pursuant to an exchange offer launched on December 21, 2018 and which expired on January 25, 2019, US$1,695,850,000 of 4.600% Senior Notes due August 8, 2023, US$1,786,475,000 of 5.125% Senior Notes due August 8, 2025 and US$1,892,760,000 of 5.400% Senior Notes due August 8, 2028, were exchanged for new notes that were registered under the U.S. Securities Act, on January 29, 2019, and pursuant to the filing of a Form 15F with the SEC on April 23, 2019, had their reporting obligations under Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, terminated. The US$1,800,000,000 of 4.600% Senior Notes due August 8, 2023 were fully redeemed on September 24, 2021; (ii) the two series of senior unsecured unregistered notes in an aggregate principal amount of US$1,500,000,000 issued on June 4, 2020, consisting of US$800,000,000 of 3.800% Senior Notes due January 8, 2026 and US$700,000,000 of 4.375% Senior Notes due June 18, 2030. Pursuant to an exchange offer launched on December 23, 2020 and which expired on February 2, 2021, US$796,938,000 of 3.800% Senior Notes due January 8, 2026 and US$697,375,000 of 4.375% Senior Notes due June 18, 2030, were exchanged for new notes that were registered under the U.S. Securities Act, on February 4, 2021, and pursuant to the filing of a Form 15F with the SEC on March 26, 2021, had their reporting obligations under Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, terminated; and (iii) the three series of senior unsecured unregistered notes in an aggregate principal amount of US$1,950,000,000 issued on September 23, 2021, consisting of US$700,000,000 of 2.300% Senior Notes due March 8, 2027, US$650,000,000 of 2.850% Senior Notes due March 8, 2029 and US$600,000,000 of 3.250% Senior Notes due August 8, 2031.
"SFO"	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in our Company with a nominal value of US$0.01 each
"Shared Services Agreement"	the shared services agreement dated November 8, 2009 and most recently renewed on December 10, 2020, entered into between LVS and our Company to regulate their relationship with respect to the provision of certain shared services
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subconcession" or "Subconcession Contract"	the tripartite Subconcession Contract for the operation of casino games effective December 26, 2002 among Galaxy Casino, S.A., the Macao government and VML
"Subconcessionaire(s)"	the holder(s) of a subconcession for the operation of casino games in Macao
"table games"	typical casino games, including card games such as baccarat, blackjack and hi-lo (also known as "sic bo") as well as craps and roulette

"The Londoner Macao"	an integrated resort which features four hotel towers, consisting of hotel rooms and suites under The Londoner Macao Hotel, Londoner Court, Conrad, Sheraton and St. Regis brands. The Londoner Macao also includes gaming areas, Shoppes at Londoner, entertainment, dining and MICE facilities.
"The Parisian Macao"	an integrated resort which includes a gaming area, a hotel, Shoppes at Parisian and other integrated resort amenities
"The Plaza Macao"	an integrated resort which includes (i) Four Seasons Macao; (ii) the Plaza Casino gaming area operated by VML; (iii) the Paiza Mansions, Shoppes at Four Seasons, restaurants and a spa, each of which are operated by us; and (iv) The Grand Suites at Four Seasons, which features 289 luxury suites, except where the context indicates otherwise
"The Venetian Macao"	an integrated resort which includes casino and gaming areas, a hotel, MICE space, Shoppes at Venetian, restaurants and food outlets, a 15,000-seat arena and other entertainment venues
"United States", "U.S." or "U.S.A."	the United States of America, including its territories and possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"U.S. GAAP"	accounting principles generally accepted in the United States
"Venetian Casino"	Venetian Casino Resort, LLC, a company incorporated in Nevada, U.S.A.
"VIP player(s)"	Rolling Chip players who play almost exclusively in dedicated VIP rooms or designated casino or gaming areas and are sourced from gaming promoters
"VIP room(s)"	rooms or designated areas within a casino or gaming area where VIP players and premium players gamble
"visit(s)" or "visitation(s)"	with respect to visitation of our properties, the number of times a property is entered during a fixed time period. Estimates of the number of visits to our properties is based on information collected from digital cameras placed above every entrance in our properties, which use video signal image processor detection and include repeat visitors to our properties on a given day
"VML"	our subsidiary, Venetian Macau, S.A. (also known as Venetian Macau Limited), a public company limited by shares ("*sociedade anónima*") incorporated on June 21, 2002 under the laws of Macao, one of the three Subconcessionaires and the holder of the Subconcession
"VOL"	our subsidiary, Venetian Orient Limited, a company incorporated on February 2, 2006 under the laws of Macao, owner and developer of The Londoner Macao
"VVDIL"	our subsidiary, Venetian Venture Development Intermediate Limited, a company incorporated in the Cayman Islands on June 21, 2002 as an exempted company with limited liability
"VVDI (II)"	our immediate Controlling Shareholder, Venetian Venture Development Intermediate II, a company incorporated in the Cayman Islands on January 23, 2003 as an exempted company with limited liability and an indirect wholly-owned subsidiary of LVS

Sands China Ltd.
金沙中國有限公司
(Incorporated in the Cayman Islands with limited liability)

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www.sandschina.com

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