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PART I

ITEM 1. — BUSINESS

Our Company

Las Vegas Sands Corp. ("LVSC," or together with its subsidiaries "we" or the "Company") is a Fortune 500 company and the leading global developer of destination properties ("Integrated Resorts") that feature premium accommodations, world-class gaming, entertainment and retail, convention and exhibition facilities, celebrity chef restaurants and other amenities.

We currently own and operate Integrated Resorts in Asia and the United States. We believe our geographic diversity, best-in-class properties and convention-based business model provide us with the best platform in the hospitality and gaming industry to continue generating substantial growth and cash flow while simultaneously pursuing new development opportunities. Our unique convention-based marketing strategy allows us to attract business travelers during the slower mid-week periods while leisure travelers occupy our properties during the weekends. Our convention, trade show and meeting facilities, combined with the on-site amenities offered at our Macao, Singapore and Las Vegas Integrated Resorts, provide flexible and expansive space for conventions, trade shows and other meetings.

We focus on the mass market, which comprises our most profitable gaming segment. We believe the mass market segment will continue to have long-term growth as a result of the introduction of more high-quality gaming facilities and non-gaming amenities into our various markets.

Our properties also cater to VIP and premium players by providing them with luxury amenities and high service levels. The Paiza Club located at our properties is an important part of our VIP gaming marketing strategy. Our Paiza Clubs are exclusive invitation-only clubs available to our premium players that feature high-end services and amenities, including luxury accommodations, restaurants, lounges and private gaming salons. We also offer players club loyalty programs at our properties, which provide access to rewards, privileges and members-only events. Additionally, we believe being in the retail mall business and, specifically, owning some of the largest retail properties in Asia will provide meaningful value for us, particularly as the retail market in Asia continues to grow.

Through our 70.0% ownership of Sands China Ltd. ("SCL"), we own and operate a collection of Integrated Resorts in the Macao Special Administrative Region ("Macao") of the People's Republic of China ("China"). These properties include The Venetian Macao Resort Hotel ("The Venetian Macao"); Sands Cotai Central; The Parisian Macao; The Plaza Macao and Four Seasons Hotel Macao, Cotai Strip (the "Four Seasons Hotel Macao"); and the Sands Macao.

In Singapore, we own and operate the iconic Marina Bay Sands, which has become one of Singapore's major tourist, business and retail destinations since its opening in 2010.

Our properties in the United States include The Venetian Resort Las Vegas, a luxury resort on the Las Vegas Strip, and the Sands Expo and Convention Center (the "Sands Expo Center," and together with The Venetian Resort Las Vegas, the "Las Vegas Operating Properties") in Las Vegas, Nevada and the Sands Casino Resort Bethlehem (the "Sands Bethlehem") in Bethlehem, Pennsylvania.

We are dedicated to being a good corporate citizen, anchored by the core values of serving people, planet and communities. We strive to deliver a positive working environment for our team members worldwide and pledge to promote the advancement of aspiring team members through a range of educational partnerships, grants and leadership training. We also drive social impact through the Sands Cares charitable giving and community engagement program, and environmental performance through the award-winning Sands ECO360 global sustainability program. Through our Sands ECO360 global sustainability program, we develop and implement environmental practices to protect natural resources, offer our team members a safe and healthy work environment, and enhance the resort experiences of our guests. We are committed to creating and investing in industry-leading policies and procedures to safeguard our patrons, partners, employees and neighbors. Our industry-leading Integrated Resorts provide substantial contributions to our host communities including growth in leisure and business tourism, sustained job creation and ongoing financial opportunities for local small and medium-sized businesses.

LVSC was incorporated in Nevada in August 2004. Our common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "LVS." Our principal executive office is located at 3355 Las Vegas Boulevard South,
Las Vegas, Nevada 89109 and our telephone number at that address is (702) 414-1000. Our website address is www.sands.com. The information on our website is not part of this Annual Report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and other Securities and Exchange Commission ("SEC") filings, and any amendments to those reports and any other filings we file with or furnish to the SEC under the Securities Exchange Act of 1934 are made available free of charge on our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC and are also available at the SEC's web site address at www.sec.gov.

Investors and others should note we announce material financial information using our investor relations website (https://investor.sands.com), our company website, SEC filings, investor events, news and earnings releases, public conference calls and webcasts. We use these channels to communicate with our investors and the public about our company, our products and services, and other issues.

In addition, we post certain information regarding SCL, a subsidiary of Las Vegas Sands Corp. with ordinary shares listed on The Stock Exchange of Hong Kong Limited, from time to time on our company website and our investor relations website. It is possible the information we post regarding SCL could be deemed to be material information.

The contents of these websites are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file or furnish with the SEC, and any reference to these websites are intended to be inactive textual references only.

This Annual Report on Form 10-K contains certain forward-looking statements. See "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Special Note Regarding Forward-Looking Statements."

Our principal operating and developmental activities occur in three geographic areas: Macao, Singapore and the United States. Management reviews the results of operations for each of its operating segments, which generally are our Integrated Resorts. In Macao, our operating segments are: The Venetian Macao; Sands Cotai Central; The Parisian Macao; The Plaza Macao and Four Seasons Hotel Macao; and Sands Macao. In Singapore, our operating segment is Marina Bay Sands. In the United States, our operating segments are the Las Vegas Operating Properties and Sands Bethlehem. We also have ferry operations and various other operations that are ancillary to our Macao properties (collectively, "Ferry Operations and Other") that we present to reconcile to our consolidated statements of operations and financial condition. In addition to our reportable segments noted above, management also reviews construction and development activities for each of our primary projects currently under development, which include the expansion and rebranding of Sands Cotai Central to The Londoner Macao, the Four Seasons Tower Suites Macao, the St. Regis Tower Suites Macao and our Las Vegas condominium project (for which construction currently is suspended) in the United States.

Strengths and Strategies

We believe we have a number of strengths that differentiate our business from our competitors, including:

**Diversified, high quality Integrated Resort offerings with substantial non-gaming amenities.** Our Integrated Resorts feature non-gaming attractions and amenities including world-class entertainment, expansive retail offerings and market-leading meetings, incentives, conventions and exhibitions ("MICE") facilities. These attractions and amenities enhance the appeal of our Integrated Resorts, contributing to visitation, length of stay and customer expenditure at our resorts. The broad appeal of our market-leading Integrated Resort offerings in our various markets enables us to serve the widest array of customer segments in each market.

**Substantial and diversified cash flow from existing operations.** We generated $4.70 billion of cash from operations during the year ended December 31, 2018, primarily from gaming and non-gaming sources, including retail, hotel, food and beverage, entertainment and MICE business.

**Market leadership in the growing high-margin mass market gaming segment.** We focus on the high-margin mass gaming segment. During the year ended December 31, 2018, we had the highest percentage of gaming win from mass tables and slots of the Macao operators, with approximately 30% market share. Management estimates our mass market table revenues typically generate a gross margin that is approximately four times higher than the gross margin.
on our typical VIP table revenues in Macao. During the year ended December 31, 2018, non-rolling gross gaming revenue contributed to over two-thirds of total gross gaming revenue at Marina Bay Sands.

Established brands with broad regional and international market awareness and appeal. Our brands enjoy broad regional and international market awareness and appeal. The Venetian Macao is the most visited Integrated Resort in Macao, and enjoys broad brand awareness both regionally and globally. We estimate that since 2016 the Parisian Macao digital marketing and social media program has reached over 4 billion online impressions, including from platforms within China such as Sina Weibo. Additionally, Marina Bay Sands has become an iconic part of the Singapore skyline and is often featured in movies and other media.

Experienced management team with a proven track record. Mr. Sheldon G. Adelson is our founder, chairman and chief executive officer. Mr. Adelson’s business career spans more than seven decades and has included creating and developing to maturity numerous companies. Mr. Adelson created the MICE-based Integrated Resort and pioneered its development in the Las Vegas and Singapore markets, as well as in Macao, where he planned and developed the Cotai Strip. Mr. Robert G. Goldstein, our President and Chief Operating Officer, has been an integral part of the Company’s executive team from the very outset - even before The Venetian Resort Las Vegas was a concept. Mr. Goldstein is one of the most respected and knowledgeable hospitality and gaming executives in the industry today, and provides strategic direction to our properties. Mr. Patrick Dumont, our Executive Vice President and Chief Financial Officer, has been with the Company for more than eight years and has prior experience in corporate finance and management. He and the management team are focused on increasing our balance sheet strength, preserving the Company’s financial flexibility to pursue development opportunities and continuing to execute our return of excess capital to shareholders.

Unique MICE and entertainment facilities. Our market-leading MICE and entertainment facilities contribute to our markets’ diversification and appeal to business and leisure travelers while diversifying our cash flows and increasing revenues and profit. Our 5.2 million square feet of global MICE space is specifically designed to meet the needs of meeting planners and corporate events and trade show organizers from around the world. Our experience and expertise in this industry continues to drive leisure and business tourism to our markets. The live entertainment program at our properties, specifically in Asia, is a key traffic driver and has established us as the leader in the field of tourism and leisure activities.

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

Developing and diversifying our Integrated Resort offerings to include a full complement of products and services to cater to different market segments. Our Integrated Resorts include MICE space, additional retail, dining and entertainment facilities and a range of hotel offerings to cater to different segments of our markets, including branded suites and hotel rooms. We are able to leverage the recognition and the sales, marketing and reservation capabilities of premier hotel brands to attract a wide range of customers in 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 increase the appeal of our properties to both the business and leisure 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 administrative functions and leverage purchasing on a global scale.

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 comprise our most profitable gaming segment. We believe the mass market segment will continue to be a long-term growing segment as a result of the introduction of more high-quality gaming facilities and non-gaming amenities into our markets.

Identifying targeted investment opportunities to drive growth across our portfolio. We plan to continue to invest in the expansion of our facilities and the enhancement of the leisure and business tourism appeal of our property portfolio.
Asia Operations

Macao

The Venetian Macao is the anchor property of our Cotai Strip development and is conveniently located approximately two miles from the Taipa Ferry Terminal on Macao's Taipa Island and six miles from the bridge linking Hong Kong, Macao and Zhuhai. The Venetian Macao includes approximately 374,000 square feet of gaming space with approximately 710 table games and 1,540 slot machines. The Venetian Macao features a 39-story luxury hotel tower with over 2,900 elegantly appointed luxury suites and the Shoppes at Venetian, approximately 943,000 square feet of unique retail shopping with more than 350 stores featuring many international brands and home to more than 50 restaurants and food outlets featuring an international assortment of cuisines. In addition, The Venetian Macao has approximately 1.2 million square feet of convention facilities and meeting room space, an 1,800-seat theater, the 15,000-seat CotaiArena that hosts world-class entertainment and sporting events and a Paiza Club.

Sands Cotai Central, which features four hotel towers, is located across the street from The Venetian Macao, The Parisian Macao and The Plaza Macao and Four Seasons Hotel Macao, and is our largest Integrated Resort on the Cotai Strip, Sands Cotai Central opened in phases, beginning in April 2012. The property features four hotel towers: the first hotel tower, which opened in April 2012, consisting of approximately 650 five-star rooms and suites under the Conrad brand and approximately 1,200 four-star rooms and suites under the Holiday Inn brand; the second hotel tower, which opened in September 2012, consisting of approximately 1,800 rooms and suites under the Sheraton brand; the third hotel tower, which opened in January 2013, consisting of approximately 2,100 rooms and suites under the Sheraton brand; and the fourth hotel tower, which opened in December 2015, consisting of approximately 400 rooms and suites under the St. Regis brand. The Integrated Resort includes approximately 367,000 square feet of gaming space with approximately 430 table games and 1,410 slot machines, approximately 369,000 square feet of meeting space, a 1,701-seat theater, approximately 520,000 square feet of retail space with more than 150 stores and home to more than 50 restaurants and food outlets. We previously announced the renovation, expansion and rebranding of Sands Cotai Central into a new destination Integrated Resort, The Londoner Macao, by adding extensive thematic elements both externally and internally. The Londoner Macao will feature new attractions and features from London, including some of London’s most recognizable landmarks, and expanded retail and food and beverage venues. We will add approximately 370 luxury suites in the St. Regis Tower Suites Macao. Design work is nearing completion and construction is being initiated and will be phased to minimize disruption during the property’s peak periods. We expect the additional St. Regis Tower Suites Macao to be completed in 2020 and The Londoner Macao project to be completed in phases throughout 2020 and 2021.

On September 13, 2016, we opened The Parisian Macao, our newest Integrated Resort on the Cotai Strip, which is connected to The Venetian Macao and The Plaza Macao and Four Seasons Hotel Macao, and includes approximately 253,000 square feet of gaming space with approximately 340 table games and 1,100 slot machines. The Parisian Macao also features approximately 2,500 rooms and suites and the Shoppes at Parisian, approximately 296,000 square feet of unique retail shopping with more than 150 stores featuring many international brands and home to 23 restaurants and food outlets featuring 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 walkway to the main building, is a half-scale authentic re-creation of the Eiffel Tower containing a viewing platform and restaurant.

The Plaza Macao and Four Seasons Hotel Macao, which is located adjacent to The Venetian Macao, has approximately 105,000 square feet of gaming space with approximately 120 table games and 160 slot machines at its Plaza Casino. The Plaza Macao and Four Seasons Hotel Macao also has 360 elegantly appointed rooms and suites managed by Four Seasons Hotels, Inc., several food and beverage offerings, and conference and banquet facilities. The Shoppes at Four Seasons includes approximately 242,000 square feet of retail space and is connected to the Shoppes at Venetian. The Plaza Macao and Four Seasons Hotel Macao also features 19 ultra-exclusive Paiza Mansions, which are individually designed and made available by invitation only. We previously announced the Four Seasons Tower Suites Macao, which will feature approximately 290 additional premium quality suites. We have completed the structural work of the tower and have commenced preliminary build out of the suites. We expect the project to be completed in the first quarter of 2020.

The Sands Macao, the first U.S. operated Las Vegas-style casino in Macao, is situated near the Macao-Hong Kong Ferry Terminal on a waterfront parcel centrally located between Macao's Gongbei border gate with China and Macao's
central business district. The Sands Macao includes approximately 213,000 square feet of gaming space with approximately 220 table games and 870 slot machines. The Sands Macao also includes a 289-suite hotel tower, spa facilities, several restaurants and entertainment areas, and a Paiza Club.

We operate the gaming areas within our Macao properties pursuant to a 20-year gaming subconcession that expires in June 2022. See "Regulation and Licensing — Macao Concession and Our Subconcession ."

**Singapore**

Marina Bay Sands features approximately 2,600 rooms and suites located in three 55-story hotel towers. Atop the three towers is the Sands SkyPark, an extensive outdoor recreation area with a 150-meter infinity swimming pool and leading restaurant and nightlife brands. The Integrated Resort offers approximately 160,000 square feet of gaming space with approximately 625 table games and 2,360 slot machines; The Shoppes at Marina Bay Sands, an enclosed retail, dining and entertainment complex with signature restaurants from world-renowned chefs; an event plaza and promenade; and an art/science museum. Marina Bay Sands also includes approximately 1.2 million square feet of meeting and convention space and a state-of-the-art theater for top Broadway shows, concerts and gala events.

We operate the gaming area within our Singapore property pursuant to a 30-year casino concession provided under a development agreement entered into in August 2006. See "Regulation and Licensing — Development Agreement with Singapore Tourism Board ."

**Asia Markets**

**Macao**

Macao is the largest gaming market in the world and the only market in China to offer legalized casino gaming. According to Macao government statistics issued publicly on a monthly basis by the Gaming Inspection and Coordination Bureau (commonly referred to as the "DICJ"), annual gaming revenues were $37.7 billion in 2018, a 13.4% increase compared to 2017.

We expect Macao will continue to experience meaningful long-term growth and the approximately 36 million visitors Macao welcomed in 2018 will continue to increase over time. We believe this growth will be driven by a variety of factors, including the movement of Chinese citizens to urban centers in China, 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. There has been significant investment announced and recently completed by concessionaires and subconcessionaires in new resort development projects on Cotai. These new resorts should help increase the critical mass on Cotai and further drive Macao's transformation into a leading business and leisure tourism hub in Asia.

Table games are the dominant form of gaming in Asia, with Baccarat being the most popular game. We continue to experience Macao market-leading visitation and are focused on driving high-margin mass market gaming, while providing luxury amenities and high service levels to our VIP and premium players. We intend to continue to introduce more modern and popular products that appeal to the Asian marketplace and believe our high-quality gaming product has enabled us to capture a meaningful share of the overall Macao gaming market across all types of players.

**Proximity to Major Asian Cities**

Visitors from Hong Kong, southeast 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 Macao International Airport from many major cities in Asia.

Macao draws 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 service, CotaiJet. Macao is also accessible from Hong Kong by helicopter. In addition, the bridge linking Hong Kong, Macao and Zhuhai, which opened in 2018, has reduced the travel time between Hong Kong and Macao and the travel time from the Hong Kong International Airport to Macao.
**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; however, if the Macao government were to allow additional gaming operators in Macao through the grant of additional concessions or subconcessions, we would face additional competition.

Sociedade de Jogos de Macau S.A. ("SJM") holds one of the three concessions and currently operates 20 facilities throughout Macao. Historically, SJM was the only gaming operator in Macao. Many of its gaming facilities are relatively small locations that are offered as amenities in hotels; however, some are large operations, including the Hotel Lisboa and The Grand Lisboa. In February 2014, SJM announced the development of Grand Lisboa Palace, a 2,000-room resort on Cotai that is scheduled to open in the second half of 2019.

MGM Grand Paradise Limited, a joint venture between MGM Resorts International and Pansy Ho Chiu-King, obtained a subconcession from SJM in April 2005 (which subconcession expires in March 2020), 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 the Wynn Macau. In February 2018, MGM Grand Paradise Limited opened MGM Cotai, which includes approximately 1,400 hotel rooms and other non-gaming amenities, and is located behind Sands Cotai Central.

Wynn Resorts (Macau), S.A. ("Wynn Resorts Macau"), a subsidiary of Wynn Resorts Limited, holds a concession and owns and operates the Wynn Macau and Encore at Wynn Macau. In August 2016, Wynn Resorts Macau opened a 1,700-room integrated resort, Wynn Palace, which is located behind the City of Dreams and MGM Cotai.

In 2006, an affiliate of Publishing and Broadcasting Limited ("PBL") purchased the subconcession right under Wynn Resorts Macau's gaming concession, which permitted the PBL affiliate to receive a gaming subconcession from the Macao government. The PBL affiliate, Melco Crown Entertainment Limited ("Melco Crown"), owns and operates Altira and the City of Dreams, an integrated casino resort located adjacent to our Sands Cotai Central, which includes Nuwa, The Countdown Hotel and Grand Hyatt hotels. In October 2015, Melco Crown and its joint venture partners opened Studio City, a 1,600-room casino resort on Cotai. Melco Crown opened its fifth tower at City of Dreams, the 772-room Morpheus Tower, in June 2018.

Galaxy Casino Company Limited ("Galaxy") holds the third concession and has the ability to operate casino properties independent of our subconcession agreement with Galaxy and the Macao government. Galaxy currently operates six casinos in Macao, including StarWorld Hotel and Galaxy Macau, which is located near The Venetian Macao. In May 2015, Galaxy opened the second phase of its Galaxy Macau, which includes approximately 1,250 hotel rooms, as well as additional retail and convention and exhibition facilities.

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

**Singapore**

Singapore is regarded as having the most developed financial and transportation infrastructure in the Southeast Asia region. Singapore has established itself as a destination for both business and leisure visitors, offering convention and exhibition facilities as well as world-class shopping malls and hotel accommodations. In 2006, after a competitive bid process, the Singapore government awarded two concessions to develop and operate two integrated resorts. We were awarded the concession for the Marina Bay site, which is adjacent to Singapore's central business district, and Genting International was awarded the second site, located on Singapore's Sentosa Island.

Based on figures released by the Singapore Tourism Board (the "STB"), Singapore welcomed over 18 million international visitors in 2018, a 6.2% increase compared to 2017. Tourism receipts are estimated to have reached 26.8 billion Singapore dollars ("SGD," approximately $19.6 billion at exchange rates in effect on December 31, 2018) in 2017 (the latest information publicly available at the time of filing), a 4.3% increase compared to 2016. The Casino Regulatory Authority (the "CRA"), the gaming regulator in Singapore, does not disclose gaming revenue for the market and thus no official figure exists.

We believe Marina Bay Sands is ideally positioned within Singapore to cater to both business and leisure visitors. The Integrated Resort is centrally located within a 20-minute drive from Singapore's Changi International Airport and near the Marina Bay Cruise Center, a deep-water cruise ship terminal, and Bayfront station, a mass rapid transit station.
Marina Bay Sands is also located near several entertainment attractions, including the Gardens by the Bay botanical gardens and the Singapore Sports Hub, a sports complex featuring the 55,000-seat National Stadium.

Baccarat is the preferred table game in both VIP and mass gaming. Additionally, contributions from slot machines and from mass gaming, including electronic table games offerings, have enhanced the early growth of the market. As Marina Bay Sands and the Singapore market as a whole continue to mature, we expect to broaden our visitor base to continue to capture visitors from around the world.

Proximity to Major Asian Cities

About 100 airlines operate in Singapore, connecting it to some 400 cities in about 100 countries. In 2018, 66 million passengers passed through Singapore's Changi Airport, a 5.5% decrease as compared to 2017. Based on figures released by the STB, the largest source markets for visitors to Singapore for 2018 were China and Indonesia. The STB's methodology for reporting visitor arrivals does not recognize Malaysian citizens entering Singapore by land, although this method of visitation is generally thought to be substantial.

Competition in Singapore

Gaming in Singapore is administered by the government through the award of licenses to two operators, of which we are one. Pursuant to the request for proposals to develop an integrated resort at Marina Bay, Singapore (the "Request for Proposal"), the CRA was required to ensure there would not be more than two casino licenses during an initial ten-year exclusive period (the "Exclusivity Period"), which expired on February 28, 2017.

Resorts World Sentosa, which is 100% owned by Genting Singapore and located on Sentosa Island, is primarily a family tourist destination connected to Singapore via a 500-meter long vehicular and pedestrian bridge. Apart from the casino, the resort includes six hotels, a Universal Studios theme park, the Marine Life Park, the Maritime Experiential Museum, aquarium, conventions and exhibitions facilities, restaurants, as well as a Malaysian food street, and retail shops.

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

U.S. Operations

Las Vegas

Our Las Vegas Operating Properties is an Integrated Resort that includes The Venetian Resort Las Vegas and the Sands Expo Center.

The Venetian Resort Las Vegas features three hotel towers. The Venetian Tower is a 35-story three-winged luxury hotel tower with 3,015 suites rising above the casino. The second tower is an adjoining 1,013-suite, 12-story Venezia Tower. The Palazzo Tower has 3,064 suites situated in a 50-story luxury hotel tower, which features modern European ambiance and design, and is directly connected to The Venetian Tower and Sands Expo Center. The Venetian Resort Las Vegas has approximately 225,000 square feet of gaming space and includes approximately 240 table games and 1,870 slot machines. The Venetian Resort Las Vegas features a variety of amenities for its guests, including Paiza Club, several theaters and Canyon Ranch SpaClub.

The Venetian Resort Las Vegas features an enclosed retail, dining and entertainment complex, referred to as the Grand Canal Shoppes. The portion of the complex located within The Venetian Tower (previously known as "The Grand Canal Shoppes") and the portion located within The Palazzo Tower (previously known as "The Shoppes at The Palazzo") were sold to GGP Limited Partnership ("GGP") in 2004 and 2008, respectively.

Sands Expo Center is one of the largest overall trade show and convention facilities in the United States (as measured by net leasable square footage), with approximately 1.2 million gross square feet of exhibit and meeting space. We also own an approximately 1.1 million -gross-square-foot meeting and conference facility that links Sands Expo Center to The Venetian Resort Las Vegas. Together, we offer approximately 2.3 million gross square feet of state-of-the-art exhibition and meeting facilities that can be configured to provide small, mid-size or large meeting rooms and/or accommodate large-scale multi-media events or trade shows.

In May 2016, we announced plans to work with Madison Square Garden Company to bring a 400,000-square-foot venue built specifically for music and entertainment to Las Vegas. In February 2018, Madison Square Garden
unveiled its plans for MSG Sphere at The Venetian, an 18,000-seat venue, which, subject to regulatory approvals and entitlements, will be located near, and connected directly to, our Las Vegas Operating Properties and is currently expected to open in 2021.

**Pennsylvania**

We own and operate the Sands Bethlehem, a gaming, hotel, retail and dining complex located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania. The Sands Bethlehem features approximately 146,000 square feet of gaming space that includes approximately 190 table games and 3,260 slot machines; a hotel tower with 282 rooms; a 150,000-square-foot retail facility ("The Outlets at Sands Bethlehem"); an arts and cultural center; and a 50,000-square-foot multipurpose event center.

We own 86% of the economic interest in the gaming, hotel and entertainment portion of Sands Bethlehem through our ownership interest in Sands Bethworks Gaming LLC ("Sands Bethworks Gaming") and approximately 35% of the economic interest in the retail portion of Sands Bethlehem through our ownership interest in Sands Bethworks Retail LLC ("Sands Bethworks Retail").

On March 8, 2018, the Company entered into a purchase and sale agreement under which PCI Gaming Authority, an unincorporated, chartered instrumentality of the Poarch Band of Creek Indians, will acquire Sands Bethlehem for a total enterprise value of $1.30 billion. The closing of the transaction is subject to regulatory review and other closing conditions.

**Las Vegas Market**

The Las Vegas hotel/casino industry is highly competitive. Hotels on the Las Vegas Strip compete with other hotels on and off the Las Vegas Strip, including hotels in downtown Las Vegas. In addition, there are large projects in Las Vegas in the development stage or currently suspended and, if opened, may target the same customers as we do. Based on figures released by the Las Vegas Convention and Visitors Authority (the "LVCVA"), Las Vegas welcomed 42 million visitors during 2018, relatively flat compared to 2017.

We also compete with legalized gaming from casinos located on Native American tribal lands, including those located in California. While the competitive impact on our operations in Las Vegas from the continued growth of Native American gaming establishments in California remains uncertain, the proliferation of gaming in California and other areas located in the same region as our Las Vegas Operating Properties could have an adverse effect on our financial condition, results of operations and cash flows. Our Las Vegas Operating Properties also compete, to some extent, with other hotel/casino facilities in Nevada, with hotel/casino and other resort facilities elsewhere in the country and the world, and with Internet gaming and state lotteries.

In addition, certain states have legalized, and others may legalize, casino gaming in specific areas. The continued proliferation of gaming venues could have a significant and adverse effect on our business. In particular, the legalization of casino gaming in or near major metropolitan areas from which we traditionally attract customers could have a material adverse effect on our business. The current global trend toward liberalization of gaming restrictions and the resulting proliferation of gaming venues could result in a decrease in the number of visitors to our Las Vegas Operating Properties, which could have an adverse effect on our financial condition, results of operations and cash flows. Also, on December 23, 2011, the U.S. Department of Justice (the "DOJ") released an opinion that concluded the Wire Act only related to interstate transmission of wire communications regarding wagers on sporting events or information assisting in the placing of wagers on sporting events (the "2011 Opinion"). In concluding as such, the DOJ reversed earlier opinions that the Wire Act was not limited to only sporting events or contests. On January 14, 2019, the DOJ released a Slip Opinion dated November 2, 2018 that reversed the 2011 Opinion.

Las Vegas generally competes with trade show and convention facilities located in and around major U.S. cities. Within Las Vegas, the Sands Expo Center competes with the Las Vegas Convention Center (the "LVCC"), which currently has approximately 3.2 million gross square feet of convention and exhibit facilities. In addition to the LVCC, some of our Las Vegas competitors have convention and conference facilities that compete with our Las Vegas Operating Properties. Based on figures released by the LVCCA, nearly 7 million convention delegates visited Las Vegas during 2018, a 2.2% decrease compared to 2017.

Competitors of our Las Vegas Operating Properties that can offer a hotel/casino experience that is integrated with substantial trade show and convention, conference and meeting facilities, could have an adverse effect on our competitive
advantage in attracting trade show and convention, conference and meeting attendees. Major competitors in Las Vegas continue to implement and evaluate opportunities to expand casino, hotel and convention offerings.

**Retail Mall Operations**

We own and operate retail malls at our Integrated Resorts at The Venetian Macao, Sands Cotai Central, The Parisian Macao, The Plaza Macao and Four Seasons Hotel Macao, Sands Macao, Marina Bay Sands and Sands Bethlehem. Upon completion of all phases of Sands Cotai Central's renovation, rebranding and expansion to The Londoner Macao, we will own approximately 3.0 million square feet of gross retail space. As further described in "Agreements Relating to the Malls in Las Vegas" below, the Grand Canal Shoppes were sold to GGP and are not owned or operated by us. Management believes being in the retail mall business and, specifically, owning some of the largest retail properties in Asia will provide meaningful value for us, particularly as the retail market in Asia continues to grow.

Our malls are designed to complement our other unique amenities and service offerings provided by our Integrated Resorts. Our strategy is to seek out desirable tenants that appeal to our customers and provide a wide variety of shopping options. We generate our mall revenue primarily from leases with tenants through base minimum rents, overage rents and reimbursements for common area maintenance ("CAM") and other expenditures. For further information related to the financial performance of our malls, see "Part II — Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations."

The tables below set forth certain information regarding our mall operations on the Cotai Strip and at Marina Bay Sands as of December 31, 2018. These tables do not reflect subsequent activity in 2019.

<table>
<thead>
<tr>
<th>Mall Name</th>
<th>Total GLA (1)</th>
<th>Selected Significant Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shoppes at Venetian</td>
<td>813,376 (2)</td>
<td>Zara, Victoria's Secret, Uniqlo, Piaget, Rolex, H&amp;M, Michael Kors, Bvlgari, Chanel Beauté, Lululemon</td>
</tr>
<tr>
<td>Shoppes at Cotai Central</td>
<td>519,681 (3)</td>
<td>Marks &amp; Spencer, Kid's Cavern, Zara, Under Armour, Omega, Nike, Chow Tai Fook, Lady M, Apple</td>
</tr>
<tr>
<td>Shoppes at Parisian</td>
<td>295,915</td>
<td>Alexander McQueen, Isabel Marant, Lanvin, Maje, Sandro, Zadig &amp; Voltaire, Paul Smith</td>
</tr>
<tr>
<td>Shoppes at Four Seasons</td>
<td>241,548</td>
<td>Cartier, Chanel, Louis Vuitton, Hermès, Gucci, Dior, Versace, Zegna, Berluti, Loro Piana, Saint Laurent Paris</td>
</tr>
<tr>
<td>The Shoppes at Marina Bay Sands</td>
<td>606,362 (4)</td>
<td>Louis Vuitton, Chanel, Prada, Gucci, Zara, Burberry, Dior, Cartier, Moncler, Hermès, Armani, Dolce &amp; Gabbana</td>
</tr>
</tbody>
</table>

(1) Represents Gross Leasable Area in square feet.

(2) Excludes approximately 130,000 square feet of space on the fifth floor currently not on the market for lease.

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

(4) Excludes approximately 153,000 square feet of space operated by the Company.
The following table reflects our tenant representation by category for our mall operations as of December 31, 2018:

<table>
<thead>
<tr>
<th>Category</th>
<th>Square Feet</th>
<th>% of Square Feet</th>
<th>Representative Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion (luxury, women's, men's, mixed)</td>
<td>863,721</td>
<td>38%</td>
<td>Louis Vuitton, Dior, Gucci, Versace, Chanel, Fendi, Hermès</td>
</tr>
<tr>
<td>Restaurants and lounges</td>
<td>422,546</td>
<td>18%</td>
<td>Bambu, Lei Garden, Ce La Vi, North, Café Deco</td>
</tr>
<tr>
<td>Multi-Brands</td>
<td>251,247</td>
<td>11%</td>
<td>Duty Free Americas, The Atrium</td>
</tr>
<tr>
<td>Fashion accessories and footwear</td>
<td>164,017</td>
<td>7%</td>
<td>Coach, Salvatore Ferragamo, Tumi, Rimowa, Michael Kors, Stuart Weitzman</td>
</tr>
<tr>
<td>Lifestyle, sports and entertainment</td>
<td>192,957</td>
<td>8%</td>
<td>Manchester United, Adidas, Ferrari, Lululemon, Under Armour</td>
</tr>
<tr>
<td>Jewelry</td>
<td>167,050</td>
<td>7%</td>
<td>Bulgari, Omega, Cartier, Rolex, Tiffany &amp; Co.</td>
</tr>
<tr>
<td>Health and beauty</td>
<td>84,281</td>
<td>4%</td>
<td>Sephora, The Body Shop, Sa Sa</td>
</tr>
<tr>
<td>Banks and services</td>
<td>46,278</td>
<td>2%</td>
<td>Bank of China, ICBC</td>
</tr>
<tr>
<td>Home furnishing and electronics</td>
<td>46,016</td>
<td>2%</td>
<td>Apple, Samsung, Zara Home</td>
</tr>
<tr>
<td>Specialty foods</td>
<td>39,336</td>
<td>2%</td>
<td>Godiva, Cold Storage Specialty, Haagen Dazs, Venchi</td>
</tr>
<tr>
<td>Arts and gifts</td>
<td>15,832</td>
<td>1%</td>
<td>Emporio di Gondola</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,293,281</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Advertising and Marketing

We advertise in many types of media, including television, Internet (including search engines, e-mail, online advertising and social media), radio, newspapers, magazines and other out-of-home advertising (including billboards), to promote general market awareness of our properties as unique leisure, business and convention destinations due to our first-class hotels, casinos, retail stores, restaurants and other amenities. We actively engage in direct marketing as allowed in various geographic regions.

We maintain websites to allow our customers to make room and/or restaurant reservations, purchase show tickets and provide feedback. We also continue to enhance and expand our use of digital marketing and social media to promote our Integrated Resorts, events and special offers, cultivate customer relationships and provide information and updates regarding our corporate citizenship efforts, including our sustainability and corporate giving programs.

Development Projects

We are constantly evaluating opportunities to improve our product offerings, such as refreshing our meeting and convention facilities, suites and rooms, retail malls, restaurant and nightlife mix and our gaming areas, as well as other revenue generating additions to our Integrated Resorts.

**Macao**

We previously announced the renovation, expansion and rebranding of the Sands Cotai Central into a new destination Integrated Resort, The Londoner Macao, by adding extensive thematic elements both externally and internally. The Londoner Macao will feature new attractions and features from London, including some of London’s most recognizable landmarks, and expanded retail and food and beverage venues. We will add approximately 370 luxury suites in the St. Regis Tower Suites Macao. Design work is nearing completion and construction is being initiated and will be phased to minimize disruption during the property’s peak periods. We expect the additional St. Regis Tower Suites Macao to be completed in 2020 and The Londoner Macao project to be completed in phases throughout 2020 and 2021.
We also previously announced the Four Seasons Tower Suites Macao, which will feature approximately 290 additional premium quality suites. We have completed the structural work of the tower and have commenced preliminary build out of the suites. We expect the project to be completed in the first quarter of 2020.

We anticipate the total costs associated with these development projects to be approximately $2.2 billion. The ultimate costs and completion dates for these projects are subject to change as we finalize our planning and design work and complete the projects. See "Item 1A — Risk Factors — Risk Factors — There are significant risks associated with our construction projects, which could have a material adverse effect on our financial condition, results of operations and cash flows."

**United States**

We began constructing a high-rise residential condominium tower (the "Las Vegas Condo Tower"), located on the Las Vegas Strip within The Venetian Resort Las Vegas. In 2008, we suspended construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. We continue to evaluate the highest return opportunity for the project. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty. Should management decide to abandon the project, we could record a charge for some portion of the $129 million in capitalized construction costs (net of depreciation) as of December 31, 2018.

**Other**

We continue to evaluate additional development projects in each of our markets and pursue new development opportunities globally.

**Regulation and Licensing**

**Macao Concession and Our Subconcession**

In June 2002, the Macao government granted one of three concessions to operate casinos in Macao to Galaxy. During December 2002, we entered into a subconcession agreement with Galaxy, which was approved by the Macao government. The subconcession agreement allows us to develop and operate certain casino projects in Macao, including Sands Macao, The Venetian Macao, The Plaza Macao and Four Seasons Hotel Macao, Sands Cotai Central and The Parisian Macao, separately from Galaxy. Under the subconcession agreement, we are obligated to operate casino games of chance or games of other forms in Macao. We were also obligated to develop and open The Venetian Macao and a convention center by December 2007, and we were required to invest, or cause to be invested, at least 4.4 billion patacas (approximately $548 million at exchange rates in effect at the time of the transaction) in various development projects in Macao by June 2009, which obligations we have fulfilled.

If the Galaxy concession is terminated for any reason, our subconcession will remain in effect. The subconcession may be terminated by agreement between Galaxy and us. Galaxy is not entitled to terminate the subconcession unilaterally; however, the Macao government, after consultation with Galaxy, may terminate the subconcession under certain circumstances. Galaxy has developed, and may continue to develop, hotel and casino projects separately from us.

According to the Macao gaming regulatory framework, 10.0% of each subconcessionaire’s issued share capital must be held by its managing director, who must be appointed by the applicable subconcessionaire and must be a permanent Macao resident. Mr. Antonio Ferreira is the appointed managing director of Venetian Macau Limited ("VML") and a permanent Macao resident. Mr. Ferreira holds 10.0% of VML’s issued share capital subject to a usufruct agreement entered into with Venetian Venture Development Intermediate Limited ("VVDIL"), the immediate parent company of VML and a wholly owned subsidiary of SCL. The usufruct provides that VVDIL has the sole and exclusive benefit of the 10.0% of VML’s issued share capital held by Mr. Ferreira. Mr. Ferreira has no economic interest in VML and receives no distributions.

We are subject to licensing and control under applicable Macao law and are required to be licensed by the Macao gaming authorities to operate a casino. We must pay periodic and regular fees and taxes, and our gaming license is not transferable. We must periodically submit detailed financial and operating reports to the Macao gaming authorities and furnish any other information the Macao gaming authorities may require. No person may acquire any rights over the shares or assets of VML, SCL's wholly owned subsidiary, without first obtaining the approval of the Macao gaming
authorities. Similarly, no person may enter into possession of its premises or operate them through a management agreement or any other contract or through step in rights without first obtaining the approval of, and receiving a license from, the Macao gaming authorities. The transfer or creation of encumbrances over ownership of shares representing the share capital of VML or other rights relating to such shares, and any act involving the granting of voting rights or other stockholders' rights to persons other than the original owners, would require the approval of the Macao government and the subsequent report of such acts and transactions to the Macao gaming authorities.

Our subconcession agreement requires, among other things: (i) approval of the Macao government for transfers of shares in VML, or of any rights over or inherent to such shares, including the grant of voting rights or other stockholder's rights to persons other than the original owners, as well as for the creation of any charge, lien or encumbrance on such shares; (ii) approval of the Macao government for transfers of shares, or of any rights over such shares, in any of our direct or indirect stockholders, provided that such shares or rights are directly or indirectly equivalent to an amount that is equal to or higher than 5% of VML's share capital; and (iii) that the Macao government be given notice of the creation of any encumbrance or the grant of voting rights or other stockholder's rights to persons other than the original owners on shares in any of the direct or indirect stockholders in VML, provided that such shares or rights are equivalent to an amount that is equal to or higher than 5% of VML's share capital. The requirements in provisions (ii) and (iii) above will not apply, however, to securities listed as tradable on a stock exchange.

The Macao gaming authorities may investigate any individual who has a material relationship to, or material involvement with, us to determine whether our suitability and/or financial capacity is affected by this individual. LVSC and SCL shareholders with 5% or more of the share capital, directors and some of our key employees must apply for and undergo a finding of suitability process and maintain due qualification during the subconcession term, and accept the persistent and long-term inspection and supervision exercised by the Macao government. VML is required to notify the Macao government immediately should VML become aware of any fact that may be material to the appropriate qualification of any shareholder who owns 5% of the share capital, or any officer, director or key employee. Changes in licensed positions must be reported to the Macao gaming authorities, and in addition to their authority to deny an application for a finding of suitability or licensure, the Macao gaming authorities have jurisdiction to disapprove a change in corporate position. If the Macao gaming authorities were to find one of our officers, directors or key employees unsuitable for licensing, we would have to sever all relationships with that person. In addition, the Macao gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications.

Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macao gaming authorities may be found unsuitable. Any stockholder found unsuitable who holds, directly or indirectly, any beneficial ownership of the common stock of a company incorporated in Macao and registered with the Macao Companies and Moveable Assets Registrar (a "Macao registered corporation") beyond the period of time prescribed by the Macao gaming authorities may lose their rights to the shares. We will be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us, we:

- pay that person any dividend or interest upon its shares;
- allow that person to exercise, directly or indirectly, any voting right conferred through shares held by that person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require that unsuitable person to relinquish its shares.

The Macao gaming authorities also have the authority to approve all persons owning or controlling the stock of any corporation holding a gaming license.

In addition, the Macao gaming authorities require prior approval for the creation of liens and encumbrances over VML's assets and restrictions on stock in connection with any financing.

The Macao gaming authorities must give their prior approval to changes in control of VML through a merger, consolidation, stock or asset acquisition, management or consulting agreement or any act or conduct by any person whereby he or she obtains control. Entities seeking to acquire control of a Macao registered corporation must satisfy the Macao gaming authorities concerning a variety of stringent standards prior to assuming control. The Macao gaming authorities may also require controlling stockholders, officers, directors and other persons having a material relationship
or involvement with the entity proposing to acquire control, to be investigated and licensed as part of the approval process of the transaction.

The Macao gaming authorities may consider some management opposition to corporate acquisitions, repurchases of voting securities and corporate defense tactics affecting Macao gaming licensees, and the Macao registered corporations affiliated with such operations, to be injurious to stable and productive corporate gaming.

The Macao gaming authorities also have the power to supervise gaming licensees in order to:

- assure the financial stability of corporate gaming operators and their affiliates;
- preserve the beneficial aspects of conducting business in the corporate form; and
- promote a neutral environment for the orderly governance of corporate affairs.

The subconcession agreement requires the Macao gaming authorities' prior approval of any recapitalization plan proposed by VML's Board of Directors. The Chief Executive of Macao could also require VML to increase its share capital if he deemed it necessary.

The Macao government also has the right, after consultation with Galaxy, to unilaterally terminate the subconcession agreement at any time upon the occurrence of specified events of default, including:

- the operation of gaming without permission or operation of business that does not fall within the business scope of the subconcession;
- the suspension of operations of our gaming business in Macao without reasonable grounds for more than seven consecutive days or more than fourteen non-consecutive days within one calendar year;
- the unauthorized transfer of all or part of our gaming operations in Macao;
- the failure to pay taxes, premiums, levies or other amounts payable to the Macao government;
- the failure to resume operations following the temporary assumption of operations by the Macao government;
- the repeated opposition to supervision and inspection or the repeated failure to comply with decisions of the Macao government, namely of the Macao gaming authorities;
- the failure to provide or supplement the guarantee deposit or the guarantees specified in the subconcession within the prescribed period;
- the bankruptcy or insolvency of VML;
- fraudulent activity by VML;
- serious and repeated violation by VML of the applicable rules for carrying out casino games of chance or games of other forms or the operation of casino games of chance or games of other forms;
- the grant to any other person of any managing power over VML; or
- the failure by a controlling shareholder in VML to dispose of its interest in VML following notice from the gaming authorities of another jurisdiction in which such controlling shareholder is licensed to operate casino games of chance to the effect that such controlling shareholder can no longer own shares in VML.

In addition, we must comply with various covenants and other provisions under the subconcession, including obligations to:

- ensure the proper operation and conduct of casino games;
- employ people with appropriate qualifications;
- operate and conduct casino games of chance in a fair and honest manner without the influence of criminal activities;
- safeguard and ensure Macao's interests in tax revenue from the operation of casinos and other gaming areas; and

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The subconcession agreement also allows the Macao government to request various changes in the plans and specifications of our Macao properties and to make various other decisions and determinations that may be binding on us. For example, the Macao government has the right to require that we contribute additional capital to our Macao subsidiaries or that we provide certain deposits or other guarantees of performance in any amount determined by the Macao government to be necessary. VML is limited in its ability to raise additional capital by the need to first obtain the approval of the Macao gaming and governmental authorities before raising certain debt or equity.

If our subconcession is terminated in the event of a default, the casinos and gaming-related equipment would be automatically transferred to the Macao government without compensation to us and we would cease to generate any revenues from these operations. In many of these instances, the subconcession agreement does not provide a specific cure period within which any such events may be cured and, instead, we would rely on consultations and negotiations with the Macao government to give us an opportunity to remedy any such default.

The Sands Macao, The Venetian Macao, The Plaza Macao and Four Seasons Hotel Macao, Sands Cotai Central and The Parisian Macao are being operated under our subconcession agreement. This subconcession excludes the following gaming activities: mutual bets, lotteries, raffles, interactive gaming and games of chance or other gaming, betting or gambling activities on ships or planes. Our subconcession is exclusively governed by Macao law. We are subject to the exclusive jurisdiction of the courts of Macao in case of any dispute or conflict relating to our subconcession.

Our subconcession agreement expires on June 26, 2022. Unless our subconcession is extended, on that date, the casinos and gaming-related equipment will automatically be transferred to the Macao government without compensation to us and we will cease to generate any revenues from these operations. Beginning on December 26, 2017, the Macao government may redeem our subconcession by giving us at least one-year prior notice and by paying us fair compensation or indemnity.

Under our subconcession, we are 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 employed and gaming machines operated by us. The fixed portion of the premium is equal to 30 million patacas (approximately $4 million at exchange rates in effect on December 31, 2018). The variable portion is equal to 300,000 patacas per gaming table reserved exclusively for certain kinds of games or players, 150,000 patacas per gaming table not so reserved and 1,000 patacas per electrical or mechanical gaming machine, including slot machines (approximately $37,195, $18,598 and $124, respectively, at exchange rates in effect on December 31, 2018), subject to a minimum of 45 million patacas (approximately $6 million at exchange rates in effect on December 31, 2018). We also have to pay a special gaming tax of 35% of gross gaming revenues and applicable withholding taxes. We must also contribute 4% of our gross gaming revenue to utilities designated by the Macao government, a portion of which must be used for promotion of tourism in Macao. This percentage may be subject to change in the future.

Currently, the gaming tax in Macao is calculated as a percentage of gross gaming revenue; however, unlike Nevada, gross gaming revenue does not include deductions for credit losses. As a result, if we extend credit to our customers in Macao and are unable to collect on the related receivables from them, we have to pay taxes on our winnings from these customers even though we were unable to collect on the related receivables. If the laws are not changed, our business in Macao may not be able to realize the full benefits of extending credit to our customers.

In August 2018, we received an additional exemption from Macao's corporate income tax on profits generated by the operation of casino games of chance for the period of January 1, 2019 through June 26, 2022, the date our subconcession agreement expires. We entered into an agreement with the Macao government effective through the end of 2018 that provided for an annual payment of 42 million patacas (approximately $5 million at exchange rates in effect on December 31, 2018) as a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions. In September 2018, we requested an additional agreement with the Macao government through June 26, 2022, to correspond to the expiration of the income tax exemption for gaming operations; however, there is no assurance we will receive the additional agreement.

**Development Agreement with Singapore Tourism Board**

On August 23, 2006, our wholly owned subsidiary, Marina Bay Sands Pte. Ltd. ("MBS"), entered into a development agreement, as amended by a supplementary agreement on December 11, 2009 (the "Development Agreement"...
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There is a goods and services tax of 7% imposed on gross gaming revenue and a casino tax of 15% imposed on the gross gaming revenue from the casino after reduction for the amount of goods and services tax, except in the case of gaming by premium players, in which case a casino tax of 5% is imposed on the gross gaming revenue generated from such players after reduction for the amount of the goods and services tax. The casino tax rates will not be changed for a period of 15 years from March 1, 2007. The casino tax is deductible against the Singapore corporate taxable
income of MBS. The provision for bad debts arising from the extension of credit granted to gaming patrons is not deductible against gross gaming revenue when calculating the casino tax, but is deductible for the purposes of calculating corporate income tax and the goods and services tax (subject to the prevailing law). MBS is permitted to extend casino credit to persons who are not Singapore citizens or permanent residents, but is not permitted to extend casino credit to Singapore citizens or permanent residents except to premium players.

The key constraint imposed on the casino under the Development Agreement is the total size of the gaming area, which must not be more than 15,000 square meters (approximately 161,000 square feet). The following are not counted towards the gaming area: back of house facilities, reception, restrooms, food and beverage areas, retail shops, stairs, escalators and lift lobbies leading to the gaming area, aesthetic and decorative displays, performance areas and major aisles. The casino located within Marina Bay Sands may not have more than 2,500 gaming machines, but there is no limit on the number of tables for casino games permitted in the casino.

On January 31, 2013, certain amendments to the Casino Control Act (the "Singapore Act") became effective. Among the changes introduced by these amendments is a revision of the maximum financial penalty that may be imposed on a casino operator by way of disciplinary action on a number of grounds, including contravention of a provision of the Singapore Act or a condition of the casino license. Under the amended provisions, a casino operator may be subject to a financial penalty, for each ground of disciplinary action, of a sum not exceeding 10% of the annual gross gaming revenue (as defined in the Singapore Act) of the casino operator for the financial year immediately preceding the date the financial penalty is imposed.

The amendments to the Singapore Act also included an introduction of an additional factor to be considered by the CRA in determining future applications and/or renewals for a casino license. Applicants are required to be a suitable person to develop, maintain and promote the Integrated Resort as a compelling tourist destination that meets prevailing market demand and industry standards and contributes to the tourism industry in Singapore. The Singapore government has established an evaluation panel that will assess applicants and report to the CRA on this aspect of the casino licensing requirements. We believe MBS' iconic tourist destination in Singapore and the Far East is well-established at this time.

State of Nevada

The ownership and operation of casino gaming facilities in the State of Nevada are subject to the Nevada Gaming Control Act and the regulations promulgated thereunder (collectively, the "Nevada Act") and various local regulations. Our gaming operations are also subject to the licensing and regulatory control of the Nevada Gaming Commission (the "Nevada Commission"), the Nevada Gaming Control Board (the "Nevada Board") and the Clark County Liquor and Gaming Licensing Board (the "CCLGLB" and together with the Nevada Commission and the Nevada Board, the "Nevada Gaming Authorities").

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy that are concerned with, among other things:

• the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
• the establishment and maintenance of responsible accounting practices and procedures;
• the maintenance of effective controls over the financial practices of licensees, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues, providing reliable record-keeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
• the prevention of cheating and fraudulent practices; and
• the establishment of a source of state and local revenues through taxation and licensing fees.

Any change in such laws, regulations and procedures could have an adverse effect on our Las Vegas operations.

Las Vegas Sands, LLC ("LVSSLCC") is licensed by the Nevada Gaming Authorities to operate the resort hotel as set forth in the Nevada Act. The gaming license requires the periodic payment of fees and taxes and is not transferable. LVSSLCC is also registered as an intermediary company of Venetian Casino Resort, LLC ("VCR"). VCR is licensed as a manufacturer and distributor of gaming devices and as a key employee of LVSSLCC. LVSSLCC and VCR are collectively referred to as the "licensed subsidiaries." LVSC is registered with the Nevada Commission as a publicly traded
corporation (the "registered corporation"). As such, we must periodically submit detailed financial and operating reports to the Nevada Gaming Authorities and furnish any other information the Nevada Gaming Authorities may require. No person may become a stockholder of, or receive any percentage of the profits from, the licensed subsidiaries without first obtaining licenses and approvals from the Nevada Gaming Authorities. Additionally, the CCLGLB has taken the position it has the authority to approve all persons owning or controlling the stock of any corporation controlling a gaming licensee. We, and the licensed subsidiaries, possess all state and local government registrations, approvals, permits and licenses required in order for us to engage in gaming activities at The Venetian Resort Las Vegas.

The Nevada Gaming Authorities may investigate any individual who has a material relationship to or material involvement with us or the licensed subsidiaries to determine whether such individual is suitable or should be licensed as a business associate of a gaming licensee. Officers, directors and certain key employees of the licensed subsidiaries must file applications with the Nevada Gaming Authorities and may be required to be licensed by the Nevada Gaming Authorities. Our officers, directors and key employees who are actively and directly involved in the gaming activities of the licensed subsidiaries may be required to be licensed or found suitable by the Nevada Gaming Authorities.

The Nevada Gaming Authorities may deny an application for licensing or a finding of suitability for any cause they deem reasonable. A finding of suitability is comparable to licensing; both require submission of detailed personal and financial information followed by a thorough investigation. The applicant for licensing or a finding of suitability, or the gaming licensee by whom the applicant is employed or for whom the applicant serves, must pay all the costs of the investigation. Changes in licensed positions must be reported to the Nevada Gaming Authorities, and in addition to their authority to deny an application for a finding of suitability or licensure, the Nevada Gaming Authorities have jurisdiction to disapprove a change in a corporate position.

If the Nevada Gaming Authorities were to find an officer, director or key employee unsuitable for licensing or to have an inappropriate relationship with us or the licensed subsidiaries, we would have to sever all relationships with such person. In addition, the Nevada Commission may require us or the licensed subsidiaries to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or questions pertaining to licensing are not subject to judicial review in Nevada.

We, and the licensed subsidiaries, are required to submit periodic detailed financial and operating reports to the Nevada Commission. Substantially all of our and our licensed subsidiaries' material loans, leases, sales of securities and similar financing transactions must be reported to or approved by the Nevada Commission.

If it were determined we or a licensed subsidiary violated the Nevada Act, the registration and gaming licenses we then hold could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, we and the persons involved could be subject to substantial fines for each separate violation of the Nevada Act at the discretion of the Nevada Commission. Further, a supervisor could be appointed by the Nevada Commission to operate the casinos, and, under certain circumstances, earnings generated during the supervisor's appointment (except for the reasonable rental value of the casinos) could be forfeited to the State of Nevada. Limitation, conditioning or suspension of any gaming registration or license or the appointment of a supervisor could (and revocation of any gaming license would) have a material adverse effect on our gaming operations.

Any beneficial holder of our voting securities, regardless of the number of shares owned, may be required to file an application, be investigated, and have its suitability as a beneficial holder of our voting securities determined if the Nevada Commission has reason to believe such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. The applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting any such investigation.

The Nevada Act requires any person who acquires more than 5% of our voting securities to report the acquisition to the Chairman of the Nevada Board. The Nevada Act requires beneficial owners of more than 10% of our voting securities apply to the Nevada Commission for a finding of suitability within thirty days after the Chairman of the Nevada Board mails the written notice requiring such filing. Under certain circumstances, an "institutional investor" as defined in the Nevada Act, which acquires more than 10%, but not more than 25%, of our voting securities (subject to certain additional holdings as a result of certain debt restructurings), may apply to the Nevada Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities only for investment purposes. Additionally, an institutional investor that has been granted such a waiver may acquire more than 25% but not more than 29% of our voting securities if such additional ownership results from a stock re-purchase program and such
An institutional investor will be deemed to hold voting securities only for investment purposes if it acquires and holds the voting securities in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of our Board of Directors, any change in our corporate charter, by-laws, management, policies or our operations or any of our gaming affiliates, or any other action the Nevada Commission finds to be inconsistent with holding our voting securities only for investment purposes. Activities deemed consistent with holding voting securities only for investment purposes include:

- voting on all matters voted on by stockholders;
- making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in management, policies or operations; and
- such other activities as the Nevada Commission may determine to be consistent with such investment intent.

If the beneficial holder of voting securities who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners. The applicant is required to pay all costs of investigation.

Any person who fails or refuses to apply for a finding of suitability or a license within thirty days after being ordered to do so by the Nevada Commission or the Chairman of the Nevada Board may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any stockholder found unsuitable who holds, directly or indirectly, any beneficial ownership of the common stock of a registered corporation beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offense. We are subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or a licensed subsidiary, we, or any of the licensed subsidiaries:

- pay that person any dividend or interest upon any voting securities;
- allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, the purchase for cash at fair market value.

Our charter documents include provisions intended to help us comply with these requirements.

The Nevada Commission may, in its discretion, require the holder of any debt security of a registered corporation to file an application, be investigated and be found suitable to own the debt security of such registered corporation. If the Nevada Commission determines a person is unsuitable to own such security, then pursuant to the Nevada Act, the registered corporation can be sanctioned, including the loss of its approvals, if without the prior approval of the Nevada Commission, it:

- pays to the unsuitable person any dividend, interest, or any distribution whatsoever;
- recognizes any voting right by such unsuitable person in connection with such securities; or
- pays the unsuitable person remuneration in any form.

We are required to maintain a current stock ledger in Nevada that may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities and we are also required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. We are also required to render maximum assistance in determining the identity of the beneficial owner.

We cannot make a public offering of any securities without the prior approval of the Nevada Commission if the securities or the proceeds from the offering are intended to be used to construct, acquire or finance gaming facilities.
in Nevada, or to retire or extend obligations incurred for such purposes. On November 15, 2018, the Nevada Commission granted us prior approval to make public offerings for a period of three years, subject to certain conditions (the "shelf approval"). The shelf approval, however, may be rescinded for good cause without prior notice upon the issuance of an interlocutory stop order by the Chairman of the Nevada Board. The shelf approval does not constitute a finding, recommendation, or approval by the Nevada Commission or the Nevada Board as to the investment merits of any securities offered under the shelf approval. Any representation to the contrary is unlawful.

Changes in our control through a merger, consolidation, stock or asset acquisition, management or consulting agreement, or any act or conduct by any person whereby he or she obtains control, shall not occur without the prior approval of the Nevada Commission. Entities seeking to acquire control of a registered corporation must satisfy the Nevada Board and the Nevada Commission concerning a variety of stringent standards prior to assuming control of such registered corporation. The Nevada Commission may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated and licensed as part of the approval process of the transaction.

The Nevada legislature has declared that some corporate acquisitions opposed by management, repurchases of voting securities and corporate defense tactics affecting Nevada gaming licensees, and registered corporations that are affiliated with those operations, may be injurious to stable and productive corporate gaming. The Nevada Commission has established a regulatory scheme to ameliorate the potentially adverse effects of these business practices upon Nevada's gaming industry and to further Nevada's policy to:

- assure the financial stability of corporate gaming operators and their affiliates;
- preserve the beneficial aspects of conducting business in the corporate form; and
- promote a neutral environment for the orderly governance of corporate affairs.

Approvals are, in certain circumstances, required from the Nevada Commission before we can make exceptional repurchases of voting securities above the current market price thereof and before a corporate acquisition opposed by management can be consummated.

The Nevada Act also requires prior approval of a plan of recapitalization proposed by the Board of Directors in response to a tender offer made directly to our stockholders for the purposes of acquiring control of the registered corporation.

License fees and taxes, computed in various ways depending upon the type of gaming or activity involved, are payable to the State of Nevada and to Clark County, Nevada. Depending upon the particular fee or tax involved, these fees and taxes are payable monthly, quarterly or annually and are based upon:

- a percentage of the gross revenues received;
- the number of gaming devices operated; or
- the number of table games operated.

The tax on gross revenues received is generally 6.75% for the State of Nevada and 0.55% for Clark County. In addition, an excise tax is paid by us on charges for admission to any facility where certain forms of live entertainment are provided. VCR is also required to pay certain fees and taxes to the State of Nevada as a licensed manufacturer and distributor.

Any person who is licensed, required to be licensed, registered, required to be registered, or under common control with such persons (collectively, "licensees"), and who proposes to become involved in a gaming operation outside of Nevada, is required to deposit with the Nevada Board, and thereafter maintain, a revolving fund in the amount of $10,000 to pay the expenses of any investigation by the Nevada Board into their participation in such foreign gaming operation. The revolving fund is subject to increase or decrease at the discretion of the Nevada Commission. Thereafter, licensees are also required to comply with certain reporting requirements imposed by the Nevada Act. Licensees are also subject to disciplinary action by the Nevada Commission if they knowingly violate any laws of any foreign jurisdiction pertaining to such foreign gaming operation, fail to conduct such foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations, engage in activities harmful to the State of Nevada or its ability to collect gaming taxes and fees, or employ a person in such foreign operation who has
been denied a license or a finding of suitability in Nevada on the ground of personal unsuitability or who has been found guilty of cheating at gambling.

The sale of alcoholic beverages by the licensed subsidiaries on the casino premises and at the Sands Expo Center is subject to licensing, control and regulation by the applicable local authorities. Our licensed subsidiaries have obtained the necessary liquor licenses to sell alcoholic beverages. All licenses are revocable and are not transferable. The agencies involved have full power to limit, condition, suspend or revoke any such licenses, and any such disciplinary action could (and revocation of such licenses would) have a material adverse effect on our operations.

**Commonwealth of Pennsylvania**

Sands Bethworks Gaming is subject to the rules and regulations promulgated by the Pennsylvania Gaming Control Board ("PaGCB") and the Pennsylvania Department of Revenue, the on-site direction of the Pennsylvania State Police and the requirements of other agencies.

On December 20, 2006, we were awarded one of two Category 2 "at large" gaming licenses available in Pennsylvania, which authorizes a licensee to open with up to 3,000 slot machines and to increase to up to 5,000 slot machines upon approval of the PaGCB, which may not take effect earlier than six months after opening.

In July 2007, we paid a $50 million licensing fee to the Commonwealth of Pennsylvania and, in August 2007, were issued our gaming license by the PaGCB. Just prior to the opening of the casino at Sands Bethlehem, we were required to make a deposit of $5 million, which was reduced to $2 million in January 2010 when the law was amended, to cover weekly withdrawals of our share of the cost of regulation and the amount withdrawn must be replenished weekly.

In February 2010, we submitted a petition to the PaGCB to obtain a table games operation certificate to operate table games at Sands Bethlehem, based on a revision to the law in 2010 that authorized table games. The petition was approved in April 2010, we paid a $17 million table game licensing fee in May 2010 and were issued a table games certificate in June 2010. Table games operations commenced on July 18, 2010.

We must notify the PaGCB if we become aware of any proposed or contemplated change of control including more than 5% of the ownership interests of Sands Bethworks Gaming or of more than 5% of the ownership interests of any entity that owns, directly or indirectly, at least 20% of Sands Bethworks Gaming, including LVSC. The acquisition by a person or a group of persons acting in concert of more than 20% of the ownership interests of Sands Bethworks Gaming or of any entity that owns, directly or indirectly, at least 20% of Sands Bethworks Gaming, with the exception of the ownership interest of a person at the time of the original licensure when the license fee was paid, would be defined as a change of control under applicable Pennsylvania gaming law and regulations. Upon a change of control, the acquirer of the ownership interests would be required to qualify for licensure and to pay a new license fee of $50 million or a lesser "change of control" fee as determined by the PaGCB. In December 2007, the PaGCB adopted a $3 million fee to be assessed on an acquirer in connection with a change in control unless special circumstances dictate otherwise. The PaGCB retains the discretion to eliminate the need for qualification and may reduce the license fee upon a change of control. The PaGCB may provide up to 120 days for any person who is required to apply for a license and who is found not qualified to completely divest the person's ownership interest.

Any person who acquires beneficial ownership of 5% or more of our voting securities will be required to apply to the PaGCB for licensure, obtain licensure and remain licensed. Licensure requires, among other things, that the applicant establish by clear and convincing evidence the applicant's good character, honesty and integrity. Additionally, any trust that holds 5% or more of our voting securities is required to be licensed by the PaGCB and each individual who is a grantor, trustee or beneficiary of the trust is also required to be licensed by the PaGCB. Under certain circumstances and under the regulations of the PaGCB, an "institutional investor" as defined under the regulations of the PaGCB, which acquires beneficial ownership of 5% or more, but less than 10%, of our voting securities, may not be required to be licensed by the PaGCB provided the institutional investor files an Institutional Notice of Ownership Form with the PaGCB Bureau of Licensing and has filed, and remains eligible to file, a statement of beneficial ownership on Schedule 13G with the SEC as a result of this ownership interest. In addition, any beneficial owner of our voting securities, regardless of the number of shares beneficially owned, may be required at the discretion of the PaGCB to file an application for licensure.
In the event a security holder is required to be found qualified and is not found qualified, the security holder may be required by the PaGCB to divest of the interest at a price not exceeding the cost of the interest.

**Employees**

We directly employ approximately 51,500 employees worldwide and hire additional temporary employees on an as-needed basis. Our employees are not covered by collective bargaining agreements, except as discussed below with respect to certain Sands Expo Center and Sands Bethlehem employees. We believe we have good relations with our employees and any relevant union.

Certain unions have engaged in confrontational and obstructive tactics at some of our properties, including contacting potential customers, tenants and investors, objecting to various administrative approvals and picketing, and may continue these tactics in the future. Although we believe we will be able to operate despite such tactics, no assurance can be given we will be able to do so or the failure to do so would not have a material adverse effect on our financial condition, results of operations and cash flows. Although no assurances can be given, if employees decide to be represented by labor unions, management does not believe such representation would have a material effect on our financial condition, results of operations and cash flows.

Certain culinary personnel are hired from time to time to provide services for trade shows and conventions at Sands Expo Center and are covered under a collective bargaining agreement between Sands Expo Center and the Local Joint Executive Board of Las Vegas, for and on behalf of Culinary Workers Union, Local 226 and Bartenders Union, Local No. 165. This collective bargaining agreement expired in December 2000, but automatically renews on an annual basis. As a result, Sands Expo Center is operating under the terms of the expired bargaining agreement with respect to these employees.

Security officers at Sands Bethlehem voted to be represented by a labor union, the International Union, Security, Police, and Fire Professionals of America. On March 1, 2017, an initial collective bargaining agreement took effect, which includes a no-strike, no-lockout provision. The collective bargaining agreement expires on March 1, 2020.

**Intellectual Property**

Our intellectual property (“IP”) portfolio currently consists of trademarks, copyrights, patents, domain names, trade secrets and other confidential and proprietary information. We believe the name recognition, brand identification and image we have developed through our intellectual properties attract customers to our facilities, drive customer loyalty and contribute to our success. We register and protect our IP in the jurisdictions in which we operate or significantly advertise, as well as in countries in which we may operate in the future or wish to ensure protection of our rights.

**Agreements Relating to the Malls in Las Vegas**

**The Grand Canal Shoppes**

In May 2004, we completed the sale of The Grand Canal Shoppes and leased to GGP 19 retail and restaurant spaces on the casino level of The Venetian Las Vegas for 89 years with annual rent of one dollar, and GGP assumed our interest as landlord under the various leases associated with these 19 spaces. In addition, we agreed with GGP to:

- continue to be obligated to fulfill certain lease termination and asset purchase agreements;
- lease the portion of the theater space located within The Grand Canal Shoppes from GGP for a period of 25 years, subject to an additional 50 years of extension options, with initial fixed minimum rent of $3 million per year;
- lease the gondola retail store and the canal space located within The Grand Canal Shoppes from GGP (and by amendment the extension of the canal space extended into The Shoppes at The Palazzo) for a period of 25 years, subject to an additional 50 years of extension options, with initial fixed minimum rent of $4 million per year; and
- lease certain office space from GGP for a period of 10 years, subject to an additional 65 years of extension options, with initial annual rent of approximately $1 million.
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The lease payments relating to the theater, the canal space within The Grand Canal Shoppes and the office space from GGP are subject to automatic increases of 5% in the sixth lease year and each subsequent fifth lease year.

The Shoppes at The Palazzo

We contracted to sell The Shoppes at The Palazzo to GGP pursuant to a purchase and sale agreement dated as of April 12, 2004, as amended (the "Amended Agreement"). Under the Amended Agreement, we also leased to GGP certain restaurant and retail space on the casino level of The Palazzo Tower for 89 years with annual rent of one dollar and GGP assumed our interest as landlord under the various space leases associated with these spaces. On June 24, 2011, we reached a settlement with GGP regarding the final purchase price. Under the terms of the settlement, we retained the $295 million of proceeds previously received and participate in certain potential future revenues earned by GGP.

Cooperation Agreement

Our business plan calls for each of The Venetian Resort Las Vegas, Sands Expo Center and the Grand Canal Shoppes, though separately owned, to be integrally related components of one facility (the "LV Integrated Resort"). In establishing the terms for the integrated operation of these components, the Fourth Amended and Restated Reciprocal Easement, Use and Operating Agreement, dated as of February 29, 2008, by and among Interface Group-Nevada, Inc., Grand Canal Shops II, LLC, Phase II Mall Subsidiary, LLC, VCR, and Palazzo Condo Tower, LLC (the "Cooperation Agreement") sets forth agreements regarding, among other things, encroachments, easements, operating standards, maintenance requirements, insurance requirements, casualty and condemnation, joint marketing, and the sharing of some facilities and related costs. Subject to applicable law, the Cooperation Agreement binds all current and future owners of all portions of the LV Integrated Resort and has priority over the liens securing LVSLC's senior secured credit facility and in some or all respects any liens that may secure any indebtedness of the owners of any portion of the LV Integrated Resort. Accordingly, subject to applicable law, the obligations in the Cooperation Agreement will "run with the land" if any of the components change hands.

Operating Covenants . The Cooperation Agreement regulates certain aspects of the operation of the LV Integrated Resort. For example, under the Cooperation Agreement, we are obligated to operate The Venetian Resort Las Vegas continuously and to use it exclusively in accordance with standards of first-class Las Vegas Boulevard-style hotels and casinos. We are also obligated to operate and use the Sands Expo Center exclusively in accordance with standards of first-class convention, trade show and exposition centers. The owners of the Grand Canal Shoppes are obligated to operate their property exclusively in accordance with standards of first-class restaurant and retail complexes. For so long as a portion of The Venetian Resort Las Vegas is operated in accordance with a "Venetian" theme, the owner of the Grand Canal Shoppes must operate the section formerly referred to as The Grand Canal Shoppes in accordance with the overall Venetian theme.

Maintenance and Repair . We must maintain The Venetian Resort Las Vegas as well as some common areas and common facilities shared with the Grand Canal Shoppes. The cost of maintenance of all shared common areas and common facilities is to be shared between us and the owners of the Grand Canal Shoppes. We must also maintain, repair and restore Sands Expo Center and certain common areas and common facilities located in Sands Expo Center. The owners of the Grand Canal Shoppes must maintain, repair and restore the Grand Canal Shoppes and certain common areas and common facilities located within.

Insurance . We and the owners of the Grand Canal Shoppes must maintain minimum types and levels of insurance, including property damage, general liability and business interruption insurance. The Cooperation Agreement establishes an insurance trustee to assist in the implementation of the insurance requirements.

Parking . The Cooperation Agreement also addresses issues relating to the use of the LV Integrated Resort's parking facilities and easements for access. The Venetian Resort Las Vegas, Sands Expo Center and the Grand Canal Shoppes may use the parking spaces in the LV Integrated Resort's parking facilities on a "first come, first served" basis. The LV Integrated Resort's parking facilities are owned, maintained and operated by us, with the operating costs proportionately allocated among and/or billed to the owners of the components of the LV Integrated Resort. Each party to the Cooperation Agreement has granted to the others non-exclusive easements and rights to use the roadways and walkways on each other's properties for vehicular and pedestrian access to the parking garages.
Utility Easement. All property owners have also granted each other all appropriate and necessary easement rights to utility lines servicing the LV Integrated Resort.

Consents, Approvals and Disputes. If any current or future party to the Cooperation Agreement has a consent or approval right or has discretion to act or refrain from acting, the consent or approval of such party will only be granted and action will be taken or not taken only if a commercially reasonable owner would do so and such consent, approval, action or inaction would not have a material adverse effect on the property owned by such property owner. The Cooperation Agreement provides for the appointment of an independent expert to resolve some disputes between the parties, as well as for expedited arbitration for other disputes.

Sale of the Grand Canal Shoppes by GGP. We have a right of first offer in connection with any proposed sale of the Grand Canal Shoppes by GGP. We also have the right to receive notice of any default by GGP sent by any lender holding a mortgage on the Grand Canal Shoppes, if any, and the right to cure such default subject to our meeting certain net worth tests.

ITEM 1A. — RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information contained in this Annual Report on Form 10-K 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. Certain statements in "Risk Factors" are forward-looking statements. See "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Special Note Regarding Forward-Looking Statements."

Risks Related to Our Business

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; any weaknesses in the job or housing market, additional 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 fears of war and 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.

Our business is sensitive to the willingness of our customers to travel. Acts of terrorism, regional political events and developments in the conflicts in certain countries could cause severe disruptions in air travel that reduce the number of visitors to our facilities, resulting in a material adverse effect on our business, financial condition, results of operations and cash flows.

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 Macao, Singapore, Las Vegas and Pennsylvania properties. Acts of terrorism may severely disrupt domestic and international travel, which would result in a decrease in customer visits to Macao, Singapore, Las Vegas and Pennsylvania, including our properties. Regional political events, 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 in air or other forms of travel as a result of any further terrorist acts, regional political events, regional conflicts or outbreak of hostilities or war would have a material adverse effect on our business, financial condition, results of operations and cash flows.
We are subject to extensive regulation and the cost of compliance or failure to comply with such regulations that govern our operations in any jurisdiction where we operate may have a material adverse effect on our business, financial condition, results of operations and cash flows.

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. We also will become subject to regulation in any other jurisdiction where we choose to operate in the future. 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.

Our gaming operations and the ownership of our securities are subject to extensive regulation by the Nevada Commission, the Nevada Board and the CCLGLB. The Nevada Gaming Authorities have broad authority with respect to licensing and registration of our business entities and individuals investing in or otherwise involved with us.

Although we currently are registered with, and LVSSLCC and VCR currently hold gaming licenses issued by, the Nevada Gaming Authorities, these authorities may, among other things, revoke the gaming license of any corporate entity or the registration of a registered corporation or any entity registered as a holding company of a corporate licensee for violations of gaming regulations.

In addition, the Nevada Gaming Authorities may, under certain circumstances, revoke the license or finding of suitability of any officer, director, controlling person, stockholder, noteholder or key employee of a licensed or registered entity. If our gaming licenses were revoked for any reason, the Nevada Gaming Authorities could require the closing of our casinos, which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, compliance costs associated with gaming laws, regulations or licenses are significant. Any change in the laws, regulations or licenses applicable to our business or gaming licenses could require us to make substantial expenditures or could otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

A similar dynamic exists in all jurisdictions where we operate and a regulatory action against one of our operating entities in any gaming jurisdiction could impact our operations in other gaming jurisdictions where we do business.

We are subject to regulations imposed by the Foreign Corrupt Practices Act (the "FCPA"), which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. We entered into a comprehensive civil administrative settlement with the SEC on April 7, 2016, and a non-prosecution agreement with the Department of Justice (the "DOJ") on January 19, 2017, which resolve all inquiries related to these government investigations and include ongoing reporting obligations to the DOJ through January 2020. 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. Recently, U.S. 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 under the Currency and Foreign Transactions Reporting Act of 1970, commonly known as the "Bank Secrecy Act" ("BSA"), which, among other things, requires us to report to the Financial Crimes Enforcement Network ("FinCEN") 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 federal law or regulations or are designed to evade reporting requirements or have no business or lawful purpose. In addition, under the BSA, we are subject to various other rules and regulations involving reporting, recordkeeping and retention. Our compliance with the BSA is subject to periodic audits by the U.S. Treasury Department, 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 similar regulations in Singapore and Macao, as well as regulations set forth by the gaming authorities in the areas 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.

Because we are currently dependent primarily upon our properties in three markets for all of our cash flow, we are subject to greater risks than competitors with more operating properties or that operate in more markets.

We currently do not have material operations other than our Macao, Singapore and Las Vegas properties. As a result, we are primarily dependent upon these properties for all of our cash.

Given our operations are currently conducted primarily at properties in Macao, Singapore and Las Vegas and a large portion of our planned development is in Macao, we will be subject to greater degrees of risk than competitors with more operating properties or that operate in more markets. The risks to which we will have a greater degree of exposure include the following:

- local economic and competitive conditions;
- inaccessibility due to inclement weather, road construction or closure of primary access routes;
- decline in air passenger traffic due to higher ticket costs or fears concerning air travel;
- changes in local and state governmental laws and regulations, including gaming laws and regulations;
- natural or man-made disasters, outbreaks of infectious diseases, terrorist activity or war;
- changes in the availability of water; and
- a decline in the number of visitors to Macao, Singapore or Las Vegas.

We depend on the continued services of key managers and employees. If we do not retain our key personnel or attract and retain other highly skilled employees, our business will suffer.

Our ability to maintain our competitive position is dependent to a large degree on the services of our senior management team, including Sheldon G. Adelson, Robert G. Goldstein and Patrick Dumont. 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.

The interests of our principal stockholder in our business may be different from yours.

Mr. Adelson, his family members and trusts and other entities established for the benefit of Mr. Adelson and/or his family members (Mr. Adelson, individually our "Principal Stockholder," and the group, collectively our "Principal Stockholder and his family") beneficially own approximately 56% of our outstanding common stock as of December 31, 2018. Accordingly, Mr. Adelson exercises significant influence over our business policies and affairs, including the composition of our Board of Directors and any action requiring the approval of our stockholders, including the adoption of amendments to our articles of incorporation and the approval of a merger or sale of substantially all of our assets. The concentration of ownership may also delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of Mr. Adelson. The interests of Mr. Adelson may differ from your interests.

We are a parent company and our primary source of cash is and will be distributions from our subsidiaries.

We are a parent company with limited business operations of our own. Our main asset is the capital stock of our subsidiaries. We conduct most of our business operations through our direct and indirect subsidiaries. Accordingly, our primary sources of cash are dividends and distributions with respect to our ownership interests in our subsidiaries derived from the earnings and cash flow generated by our operating properties. Our subsidiaries might not generate sufficient earnings and cash flow to pay dividends or distributions in the future. Our subsidiaries’ payments to us will be contingent upon their earnings and upon other business considerations. In addition, our Singapore and U.S. subsidiaries’ debt instruments and other agreements limit or prohibit certain payments of dividends or other distributions to us. We expect future debt instruments for the financing of future developments may contain similar restrictions.
Our debt instruments, current debt service obligations and substantial indebtedness may restrict our current and future operations, particularly our ability to timely refinance existing indebtedness, finance additional growth, respond to changes or take some actions that may otherwise be in our best interests.

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 stockholders and our affiliates.

In addition, our Macao, Singapore and U.S. credit agreements contain various financial covenants. See "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-Term Debt" for further description of these covenants.

As of December 31, 2018, we had $11.99 billion of long-term debt outstanding, net of original issue discount, deferred offering costs (excluding those costs related to our revolving facilities) and cumulative fair value adjustments. 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;
- 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.

Subject to applicable laws, including gaming laws, and certain agreed upon exceptions, our U.S. and Singapore debt is secured by liens on substantially all of our assets located in those countries, except for our equity interests in our subsidiaries.

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. For example, we have a principal amount of $98 million in long-term debt maturing during each of the three years ended December 31, 2021 and $520 million and $3.68 billion in long-term debt maturing during the years ending December 31, 2022 and 2023, respectively. 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 such additional financing is necessary, we cannot assure you we will be able to obtain all the financing required for the construction and opening of these projects on suitable terms, if at all.

**The LIBOR calculation method may change and LIBOR is expected to be phased out after 2021.**

Some of our credit facilities calculate interest on the outstanding principal balance using LIBOR. On July 27, 2017, the United Kingdom Financial Conduct Authority (the "FCA") announced it would phase out LIBOR as a benchmark by the end of 2021. In the meantime, actions by the FCA, other regulators or law enforcement agencies may result in changes to the method by which LIBOR is calculated. At this time, it is not possible to predict the effect on our financial condition, results of operations and cash flows of any such changes or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere.

**Fluctuations in foreign currency exchange rates could have an adverse effect on our financial condition, results of operations and cash flows.**

We record transactions in the functional currencies of our reporting entities. Because our consolidated financial statements are presented in U.S. dollars, we translate revenues and expenses, as well as assets and liabilities, into U.S. dollars at exchange rates in effect during or at the end of each reporting period, which subjects us to foreign currency translation risks. The strengthening of the U.S. dollar against the functional currencies of our foreign operations could have an adverse effect on our U.S. dollar financial results.

In certain instances, our entities whose functional currency is the U.S. dollar may enter, and will continue to enter, into transactions that are denominated in a currency other than U.S. dollars. At the date that such transaction is recognized, each asset and liability arising from the transaction is measured and recorded in U.S. dollars using the exchange rate in effect at that date. At each balance sheet date, recorded monetary balances denominated in a currency other than U.S. dollars are adjusted to U.S. dollars using the exchange rate at the balance sheet date, with gains or losses recorded in other income (expense), which subjects us to foreign currency transaction risks.

We are a parent company whose primary source of cash is distributions from our subsidiaries (see "We are a parent company and our primary source of cash is and will be distributions from our subsidiaries."). Fluctuations in the U.S. dollar/SGD exchange rate, the U.S. dollar/Macao pataca exchange rate and/or the U.S. dollar/HKD exchange rate could have a material adverse effect on the amount of dividends and distributions from our Singapore and Macao operations.

On July 21, 2005, the People's Bank of China announced the renminbi will no longer be pegged to the U.S. dollar, but will be allowed to float in a band (and, to a limited extent, increase in value) against a basket of foreign currencies. We cannot assure you the Hong Kong dollar will continue to be pegged to the U.S. dollar and the Macao pataca will continue to be pegged to the Hong Kong dollar or the current peg rate for these currencies will remain at the same level. The floating of the renminbi and possible changes to the pegs of the Macao pataca and/or the Hong Kong dollar may result in severe fluctuations in the exchange rate for these currencies. Any change in such exchange rates could have a material adverse effect on our operations and on our ability to make payments on certain of our debt instruments. We do not currently hedge foreign currency risk related to the Hong Kong dollar, renminbi or pataca; however, we maintain a significant amount of our operating funds in the same currencies in which we have obligations, thereby reducing our exposure to currency fluctuations.

**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. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter.
During the year ended December 31, 2018, approximately 15.3%, 16.0% and 65.8% of our table games drop at our Macao properties, Marina Bay Sands and our Las Vegas properties, respectively, was from credit-based wagering, while table games play at our Pennsylvania property was primarily conducted on a cash basis. 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.

While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming debts are enforceable under the current laws of Nevada, and Nevada judgments on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions around the world, including jurisdictions our gaming customers may come from, may determine, or have determined, enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from courts in the U.S. and elsewhere are not binding in the courts of many foreign nations.

In particular, we expect our Macao 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 Macao 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 Macao operations may encounter forums that will refuse to enforce such debts. Moreover, under applicable law, our Macao operations remain obligated to pay taxes on uncollectible winnings from customers.

It is also possible our Singapore operations may not be able to collect gaming debts because, among other reasons, courts of certain jurisdictions do not enforce gaming debts. To the extent our Singapore gaming customers' assets are situated in such jurisdictions, our Singapore operations may not be able to take enforcement action against such assets to facilitate collection of gaming receivables.

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.

Win rates for our gaming operations depend on a variety of factors, some beyond our control, and the winnings of our gaming customers could exceed our casino winnings.

The gaming industry is characterized by an element of chance. In addition to the element of chance, win rates are also affected by other factors, including players' skill and experience, the mix of games played, the financial resources of players, the spread of table limits, the volume of bets played and the amount of time played. Our gaming profits are mainly derived from the difference between our casino winnings and the casino winnings of our gaming customers. Since there is an inherent element of chance in the gaming industry, we do not have full control over our winnings or the winnings of our gaming customers. If the winnings of our gaming customers exceed our winnings, we may record a loss from our gaming operations, which could have a material adverse effect on our financial condition, 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.

A failure to establish and protect our IP rights could have a material adverse effect on our business, financial condition and results of operations.

We endeavor to establish, protect and enforce our IP, including our trademarks, copyrights, patents, domain names, trade secrets and other confidential and proprietary information. There can be no assurance, however, the steps we take to protect our IP will be sufficient. If a third party successfully challenges our trademarks, we could have difficulty maintaining exclusive rights. If a third party claims we have infringed, currently infringe, or could in the future infringe upon its IP rights, we may need to cease use of such IP, defend our rights or take other steps. In addition, if third parties
violate their obligations to us to maintain the confidentiality of our proprietary information or there is a security breach or lapse, or if third parties misappropriate or
ingrave upon our IP, our business may be affected. Our inability to adequately obtain, maintain or defend our IP rights for any reason could have a material adverse
effect on our business, financial condition and results of operations.

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we
may not be able to obtain the same insurance coverage, or the scope of insurance coverage we deem necessary, 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 catastrophic nature, such as earthquakes,
hurricanes and floods, or terrorist acts, or certain liabilities may be 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.

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.

Conflicts of interest may arise because certain of our directors and officers are also directors of SCL.

In November 2009, our subsidiary, SCL, listed its ordinary shares on The Main Board of The Stock Exchange of Hong Kong Limited (the "SCL Offering"). We currently own 70.0% of the issued and outstanding ordinary shares of SCL. As a result of SCL having stockholders who are not affiliated with us, we and
certain of our officers and directors who also serve as officers and/or directors of SCL may have conflicting fiduciary obligations to our stockholders and to the
minority stockholders of SCL. Decisions that could have different implications for us and SCL, including contractual arrangements we have entered into or may in
the future enter into with SCL, may give rise to the appearance of a potential conflict of interest.

Changes in tax laws and regulations could impact our financial condition, results of operations and cash flows.

We are subject to taxation and regulation by various government agencies, primarily in Macao, Singapore and the U.S. (federal, state and local levels). From
time to time, U.S. federal, state, local and foreign governments make substantive changes to income tax, indirect tax and gaming tax rules and the application of
these rules, which could result in higher taxes than would be incurred under existing tax law or interpretation. In particular, government agencies may make
changes that could reduce the profits we can effectively realize from our non-U.S. operations. Like most U.S. companies, our effective income tax rate reflects the
fact that income earned and reinvested outside the U.S. is taxed at local rates, which are often lower than U.S. tax rates.

In December 2017, the U.S. enacted the Tax Cuts and Jobs Act (the "Act") also referred to as "U.S. tax reform." The Act made significant changes to U.S.
income tax laws including lowering the U.S. corporate tax rate to 21% effective beginning in 2018 and transitioning from a worldwide tax system to a territorial tax
system resulting in dividends from our foreign subsidiaries not being subject to U.S. income tax and creating a one-time tax on previously unremitted earnings of
foreign subsidiaries. These changes are complex and will continue to require the Internal Revenue Service to issue interpretations and implement regulations that
may significantly impact how we will apply the Act and impact our results of operations in the period issued.

If changes in tax laws and regulations were to significantly increase the tax rates on gaming revenues or income, or if there are additional significant
interpretations and implementing regulations issued related to the Act, these changes could increase our tax expense and liability, and therefore, could have a
material adverse effect on our financial condition, results of operations and cash flows.
Natural or man-made disasters, an outbreak of highly infectious disease, terrorist activity or war could adversely affect the number of visitors to our facilities and disrupt our operations, resulting in a material adverse effect on our business, financial condition, results of operations and cash flows.

So called "Acts of God," such as typhoons and rainstorms, particularly in Macao, and other natural disasters, man-made disasters, outbreaks of highly infectious diseases, terrorist activity or war may result in decreases in travel to and from, and economic activity in, areas in which we operate, and may adversely affect the number of visitors to our properties. Any of these events also 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 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.

Our failure to maintain the integrity of our information and information systems, which contain legally protected information about us and others, could happen in a variety of ways, including as a result of unauthorized access, breach of our cybersecurity systems and measures, or other disruption or corruption of our information systems, software or data, or access to information stored outside of our information systems, and could impair our ability to conduct our business operations, delay our ability to recognize revenue, compromise the integrity of our business and services, result in significant data losses and the theft of our IP, damage our reputation, expose us to liability to third parties, regulatory fines and penalties, and require us to incur significant costs to maintain the privacy and security of our information, network and data.

We face global cybersecurity and information security threats, which may range from uncoordinated individual attempts to sophisticated and targeted measures directed at us. Cyber-attacks and information security breaches may include, but are not limited to, attempts to access information, including legally protected information about people including customers and company 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 business requires the collection and retention of large volumes of data and non-electronic information, including credit card numbers and other legally protected information about people in various information systems we maintain and in those maintained by third parties with whom we contract and may share data. We also maintain important internal company information such as legally protected information about our employees and information relating to our operations. The integrity and protection of that legally protected information about people and company information are important to us. Our collection of such legally protected information about people and company information is subject to extensive regulation by private groups such as the payment card industry as well as domestic and foreign governmental authorities, including gaming authorities. If a cybersecurity or privacy event occurs, we may be unable to satisfy applicable laws and regulations or the expectation of regulators, employees, customers or other impacted individuals.

Privacy and cybersecurity laws and regulations are developing and changing frequently, and vary significantly by jurisdiction. Many applicable laws and regulations protecting privacy and addressing cybersecurity have not yet been interpreted by regulators or courts, which causes uncertainty. 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. Also, privacy and cybersecurity laws and regulations may limit our ability to protect individuals, including customers and employees. For example, these laws and regulations may restrict information sharing in ways that make it more difficult to obtain or share information concerning at-risk individuals. 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. In addition, 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. We are subject to different regulator(s)' and others' interpretations of our compliance with these new and changing laws and regulations.

In addition, we have experienced a sophisticated criminal cybersecurity attack in the past, including a breach of our information technology systems in which customer and company information was compromised and certain
company data may have been destroyed, and we may experience additional cybersecurity attacks in the future, potentially with more frequency or sophistication. 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, such as payment card and other confidential or proprietary information. We also rely extensively on computer systems to process transactions, maintain information, and manage our businesses. Disruptions in the availability of our computer systems, through cyber-attacks or otherwise, could impact our ability to service our customers and adversely affect our sales and the results of operations. For instance, 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, as well as the systems of other third parties that share data with us under contractual agreements, may be subject to cyber-attacks and information security breaches. Our third-party information system service providers and other third parties that share data with us pursuant to contractual agreements face risks relating to cybersecurity and privacy similar to ours, 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, all of which can put payment card data at risk, are determined and controlled by the payment card industry, not us.

A significant theft, destruction, loss or fraudulent use of legally protected information about people or company information maintained by us or by a third-party service provider or other third party that shares data with us pursuant to contractual agreement 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 by shareholders alleging our privacy protections and protections against cyber-attacks were insufficient, our response to an attack was faulty or insufficient care was taken in ensuring we were able to comply with cybersecurity, privacy or data protection regulations, protect information, identify risks and attacks, or respond to and recover from a cyber-attack, or by customers and other parties whose information was subject to such attacks. 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 the Company has 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 have a material adverse effect on our business, financial condition, results of operations and cash flows.

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.

We engage a number of third parties to provide gaming operating systems for the facilities we operate. As a result, we rely on such third parties to provide uninterrupted services to us in order to run our business efficiently and effectively. In the event one of these third parties experiences a disruption in its ability to provide such services to us (whether due to technological difficulties or power problems), this may result in a material disruption at the gaming facilities in which we operate and have a material adverse effect on our business, financial condition, results of operations and cash flows.

Any unscheduled interruption in our technology services is likely to result in an immediate, and possibly substantial, loss of revenues due to a shutdown of our gaming operations, cloud computing and gaming systems. Such interruptions may occur as a result of, for example, catastrophic events or rolling blackouts. Our systems are also vulnerable to damage or interruption from earthquakes, floods, fires, telecommunication failures, terrorist attacks, computer viruses, computer denial-of-service attacks and similar events.

There are significant risks associated with our construction projects, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We previously announced the renovation, expansion and rebranding of Sands Cotai Central, the addition of approximately 370 luxury suites in the St. Regis Tower Suites Macao and the development of approximately 290
additional premium quality suites in the Four Seasons Tower Suites Macao. These 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. In addition, the number of ongoing projects and their locations throughout the world present unique challenges and risks to our management structure. If our management is unable to manage successfully our worldwide 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.

Because we own real property, we are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities.

We have incurred and will continue to incur costs to comply with environmental requirements, such as those relating to discharges into the air, water and land, the handling and disposal of solid and hazardous waste and the cleanup of properties affected by hazardous substances. Under these and other environmental requirements, we may be required to investigate and clean up hazardous or toxic substances or chemical releases at our properties and may be held responsible to governmental entities or third parties, as an owner or operator, for property damage, personal injury and investigation and cleanup costs incurred by them in connection with any contamination. These laws typically impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to use our properties.

Risks Associated with Our International Operations

We will stop generating any gaming revenues from our Macao operations if we cannot secure an extension of our subconcession in 2022 or if the Macao government exercises its redemption right.

Our subconcession agreement expires on June 26, 2022. Unless our subconcession is extended, all of VML's casino premises and gaming-related equipment will be transferred automatically to the Macao government on that date without compensation to us and we will cease to generate gaming revenues from these operations. Beginning on December 26, 2017, the Macao government may redeem the subconcession agreement by providing us at least one-year prior notice. In the event the Macao government exercises this redemption right, we are entitled to fair compensation or indemnity. The amount of this compensation or indemnity will be determined based on the amount of gaming and non-gaming revenue generated by The Venetian Macao during the tax year prior to the redemption multiplied by the number of remaining years before expiration of the subconcession. We cannot assure you that we will be able to renew or extend our subconcession agreement on terms favorable to us or at all. We also cannot assure you that if our subconcession is redeemed, the compensation paid will be adequate to compensate us for the loss of future revenues.

Our Macao subconcession and Singapore concession can be terminated under certain circumstances without compensation to us, which would have a material adverse effect on our business, financial condition, results of operations and cash flows.

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 Development Agreement between MBS and the STB contains events of default that could permit the STB to terminate the agreement without compensation to us. If the Development Agreement is terminated, we could lose our right to operate the Marina Bay Sands and our investment in Marina Bay Sands could be lost.

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 in Macao 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. 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.

Our Macao and Singapore operations face intense competition, which could have a material adverse effect on our financial condition, results of operations and cash flows.

The hotel, resort and casino businesses are highly competitive. Our Macao operations currently compete with numerous other casinos located in 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 Macao and Singapore operations will also compete to some extent with casinos located elsewhere in Asia, including 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, including Japan, Taiwan, Thailand and Vietnam.

The proliferation of gaming venues, especially in Southeast Asia, could have a significant and adverse effect on our financial condition, results of operations and cash flows.

The Macao and Singapore governments could grant additional rights to conduct gaming in the future, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We hold a subconcession under one of only six gaming concessions and subconcessions authorized by the Macao government to operate casinos in Macao. No additional concessions or subconcessions have been granted since 2002. We hold one of two licenses granted by the Singapore government to operate a casino in Singapore. As of March 1, 2017, there are no statutory restrictions preventing the Singapore government from granting additional casino licenses to any party. If the Macao government were to allow additional gaming operators in Macao or the Singapore government were to license additional casinos, we would face additional competition, which could have a material adverse effect on our financial condition, results of operations and cash flows.

We compete for limited management and labor resources in Macao and Singapore, and policies of those governments 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 as dealers. In addition, we are required in Macao to obtain visas and work permits for managers and employees we seek to employ from other countries. There is significant competition in Macao and Singapore 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.
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.

Conducting business in Macao and Singapore has certain political and economic risks, which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our operations include The Venetian Macao, Sands Cotai Central, The Parisian Macao, The Plaza Macao and Four Seasons Hotel Macao and Sands Macao in Macao and the Marina Bay Sands in Singapore. Accordingly, 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 Singapore, and by changes in policies of the governments or changes in laws and regulations or their interpretations. Our operations in Macao and Singapore are also exposed to the risk of changes in laws and policies that govern operations of companies based in those countries. 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 and Singapore 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 and Singapore. 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 and Singapore 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 and Singapore laws permit redress to the courts with respect to administrative actions; however, such redress is largely untested in relation to gaming issues.

On October 6, 2014, the Macao government approved smoking control legislation, which prohibits smoking in casinos. This legislation, as amended on July 14, 2017 and effective as of January 1, 2018, permits casinos to maintain designated smoking rooms opened to the public, as long as such rooms comply with certain conditions, namely that no gaming equipment is installed within a three-meter radius from their entrance doors, that they are physically separated from the remaining areas and that no activity other than smoking is conducted inside the rooms, including gaming. 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.

We are currently not required to pay corporate income taxes on our casino gaming operations in Macao. This tax exemption expires June 26, 2022, the date our subconcession agreement expires. The agreement with the Macao government providing a fixed annual payment as a substitution for a 12% tax otherwise due from VML’s shareholders on dividends distributed from our Macao gaming operations expired at the end of 2018.

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. This exemption 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 agreement expires. Additionally, we entered into an agreement with the Macao government in May 2014,
through the end of 2018 providing an annual payment as a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions paid from VML gaming profits. In September 2018, VML requested an additional agreement with the Macao government through June 26, 2022, to correspond to the expiration of the income tax exemption for gaming operations; however, there is no certainty the agreement will be extended beyond its expiration date. If the agreement is not extended, a 12% tax would be due on VML distributions from earnings generated after 2018, which could have a material adverse effect on our financial condition, results of operations and cash flows.

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

Gaming promoters, which promote gaming and draw VIP patrons to casinos, are responsible for a portion of our gaming revenues in Macao. With the increased number of gaming facilities in Macao, the competition for relationships with gaming promoters has increased. There can be no assurance we will be able to maintain, or grow, our relationships with gaming promoters. If we are unable to maintain or grow our relationships with gaming promoters, or if the gaming promoters experience financial difficulties or are unable to develop or maintain relationships with our VIP patrons, our ability to grow our gaming revenues will be hampered.

If gaming promoters attempt to negotiate changes to our operational agreements, including higher commissions, it could result in higher costs for us, loss of business to a competitor or loss of relationships with gaming promoters. Given regulatory requirements and certain economic and other factors occurring in the region, gaming promoters may encounter difficulties in attracting patrons to come to Macao, resulting in decreased gaming volume at our Macao properties. Credit already extended by gaming promoters to their patrons may become increasingly difficult for them to collect. This inability to attract sufficient patrons, grant credit and collect amounts due in a timely manner could negatively affect gaming promoters' activities, cause gaming promoters to wind up or liquidate their operations or result in gaming promoters leaving Macao. The above factors affecting gaming promoters could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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.

Our business could be adversely affected by the 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. 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, such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

Certain Nevada gaming laws apply to our gaming activities and associations in other jurisdictions where we operate or plan to operate.

Certain Nevada gaming laws also apply to our gaming activities and associations in jurisdictions outside the State of Nevada. We are required to comply with certain reporting requirements concerning our current and proposed gaming
activities and associations occurring outside the State of Nevada, including Macao, Singapore and other jurisdictions. We will also be subject to disciplinary action by the Nevada Commission if:

- we knowingly violate any laws of the foreign jurisdiction pertaining to the foreign gaming operation;
- we fail to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- we engage in any activity or enter into any association that is unsuitable for us because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to the gaming policies of Nevada;
- we engage in any activity or enter into any association that interferes with the ability of the State of Nevada to collect gaming taxes and fees; or
- we employ, contract with or associate with any person in the foreign gaming operation who has been denied a license or a finding of suitability in Nevada on the ground of personal unsuitability, or who has been found guilty of cheating at gambling.

Also, as we are required to provide any other information the Nevada Commission may require concerning our gaming activities and associations in jurisdictions outside the State of Nevada, we could be subject to disciplinary action by the Nevada Commission if our current reporting is determined to be unsatisfactory due to Macao, Singapore or other jurisdictions' regulations regarding personal data protection prohibiting us from satisfying certain reporting requirements of the Nevada Commission.

In addition, if the Nevada Board determines one of our actual or intended activities or associations in a foreign gaming operation may violate one or more of the foregoing, we can be required to file an application with the Nevada Commission for a finding of suitability of such activity or association. If the Nevada Commission finds the activity or association in the foreign gaming operation is unsuitable or prohibited, we will either be required to terminate the activity or association, or will be prohibited from undertaking the activity or association. Consequently, should the Nevada Commission find our gaming activities or associations in Macao or certain other jurisdictions where we operate are unsuitable, we may be prohibited from undertaking our planned gaming activities or associations in those jurisdictions.

The gaming authorities in other jurisdictions where we operate or plan to operate, including in Macao and Singapore, exercise similar powers for purposes of assessing suitability in relation to our activities in other gaming jurisdictions where we do business.

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

The Macao government has granted VML a quota to permit it to hire foreign workers. VML has effectively assigned the management of this quota to its contractors for the construction of our Cotai Strip projects. VML, however, remains ultimately liable for all employer obligations relating to these employees, including for payment of wages and taxes and compliance with labor and workers' compensation laws. VML requires each contractor to whom it has assigned the management of part of its labor quota to indemnify VML for any costs or liabilities VML incurs as a result of such contractor's failure to fulfill employer 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 employees hired 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 employees managed by 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.

**The transportation infrastructure in Macao may not be adequate to accommodate increased future demand of visitors to Macao.**

Macao is in the process of expanding its transportation infrastructure to service the increased number of visitors to Macao. If the planned expansions of transportation facilities to and from Macao are delayed or not completed, and
Macao's transportation infrastructure is insufficient to meet the demands of an increased volume of visitors to Macao, the desirability of Macao as a business and leisure tourism destination, as well as the results of operations of our Macao properties, could be negatively impacted.

**Risks Associated with Our U.S. Operations**

*We face significant competition in Las Vegas, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, any significant downturn in the trade show and convention business could have a significant and adverse effect on our mid-week occupancy rates and business.*

The hotel, resort and casino businesses in Las Vegas are highly competitive. We also compete, to some extent, with other hotel/casino facilities in Nevada, as well as hotel/casinos and other resort facilities and vacation destinations elsewhere in the United States and around the world. In addition, various competitors on the Las Vegas Strip periodically expand and/or renovate their existing facilities. If demand for hotel rooms does not keep up with the increase in the number of hotel rooms, competitive pressures may cause reductions in average room rates.

We also compete with legalized gaming from casinos located on Native American tribal lands, including those located in California. While the competitive impact on our operations in Las Vegas from the continued growth of Native American gaming establishments in California remains uncertain, the proliferation of gaming in California and other areas located in the same region as our Las Vegas Operating Properties could have an adverse effect on our results of operations and cash flows.

In addition, certain states have legalized, and others may legalize, casino gaming in specific areas, including metropolitan areas from which we traditionally attract customers. A number of states have permitted or are considering permitting gaming at "racinos" (combined race tracks and casinos), on Native American reservations and through expansion of state lotteries.

Certain states within the U.S. have also legalized, and others in the future may legalize, online gaming. There are a number of established, well capitalized companies producing and operating online gaming offerings that compete with us. Online gaming is a new and evolving industry and is potentially subject to significant future development, including legal and regulatory development.

The current global trend toward liberalization of gaming restrictions and resulting proliferation of gaming venues could result in a decrease in the number of visitors to our Las Vegas facilities by attracting customers close to home and away from Las Vegas, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Also, on December 23, 2011, the DOJ released an opinion that concluded the Wire Act only related to interstate transmission of wire communications regarding wagers on sporting events or information assisting in the placing of wagers on sporting events (the "2011 Opinion"). In concluding as such, the DOJ reversed earlier opinions that the Wire Act was not limited to only sporting events or contests. On January 14, 2019, the DOJ released a Slip Opinion dated November 2, 2018 ("2018 Slip Opinion") that reversed the 2011 Opinion.

The Sands Expo Center provides recurring demand for mid-week room nights for business travelers who attend meetings, trade shows and conventions in Las Vegas. The Sands Expo Center presently competes with other large convention centers, including convention centers in Las Vegas and other cities. To the extent these competitors are able to capture a substantially larger portion of the trade show and convention business, there could be a material adverse effect on our business, financial condition, results of operations and cash flows.

*Certain beneficial owners of our voting securities may be required to file an application with, and be investigated by, the Nevada Gaming Authorities, and the Nevada Commission may restrict the ability of a beneficial owner to receive any benefit from our voting securities and may require the disposition of shares of our voting securities, if a beneficial owner is found to be unsuitable.*

Any person who acquires beneficial ownership of more than 10% of our voting securities will be required to apply to the Nevada Commission for a finding of suitability within 30 days after the Chairman of the Nevada Board mails a written notice requiring the filing. Under certain circumstances, an "institutional investor" as defined under the regulations of the Nevada Commission, which acquires beneficial ownership of more than 10%, but not more than 25%, of our voting securities (subject to certain additional holdings as a result of certain debt restructurings or stock repurchase programs under the Nevada Act), may apply to the Nevada Commission for a waiver of such finding of suitability requirement if the institutional investor holds our voting securities only for investment purposes. In addition,
any beneficial owner of our voting securities, regardless of the number of shares beneficially owned, may be required at the discretion of the Nevada Commission to file an application for a finding of suitability as such. In either case, a finding of suitability is comparable to licensing and the applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting the investigation.

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Nevada Gaming Authorities may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any stockholder found unsuitable who holds, directly or indirectly, any beneficial ownership of the common stock of a registered corporation beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a criminal offense. We are subject to disciplinary action if, after we receive notice a person is unsuitable to be a stockholder or to have any other relationship with us or a licensed subsidiary, we, or any of the licensed subsidiaries:

- pay that person any dividend or interest upon any voting securities;
- allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish his or her voting securities including, if necessary, purchasing them for cash at fair market value.

**Certain beneficial owners of our voting securities may be required to file a license application with, and be investigated by, the Pennsylvania Gaming Control Board, the Pennsylvania State Police and other agencies.**

Any person who acquires beneficial ownership of 5% or more of our voting securities will be required to apply to the PaGCB for licensure, obtain licensure and remain licensed. Licensure requires, among other things, the applicant establish by clear and convincing evidence the applicant's good character, honesty and integrity. Additionally, any trust that holds 5% or more of our voting securities is required to be licensed by the PaGCB and each individual who is a grantor, trustee or beneficiary of the trust is also required to be licensed by the PaGCB. Under certain circumstances and under the regulations of the PaGCB, an "institutional investor" as defined under the regulations of the PaGCB, which acquires beneficial ownership of 5% or more, but less than 10%, of our voting securities, may not be required to be licensed by the PaGCB provided the PaGCB grants a waiver of the licensure requirement. In addition, any beneficial owner of our voting securities, regardless of the number of shares beneficially owned, may be required at the discretion of the PaGCB to file an application for licensure.

Furthermore, a person or a group of persons acting in concert who acquire(s) more than 20% of our securities, with the exception of the ownership interest of a person at the time of original licensure when the license fee was paid, would trigger a "change in control" (as defined under applicable law). Such a change in control could require us to re-apply for licensure by the PaGCB and incur a $50 million license fee.

In the event a security holder is required to be found qualified and is not found qualified, or fails to apply for qualification, such security holder may be required by the PaGCB to divest of the interest at a price not exceeding the cost of the interest.

**Labor actions and other labor problems could negatively impact our operations.**

From time to time, we have experienced attempts by labor organizations to organize certain of our non-union employees. We cannot provide any assurance we will not experience additional and successful union activity in the future. The impact of any union activity is undetermined and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

*If GGP (or any future owner of the Grand Canal Shoppes) breaches any of its material agreements with us or if we are unable to maintain an acceptable working relationship with GGP (or any future owner), there could be a material adverse effect on our financial condition, results of operations and cash flows.*

We have entered into agreements with GGP under which, among other things, GGP has agreed to operate the Grand Canal Shoppes subject to, and in accordance with, the Cooperation Agreement. Our agreements with GGP could be adversely affected in ways that could have a material adverse effect on our financial condition, results of operations
and cash flows if we do not maintain an acceptable working relationship with GGP or its successors. For example, the Cooperation Agreement that governs the relationship between the Grand Canal Shoppes and The Venetian Resort Las Vegas requires the owners cooperate in various ways and take various joint actions, which will be more difficult to accomplish, especially in a cost-effective manner, if the parties do not have an acceptable working relationship.

There could be similar material adverse consequences to us if GGP breaches any of its agreements with us, such as its agreement under the Cooperation Agreement to operate the Grand Canal Shoppes consistent with the standards of first-class restaurant and retail complexes and the overall Venetian theme in the section formerly referred to as The Grand Canal Shoppes, and its various obligations as our landlord under the leases described above. Although our agreements with GGP provide us with various remedies in the event of any breaches by GGP and include various dispute resolution procedures and mechanisms, these remedies, procedures and mechanisms may be inadequate to prevent a material adverse effect on our financial condition, results of operations and cash flows if breaches by GGP occur or if we do not maintain an acceptable working relationship with GGP.

ITEM 1B. — UNRESOLVED STAFF COMMENTS

None.

ITEM 2. — PROPERTIES

We have received concessions from the Macao government to build on a six-acre land site for the Sands Macao and the sites on which The Venetian Macao, The Plaza Macao and Four Seasons Hotel Macao, Sands Cotai Central and The Parisian Macao are located. We do not own these land sites in Macao; however, the land concessions grant us exclusive use of the land. Land concessions in Macao generally have an initial term of 25 years with automatic extensions of 10 years thereafter in accordance with Macao law. As specified in the land concessions, we are required to pay premiums, which are either payable in a single lump sum upon acceptance of our land concessions by the Macao government 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. In October 2008, the Macao government amended our land concession to separate the retail and hotel portions of The Plaza Macao and Four Seasons Hotel Macao parcel and allowed us to subdivide the parcel into four separate components, consisting of retail; hotel/casino; an apart-hotel tower; and parking areas. In consideration for the amendment, we paid an additional land premium of approximately $18 million and will pay adjusted annual rent over the remaining term of the concession, which increased slightly due to the revised allocation of parcel use. See "Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 6 — Leasehold Interests in Land, Net" for more information on our payment obligation under these land concessions.

Under the Development Agreement with the STB, we paid SGD 1.20 billion (approximately $756 million at exchange rates in effect at the time of the transaction) in premium payments for the 60-year lease of the land on which the Marina Bay Sands is located plus an additional SGD 106 million (approximately $66 million at exchange rates in effect at the time of the transaction) for various taxes and other fees.

We own an approximately 63-acre parcel of land on which our Las Vegas Operating Properties are located and an approximately 19-acre parcel of land located to the east of the 63-acre parcel. We own these parcels of land in fee simple, subject to certain easements, encroachments and other non-monetary encumbrances. LVSLLC's credit facility, subject to certain exceptions, is collateralized by a first priority security interest (subject to permitted liens) in substantially all of LVSLLC's property.

The Sands Bethlehem resort is located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania, which is about 70 miles from midtown Manhattan, New York. In September 2008, our joint venture partner, Bethworks Now, LLC, contributed the land on which Sands Bethlehem is located to SandsBethworks Gaming and SandsBethworks Retail, a portion of which was contributed through a condominium form of ownership.

In March 2004, we entered into a long-term lease with a third party for the airspace over which a portion of The Shoppes at The Palazzo was constructed (the "Leased Airspace"). In January 2008, we acquired fee title from the same third party to the airspace above the Leased Airspace (the "Acquired Airspace") in order to build a high-rise residential condominium tower (the "Las Vegas Condo Tower") that was being constructed on the Las Vegas Strip within The Venetian Resort Las Vegas. In February 2008, in connection with the sale of The Shoppes at The Palazzo, GGP acquired
control of the Leased Airspace. We continue to retain fee title to the Acquired Airspace in order to resume building when demand and market conditions improve.

ITEM 3. — LEGAL PROCEEDINGS

For a discussion of legal proceedings, see "Part II — Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 15 — Commitments and Contingencies — Litigation."

ITEM 4. — MINE SAFETY DISCLOSURES

Not applicable.
PART II

ITEM 5. — MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's common stock trades on the NYSE under the symbol "LVS." As of February 19, 2019, there were 775,051,979 shares of our common stock outstanding that were held by 326 stockholders of record.

Preferred Stock

We are authorized to issue up to 50,000,000 shares of preferred stock. Our Board of Directors is authorized, subject to limitations prescribed by Nevada law and our articles of incorporation, to determine the terms and conditions of the preferred stock, including whether the shares of preferred stock will be issued in one or more series, the number of shares to be included in each series and the powers, designations, preferences and rights of the shares. Our Board of Directors also is authorized to designate any qualifications, limitations or restrictions on the shares without any further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our Company and may adversely affect the voting and other rights of the holders of our common stock, which could have an adverse impact on the market price of our common stock.

Dividends

Our ability to declare and pay dividends on our common stock is subject to the requirements of Nevada law. In addition, we are a parent company with limited business operations of our own. Accordingly, our primary sources of cash are dividends and distributions with respect to our ownership interest in our subsidiaries derived from the earnings and cash flow generated by our operating properties.

Our subsidiaries' long-term debt arrangements place restrictions on their ability to pay cash dividends to the Company. This may restrict our ability to pay cash dividends other than from cash on hand. See "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Restrictions on Distributions" and "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-Term Debt."

Common Stock Dividends

In January 2019, our Board of Directors declared a quarterly dividend of $0.77 per common share (a total estimated to be approximately $597 million) to be paid on March 28, 2019, to shareholders of record on March 20, 2019. We expect this level of dividend to continue quarterly through the remainder of 2019. Our Board of Directors will continually assess the level and appropriateness of any cash dividends.

Recent Sales of Unregistered Securities

There have not been any sales by the Company of equity securities in the last three fiscal years that have not been registered under the Securities Act of 1933.

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Purchases of Equity Securities by the Issuer

The following table provides information about share repurchases we made of our common stock during the quarter ended December 31, 2018:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of Shares Purchased</th>
<th>Weighted Average Price Paid Per Share (1)</th>
<th>Total Number of Shares Purchased as Part of a Publicly Announced Program</th>
<th>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in millions) (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2018 — October 31, 2018</td>
<td>1,567,151</td>
<td>$51.05</td>
<td>1,567,151</td>
<td>$2,020</td>
</tr>
<tr>
<td>November 1, 2018 — November 30, 2018</td>
<td>4,616,700</td>
<td>$53.07</td>
<td>4,616,700</td>
<td>$1,775</td>
</tr>
<tr>
<td>December 1, 2018 — December 31, 2018</td>
<td>1,910,712</td>
<td>$54.95</td>
<td>1,910,712</td>
<td>$1,670</td>
</tr>
</tbody>
</table>

(1) Calculated excluding commissions.

(2) In November 2016, our Board of Directors authorized the repurchase of $1.56 billion of our outstanding common stock, which expired on November 2, 2018. In June 2018, the Company's Board of Directors authorized increasing the remaining repurchase amount of $1.11 billion to $2.50 billion and extending the expiration date to November 2, 2020. All repurchases under the stock repurchase program are made from time to time at our discretion in accordance with applicable federal securities laws. All share repurchases of our common stock have been recorded as treasury shares.
Performance Graph

The following performance graph compares the performance of our common stock with the performance of the Standard & Poor's 500 Index and the Dow Jones US Gambling Index, during the five years ended December 31, 2018. The graph plots the changes in value of an initial $100 investment over the indicated time period, assuming all dividends are reinvested. The stock price performance in this graph is not necessarily indicative of future stock price performance.

The performance graph should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Exchange Act of 1934, except to the extent the Company specifically incorporates the performance graph by reference therein.
ITEM 6. — SELECTED FINANCIAL DATA

The following reflects selected historical financial data that should be read in conjunction with "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. The historical results are not necessarily indicative of the results of operations to be expected in the future.

We adopted Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, effective January 1, 2018, by applying the full retrospective method. See "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 3 — Revenue" for further information regarding these changes. Revenues and operating expenses for the years ended December 31, 2015 and 2014 were not revised and are presented in accordance with ASC 605, Revenue Recognition, and related interpretations.

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2018 (1)</th>
<th>2017 (2)</th>
<th>2016 (3)</th>
<th>2015</th>
<th>2014 (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions, except per share data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>$13,729</td>
<td>$12,728</td>
<td>$11,271</td>
<td>$11,688</td>
<td>$14,584</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$9,978</td>
<td>$9,264</td>
<td>$8,769</td>
<td>$8,847</td>
<td>$10,485</td>
</tr>
<tr>
<td>Operating income</td>
<td>$3,751</td>
<td>$3,464</td>
<td>$2,502</td>
<td>$2,841</td>
<td>$4,099</td>
</tr>
<tr>
<td>Interest income</td>
<td>$59</td>
<td>$16</td>
<td>$10</td>
<td>$15</td>
<td>$26</td>
</tr>
<tr>
<td>Interest expense, net of amounts capitalized</td>
<td>$(446)</td>
<td>$(327)</td>
<td>$(274)</td>
<td>$(265)</td>
<td>$(274)</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>$26</td>
<td>$(94)</td>
<td>$31</td>
<td>$31</td>
<td>$2</td>
</tr>
<tr>
<td>Loss on modification or early retirement of debt</td>
<td>$(64)</td>
<td>$(5)</td>
<td>$(5)</td>
<td>—</td>
<td>$(20)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>$3,326</td>
<td>$3,054</td>
<td>$2,264</td>
<td>$2,622</td>
<td>$3,833</td>
</tr>
<tr>
<td>Income tax (expense) benefit</td>
<td>$(375)</td>
<td>$209</td>
<td>$(239)</td>
<td>$(236)</td>
<td>$(245)</td>
</tr>
<tr>
<td>Net income</td>
<td>$2,951</td>
<td>$3,263</td>
<td>$2,025</td>
<td>$2,386</td>
<td>$3,588</td>
</tr>
<tr>
<td>Net income attributable to noncontrolling interests</td>
<td>$(538)</td>
<td>$(455)</td>
<td>$(346)</td>
<td>$(420)</td>
<td>$(747)</td>
</tr>
<tr>
<td>Net income attributable to Las Vegas Sands Corp.</td>
<td>$2,413</td>
<td>$2,808</td>
<td>$1,679</td>
<td>$1,966</td>
<td>$2,841</td>
</tr>
</tbody>
</table>

Per share data:

- Basic earnings per share | $3.07 | $3.55 | $2.11 | $2.47 | $3.52 |
- Diluted earnings per share | $3.07 | $3.55 | $2.11 | $2.47 | $3.52 |
- Cash dividends declared per common share (5) | $3.00 | $2.92 | $2.88 | $2.60 | $2.00 |

OTHER DATA

- Capital expenditures | $949 | $837 | $1,398 | $1,529 | $1,179 |

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BALANCE SHEET DATA

<table>
<thead>
<tr>
<th></th>
<th>2018 ($)</th>
<th>2017 ($)</th>
<th>2016 ($)</th>
<th>2015 ($)</th>
<th>2014 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$22,547</td>
<td>$20,687</td>
<td>$20,469</td>
<td>$20,863</td>
<td>$22,207</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$11,874</td>
<td>$9,344</td>
<td>$9,428</td>
<td>$9,249</td>
<td>$9,746</td>
</tr>
<tr>
<td>Total Las Vegas Sands Corp. stockholders' equity</td>
<td>$5,684</td>
<td>$6,486</td>
<td>$6,177</td>
<td>$6,817</td>
<td>$7,214</td>
</tr>
</tbody>
</table>

(1) During the year ended December 31, 2018, we recorded $64 million of loss on modification or early retirement of debt primarily due to the retirement of the 2016 VML Credit Facility in connection with the issuance of the SCL Senior Notes.

(2) During the year ended December 31, 2017, we recorded a nonrecurring non-cash income tax benefit of $526 million due to U.S. tax reform enacted at the end of 2017. We also revised the estimated useful lives of certain assets to better reflect the estimated periods during which these assets are expected to remain in service, resulting in a decrease in depreciation and amortization expense and an increase in operating income of $112 million, and an increase in net income attributable to Las Vegas Sands Corp. of $72 million, or earnings per share of $0.09 on a basic and diluted basis.

(3) During the year ended December 31, 2016, we recorded pre-opening expenses of $130 million driven by the opening of The Parisian Macao in September 2016, a nonrecurring corporate expense of $79 million and a loss on disposal or impairment of assets of $79 million primarily related to the write-off of costs related to the Las Vegas Condo Tower, as well as other dispositions at the Company's various operating properties.

(4) During the year ended December 31, 2014, we received a $90 million property tax refund related to a property tax settlement at Marina Bay Sands for the years 2010 through 2014.

(5) During the years ended December 31, 2018, 2017, 2016, 2015 and 2014, we paid quarterly dividends of $0.75, $0.73, $0.72, $0.65 and $0.50, respectively, per common share as part of a regular cash dividend program.

ITEM 7. — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto, and other financial information included in this Form 10-K. Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. See "Special Note Regarding Forward-Looking Statements."

Operations

We view each of our Integrated Resorts as an operating segment. Our operating segments in Macao consist of The Venetian Macao; Sands Cotai Central; The Parisian Macao; The Plaza Macao and Four Seasons Hotel Macao; and the Sands Macao. Our operating segment in Singapore is Marina Bay Sands. Our operating segments in the U.S. consist of the Las Vegas Operating Properties, which includes The Venetian Resort Las Vegas and the Sands Expo Center, and Sands Bethlehem.

On March 8, 2018, we entered into a purchase and sale agreement under which PCI Gaming Authority, an unincorporated, chartered instrumentality of the Poarch Band of Creek Indians, will acquire Sands Bethlehem for a total enterprise value of $1.30 billion. The closing of the transaction is subject to regulatory review and other closing conditions.
Revenue Recognition

We adopted the new revenue recognition standard on January 1, 2018, on a full retrospective basis. Revenue from contracts with customers primarily consists of casino wagers, room sales, food and beverage transactions, rental income from our mall tenants, 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 our loyalty programs.

When a patron earns points under our loyalty programs, the estimated fair value of the points earned is deferred until redemption. Once redeemed, revenue is recognized in its respective revenue type. Similarly, revenue is also allocated to its respective revenue type for compliments provided at management's discretion. After the aforementioned allocations, the residual amount is recorded to casino revenue.

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 hotel, convention space and food and beverage services 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 stand-alone selling price.

Revenue from leases is primarily recorded to mall revenue and is generated from base rents and overage rents received through long-term leases with retail tenants. Base rent, adjusted for contractual escalations, is recognized on a straight-line basis over the term of the related lease. Overage rent is paid by a tenant when its sales exceed an agreed upon minimum amount and is not recognized until the threshold is met.

Key Operating Revenue Measurements

Operating revenues at The Venetian Macao, Sands Cotai Central, The Parisian Macao, The Plaza Macao and Four Seasons Hotel Macao, Marina Bay Sands and our Las Vegas Operating Properties 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 and Sands Bethlehem are principally driven by casino customers who visit the properties on a daily basis.

The following are the key measurements we use to evaluate operating revenues:

Casino revenue measurements for Macao and Singapore: Macao and Singapore table games are segregated into two groups: 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 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 ("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 3.0% to 3.3% in Macao and 2.7% to 3.0% in Singapore. As of January 1, 2018, Non-Rolling Chip drop at Marina Bay Sands includes chips purchased and exchanged at the cage, consistent with our Macao properties. Prior period amounts have been updated to conform to
the current presentation. Actual win percentage may vary from our expected win percentage and historical win and hold percentages. Generally, slot machine play is conducted on a cash basis. In Macao and Singapore, 15.3% and 16.0%, respectively, of our table games play was conducted on a credit basis for the year ended December 31, 2018.

Casino revenue measurements for the U.S.: The volume measurements in the U.S. are slot handle, as previously described, and table games drop, which is the total amount of cash and net markers issued deposited in the table drop box. We view table games win as a percentage of drop and slot hold as a percentage of handle. 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. Based upon our mix of table games, our table games are expected to produce a win percentage of 18% to 26% for Baccarat and 16% to 24% for non-Baccarat. Actual win percentage may vary from our expected win percentage and historical win and hold percentages. Similar to Macao and Singapore, slot machine play is generally conducted on a cash basis. Approximately 65.8% of our table games play at our Las Vegas Operating Properties, for the year ended December 31, 2018, was conducted on a credit basis, while our table games play in Pennsylvania is primarily conducted on a cash basis.

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 average daily room rate ("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. 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 gross leasable occupied area ("GLOA") divided by gross leasable area ("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 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 sum of 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.

Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

Summary Financial Results

Net revenues and operating income for the year ended December 31, 2018, increased 7.9% to $13.73 billion and 8.3% to $3.75 billion compared to $12.73 billion and $3.46 billion, respectively, for the year ended December 31, 2017. The increases were primarily driven by stronger operating performance in Macao due to a 14% increase in revenues. Net income decreased 9.6% to $2.95 billion for the year ended December 31, 2018, compared to $3.26 billion for the year ended December 31, 2017. The decrease was primarily driven by an increase in tax expense due to a nonrecurring non-cash income tax benefit of $526 million related to U.S. tax reform (as discussed below), partially offset by the increase in operating income. Adjusted property EBITDA for the year ended December 31, 2018, increased 7.7% to $5.28 billion, compared to $4.90 billion for the year ended December 31, 2017.
## Operating Revenues

Our net revenues consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2018 (Dollars in millions)</th>
<th>2017 (Dollars in millions)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Casino</strong></td>
<td>$9,819</td>
<td>$9,086</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Rooms</strong></td>
<td>1,733</td>
<td>1,586</td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Food and beverage</strong></td>
<td>865</td>
<td>828</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Mall</strong></td>
<td>690</td>
<td>651</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Convention, retail and other</strong></td>
<td>622</td>
<td>577</td>
<td>7.8%</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>$13,729</td>
<td>$12,728</td>
<td>7.9%</td>
</tr>
</tbody>
</table>

Consolidated net revenues were $13.73 billion for the year ended December 31, 2018, an increase of $1.0 billion compared to $12.73 billion for the year ended December 31, 2017. The increase was primarily driven by a $1.08 billion increase from our Macao operations, primarily due to increased casino revenues. The increase was partially offset by a $65 million decrease at Marina Bay Sands, primarily due to decreased casino revenues.

Casino revenues increased by $733 million compared to the year ended December 31, 2017. The increase was primarily attributable to a $936 million increase at our Macao operating properties, driven by increases in Non-Rolling Chip drop and Rolling Chip volume. The increase was partially offset by a $155 million decrease at Marina Bay Sands, driven by a decrease in Rolling Chip volume. The following table summarizes the results of our casino activity:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31, 2018 (Dollars in millions)</th>
<th>2017 (Dollars in millions)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Venetian Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$2,829</td>
<td>$2,362</td>
<td>19.8%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$9,068</td>
<td>$7,399</td>
<td>22.6%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>24.7%</td>
<td>25.2%</td>
<td>(0.5)pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$32,148</td>
<td>$26,239</td>
<td>22.5%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.55%</td>
<td>3.34%</td>
<td>0.21 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$3,303</td>
<td>$2,929</td>
<td>12.8%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>4.6%</td>
<td>5.3%</td>
<td>(0.7)pts</td>
</tr>
<tr>
<td><strong>Sands Cotai Central</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$1,622</td>
<td>$1,433</td>
<td>13.2%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$6,722</td>
<td>$5,996</td>
<td>12.1%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>21.4%</td>
<td>20.7%</td>
<td>0.7 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$10,439</td>
<td>$10,621</td>
<td>(1.7)%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.59%</td>
<td>3.09%</td>
<td>0.50 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$4,811</td>
<td>$4,802</td>
<td>0.2%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>3.9%</td>
<td>4.1%</td>
<td>(0.2)pts</td>
</tr>
<tr>
<td><strong>The Parisian Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$1,265</td>
<td>$1,120</td>
<td>12.9%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$4,323</td>
<td>$3,973</td>
<td>8.8%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>21.1%</td>
<td>19.6%</td>
<td>1.5 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$19,049</td>
<td>$18,275</td>
<td>4.2%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.19%</td>
<td>3.14%</td>
<td>0.05 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$4,837</td>
<td>$3,729</td>
<td>29.7%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>2.9%</td>
<td>3.3%</td>
<td>(0.4)pts</td>
</tr>
<tr>
<td>Year Ended December 31,</td>
<td>2018</td>
<td>2017</td>
<td>Change</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>(Dollars in millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The Plaza Macao and Four Seasons Hotel Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$502</td>
<td>$391</td>
<td>28.4%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$1,365</td>
<td>$1,284</td>
<td>6.3%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>24.9%</td>
<td>22.7%</td>
<td>2.2 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$13,100</td>
<td>$10,040</td>
<td>30.5%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>2.95%</td>
<td>2.59%</td>
<td>0.36 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$565</td>
<td>$436</td>
<td>29.6%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>6.1%</td>
<td>7.4%</td>
<td>(1.3) pts</td>
</tr>
<tr>
<td><strong>Sands Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$598</td>
<td>$574</td>
<td>4.2%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$2,565</td>
<td>$2,457</td>
<td>4.4%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>18.4%</td>
<td>19.0%</td>
<td>(0.6) pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$5,705</td>
<td>$4,309</td>
<td>32.4%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.12%</td>
<td>2.79%</td>
<td>0.33 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$2,569</td>
<td>$2,420</td>
<td>6.2%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>3.1%</td>
<td>3.3%</td>
<td>(0.2) pts</td>
</tr>
<tr>
<td><strong>Singapore Operations:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marina Bay Sands</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$2,178</td>
<td>$2,333</td>
<td>(6.6)%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop (1)</td>
<td>$5,352</td>
<td>$5,270</td>
<td>1.6%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage (1)</td>
<td>20.0%</td>
<td>20.2%</td>
<td>(0.2) pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$27,164</td>
<td>$34,994</td>
<td>(22.4)%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.50%</td>
<td>3.52%</td>
<td>(0.02) pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$14,578</td>
<td>$14,153</td>
<td>3.0%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>4.5%</td>
<td>4.4%</td>
<td>0.1 pts</td>
</tr>
<tr>
<td><strong>U.S. Operations:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Las Vegas Operating Properties</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$357</td>
<td>$380</td>
<td>(6.1)%</td>
</tr>
<tr>
<td>Table games drop</td>
<td>$1,866</td>
<td>$1,567</td>
<td>19.1%</td>
</tr>
<tr>
<td>Table games win percentage</td>
<td>15.0%</td>
<td>19.0%</td>
<td>(4.0) pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$2,787</td>
<td>$2,603</td>
<td>7.1%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>8.3%</td>
<td>8.5%</td>
<td>(0.2) pts</td>
</tr>
<tr>
<td><strong>Sands Bethlehem</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$468</td>
<td>$493</td>
<td>(5.1)%</td>
</tr>
<tr>
<td>Table games drop</td>
<td>$1,134</td>
<td>$1,123</td>
<td>1.0%</td>
</tr>
<tr>
<td>Table games win percentage</td>
<td>17.9%</td>
<td>20.1%</td>
<td>(2.2) pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$4,795</td>
<td>$4,715</td>
<td>1.7%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>6.4%</td>
<td>6.5%</td>
<td>(0.1) pts</td>
</tr>
</tbody>
</table>

(1) As of January 1, 2018, Non-Rolling Chip drop includes chips purchased and exchanged at the cage. Prior period amounts have been updated to conform to the current period presentation.

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

Room revenues increased $147 million compared to the year ended December 31, 2017. The increase was primarily due to increases of $83 million, $35 million and $29 million at our Macao operating properties, Marina Bay Sands and
our Las Vegas Operating Properties, respectively, driven by increased occupancy and average daily room rates. During the year ended December 31, 2018, there were approximately 18% fewer average rooms available at The Parisian Macao compared to the year ended December 31, 2017, due to room renovations. The following table summarizes the results of our room activity:

| Year Ended December 31, |
|-------------------------|-----------------|----------------|
|                         | 2018 (Room revenues in millions) | 2017 | Change |
| **Macao Operations:**   |                               |      |        |
| The Venetian Macao      |                               |      |        |
| Total room revenues     | $223                        | $179 | 24.6 % |
| Occupancy rate          | 95.9%                       | 91.4%| 4.5 pts|
| Average daily room rate (ADR) | $225              | $214 | 5.1 % |
| Revenue per available room (RevPAR) | $216        | $196 | 10.2 %|
| Sands Cotai Central     |                               |      |        |
| Total room revenues     | $331                        | $291 | 13.7 %|
| Occupancy rate          | 94.8%                       | 86.6%| 8.2 pts|
| Average daily room rate (ADR) | $157              | $149 | 5.4 % |
| Revenue per available room (RevPAR) | $149        | $129 | 15.5 %|
| The Parisian Macao      |                               |      |        |
| Total room revenues     | $124                        | $128 | (3.1)%|
| Occupancy rate          | 96.3%                       | 90.4%| 5.9 pts|
| Average daily room rate (ADR) | $155              | $141 | 9.9 % |
| Revenue per available room (RevPAR) | $149        | $128 | 16.4 %|
| The Plaza Macao and Four Seasons Hotel Macao | | | |
| Total room revenues     | $39                         | $34  | 14.7 %|
| Occupancy rate          | 88.7%                       | 82.1%| 6.6 pts|
| Average daily room rate (ADR) | $323              | $343 | (5.8)%|
| Revenue per available room (RevPAR) | $286        | $281 | 1.8 % |
| Sands Macao             |                               |      |        |
| Total room revenues     | $17                         | $19  | (10.5)%|
| Occupancy rate          | 98.6%                       | 97.7%| 0.9 pts|
| Average daily room rate (ADR) | $164              | $188 | (12.8)%|
| Revenue per available room (RevPAR) | $162        | $184 | (12.0)%|
| Singapore Operations:   |                               |      |        |
| Marina Bay Sands        |                               |      |        |
| Total room revenues     | $393                        | $358 | 9.8 % |
| Occupancy rate          | 96.7%                       | 95.5%| 1.2 pts|
| Average daily room rate (ADR) | $441              | $425 | 3.8 % |
| Revenue per available room (RevPAR) | $426        | $406 | 4.9 % |
| U.S. Operations:        |                               |      |        |
| Las Vegas Operating Properties |                         |      |        |
| Total room revenues     | $590                        | $561 | 5.2 % |
| Occupancy rate          | 94.6%                       | 93.9%| 0.7 pts|
| Average daily room rate (ADR) | $243              | $238 | 2.1 % |
| Revenue per available room (RevPAR) | $230        | $223 | 3.1 % |

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### Sands Bethlehem

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>$16</td>
<td>$16</td>
<td>—</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>92.8%</td>
<td>93.2%</td>
<td>(0.4)pts</td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>$163</td>
<td>$161</td>
<td>1.2 %</td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>$151</td>
<td>$150</td>
<td>0.7 %</td>
</tr>
</tbody>
</table>

Food and beverage revenues increased $37 million compared to the year ended December 31, 2017. The increase was primarily due to increases of $28 million at Marina Bay Sands, driven by the opening of new restaurants, and $7 million at The Venetian Macao, driven by an increase in banquet operations.

Mall revenues increased $39 million compared to the year ended December 31, 2017. The increase was primarily due to increases of $14 million, $13 million and $12 million at the Shoppes at Four Seasons, the Shoppes at Venetian and The Shoppes at Marina Bay Sands, respectively, driven by overage rents as well as additional retail space available at Sands Cotai Central. For further information related to the financial performance of our malls, see "Additional Information Regarding our Retail Mall Operations." The following table summarizes the results of our malls on the Cotai Strip in Macao and in Singapore:

<table>
<thead>
<tr>
<th>Mall Operations:</th>
<th>2018</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shoppes at Venetian</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$233</td>
<td>$220</td>
<td>5.9 %</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>813,376</td>
<td>786,429</td>
<td>3.4 %</td>
</tr>
<tr>
<td>Occupancy</td>
<td>90.3%</td>
<td>97.2%</td>
<td>(6.9)pts</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$263</td>
<td>$247</td>
<td>6.5 %</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$1,746</td>
<td>$1,389</td>
<td>25.7 %</td>
</tr>
<tr>
<td><strong>Shoppes at Cotai Central</strong> (1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$69</td>
<td>$63</td>
<td>9.5 %</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>519,681</td>
<td>424,309</td>
<td>22.5 %</td>
</tr>
<tr>
<td>Occupancy</td>
<td>91.5%</td>
<td>93.5%</td>
<td>(2.0)pts</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$108</td>
<td>$113</td>
<td>(4.4) %</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$892</td>
<td>$744</td>
<td>19.9 %</td>
</tr>
<tr>
<td><strong>Shoppes at Parisian</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$57</td>
<td>$66</td>
<td>(13.6)%</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>295,915</td>
<td>300,218</td>
<td>(1.4)%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>89.8%</td>
<td>93.4%</td>
<td>(3.6)pts</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$156</td>
<td>$218</td>
<td>(28.4)%</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$649</td>
<td>$574</td>
<td>13.1 %</td>
</tr>
<tr>
<td><strong>Shoppes at Four Seasons</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$145</td>
<td>$131</td>
<td>10.7 %</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>241,548</td>
<td>257,859</td>
<td>(6.3)%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>99.0%</td>
<td>99.6%</td>
<td>(0.6)pts</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$460</td>
<td>$456</td>
<td>0.9 %</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$4,373</td>
<td>$3,500</td>
<td>24.9 %</td>
</tr>
</tbody>
</table>
Singapore Operations:

**The Shoppes at Marina Bay Sands**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total mall revenues</td>
<td>$179</td>
<td>$167</td>
<td>7.2%</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>606,362</td>
<td>604,449</td>
<td>0.3%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>95.4%</td>
<td>96.4%</td>
<td>(1.0)pts</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$258</td>
<td>$244</td>
<td>5.7%</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$1,898</td>
<td>$1,590</td>
<td>19.4%</td>
</tr>
</tbody>
</table>

Note: This table excludes the results of our mall operations at Sands Macao and Sands Bethlehem.

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

Convention, retail and other revenues increased $45 million compared to the year ended December 31, 2017. The increase was primarily due to increases of $20 million and $15 million at our Las Vegas Operating Properties and at Marina Bay Sands, respectively, driven by an increase in convention business. The increase was also attributable to the recovery of business interruption insurance proceeds in Macao related to Typhoon Hato and Typhoon Mangkhut.

**Operating Expenses**

Our operating expenses consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casino</td>
<td>$5,448</td>
<td>$4,876</td>
<td>11.7%</td>
</tr>
<tr>
<td>Rooms</td>
<td>438</td>
<td>411</td>
<td>6.6%</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>673</td>
<td>640</td>
<td>5.2%</td>
</tr>
<tr>
<td>Mall</td>
<td>79</td>
<td>77</td>
<td>2.6%</td>
</tr>
<tr>
<td>Convention, retail and other</td>
<td>336</td>
<td>325</td>
<td>3.4%</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>5</td>
<td>96</td>
<td>(94.8)%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,483</td>
<td>1,417</td>
<td>4.7%</td>
</tr>
<tr>
<td>Corporate</td>
<td>202</td>
<td>173</td>
<td>16.8%</td>
</tr>
<tr>
<td>Pre-opening</td>
<td>6</td>
<td>8</td>
<td>(25.0)%</td>
</tr>
<tr>
<td>Development</td>
<td>12</td>
<td>13</td>
<td>(7.7)%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,111</td>
<td>1,171</td>
<td>(5.1)%</td>
</tr>
<tr>
<td>Amortization of leasehold interests in land</td>
<td>35</td>
<td>37</td>
<td>(5.4)%</td>
</tr>
<tr>
<td>Loss on disposal or impairment of assets</td>
<td>150</td>
<td>20</td>
<td>650.0%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$9,978</td>
<td>$9,264</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Operating expenses were $9.98 billion for the year ended December 31, 2018, an increase of $714 million compared to $9.26 billion for the year ended December 31, 2017. The increase in operating expenses was driven by an increase in casino expense at our Macao operating properties due to increased casino revenues and visitation.

Casino expenses increased $572 million compared to the year ended December 31, 2017. The increase was primarily attributable to a $566 million increase at our Macao operating properties, driven by an increase in gaming taxes due to increased casino revenues.

The provision for doubtful accounts was $5 million for the year ended December 31, 2018, compared to $96 million for the year ended December 31, 2017. The decrease resulted from increased collections of previously reserved customer balances during year ended December 31, 2018, as compared to the prior year period, and continued improvement in the quality of casino credit currently being extended. The amount of this provision can vary over short
periods of time because of factors specific to the customers who owe us money from gaming activities at any given time. We believe the amount of our provision for doubtful accounts in the future will depend upon the state of the economy, our credit standards, our risk assessments and the judgment of our employees responsible for granting credit.

General and administrative expenses increased $66 million compared to the year ended December 31, 2017. The increase was primarily due to a $35 million increase in team member costs across all our properties, a $22 million increase at Marina Bay Sands driven by an increase in property taxes and a $15 million increase at our Las Vegas Operating Properties due to increased marketing and advertising efforts and property operations costs.

Corporate expenses increased $29 million compared to the year ended December 31, 2017. The increase was primarily due to political contributions made during the year ended December 31, 2018.

Depreciation and amortization decreased $60 million compared to the year ended December 31, 2017. The decrease was primarily attributable to a $127 million decrease resulting from a change in the estimated useful lives of certain property and equipment, partially offset by a $73 million increase due to the acceleration of depreciation on certain assets to be disposed in conjunction with The Londoner Macao project.

Loss on disposal or impairment of assets was $150 million for the year ended December 31, 2018, compared to $20 million for the year ended December 31, 2017. The loss for the year ended December 31, 2018, consisted primarily of a $128 million write-off of costs related to the Four Seasons Tower Suites Macao project.

### Segment Adjusted Property EBITDA

The following table summarizes information related to our segments (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 19 — Segment Information" for discussion of our operating segments and a reconciliation of consolidated adjusted property EBITDA to net income):

<table>
<thead>
<tr>
<th>Segment</th>
<th>Year Ended December 31, 2018</th>
<th>Year Ended December 31, 2017</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macao:</td>
<td>$(Dollars in millions)</td>
<td>$(Dollars in millions)</td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>1,378</td>
<td>1,133</td>
<td>21.6%</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>759</td>
<td>633</td>
<td>19.9%</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>484</td>
<td>413</td>
<td>17.2%</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>262</td>
<td>233</td>
<td>12.4%</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>178</td>
<td>174</td>
<td>2.3%</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>18</td>
<td>21</td>
<td>(14.3)%</td>
</tr>
<tr>
<td></td>
<td>3,079</td>
<td>2,607</td>
<td>18.1%</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>1,690</td>
<td>1,755</td>
<td>(3.7)%</td>
</tr>
<tr>
<td>United States:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>394</td>
<td>391</td>
<td>0.8%</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>116</td>
<td>147</td>
<td>(21.1)%</td>
</tr>
<tr>
<td></td>
<td>510</td>
<td>538</td>
<td>(5.2)%</td>
</tr>
<tr>
<td>Consolidated adjusted property EBITDA (1)</td>
<td>$5,279</td>
<td>$4,900</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

(1) Consolidated adjusted property EBITDA, which is a non-GAAP financial measure, is net income before stock-based compensation expense, corporate expense, pre-opening expense, development expense, depreciation and amortization, amortization of leasehold interests in land, gain or loss on disposal or impairment of assets, interest, other income or expense, gain or loss on modification or early retirement of debt and income taxes. Consolidated adjusted property EBITDA is a supplemental non-GAAP financial measure used by management, as well as industry analysts, to evaluate operations and operating performance. In particular, management utilizes consolidated adjusted property EBITDA to compare the operating profitability of our operations with those of our 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 GAAP financial.
measures. In order to view the operations of their properties on a more stand-alone basis, Integrated Resort companies, including Las Vegas Sands Corp., have historically excluded certain expenses that do not relate to the management of specific properties, such as pre-opening expense, development expense and corporate expense, from their adjusted property EBITDA calculations. Consolidated adjusted property EBITDA should not be interpreted as an alternative to income from operations (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 GAAP. We have significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in consolidated adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, our presentation of consolidated adjusted property EBITDA may not be directly comparable to similarly titled measures presented by other companies.

Adjusted property EBITDA at our Integrated Resorts is primarily driven by our casino, room and mall operations, as previously discussed.

Adjusted property EBITDA at our Macao operations increased $472 million compared to the year ended December 31, 2017. As previously described, the increase was primarily due to increased casino revenues, driven by increases in Non-Rolling Chip drop and Rolling Chip volume, increased room revenues, driven by increases in occupancy and ADR, as well as increased mall revenues, driven by average rents.

Adjusted property EBITDA at Marina Bay Sands decreased $65 million compared to the year ended December 31, 2017. As previously described, the decrease was primarily due to decreased casino revenues, driven by a decrease in Rolling Chip volume, partially offset by an increase in non-gaming operations and a decrease in the provision for doubtful accounts, driven by collections on previously reserved customer balances.

Adjusted property EBITDA at Sands Bethlehem decreased $31 million compared to the year ended December 31, 2017. The decrease was primarily due to decreased casino revenues, driven by a decrease in table games win percentage.

Interest Expense

The following table summarizes information related to interest expense:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Dollars in millions)</td>
<td></td>
</tr>
<tr>
<td>Interest cost (which includes the amortization of deferred financing costs and original issue discounts)</td>
<td>$434</td>
<td>$314</td>
</tr>
<tr>
<td>Add — imputed interest on deferred proceeds from sale of The Shoppes at The Palazzo</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Less — capitalized interest</td>
<td>(3)</td>
<td>(2)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>$446</td>
<td>$327</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>$329</td>
<td>$271</td>
</tr>
<tr>
<td>Weighted average total debt balance</td>
<td>$10,992</td>
<td>$9,909</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.0%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Interest cost increased $120 million compared to the year ended December 31, 2017, resulting primarily from increases in our weighted average interest rate and weighted average total debt balance. The increase in our weighted average interest rate was due to the issuance of the SCL Senior Notes and increases in interest rates globally. Our weighted average total debt balance increased in connection with the issuance of the SCL Senior Notes and additional borrowings on our U.S. Credit Facility (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt).

Other Factors Affecting Earnings

Other income was $26 million for the year ended December 31, 2018, compared to other expense of $94 million during the year ended December 31, 2017. Other income during the year ended December 31, 2018, was primarily attributable to $25 million of foreign currency transaction gains, driven by Singapore dollar denominated intercompany
debt reported in U.S. dollars, resulting from the appreciation of the U.S. dollar versus the Singapore dollar during the period, and the U.S. dollar denominated debt held by SCL.

The loss on modification or early retirement of debt was $64 million for the year ended December 31, 2018, primarily due to the write-off of unamortized deferred financing fees resulting from the early retirement of our 2016 VML Credit Facility in connection with the issuance of the SCL Senior Notes (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt — 2016 VML Credit Facility").

Our effective income tax rate was 11.3% for the year ended December 31, 2018, compared to (6.8)% for the year ended December 31, 2017. U.S. tax reform made significant changes to U.S. income tax laws including lowering the U.S. corporate tax rate to 21% effective beginning in 2018 and transitioning from a worldwide tax system to a territorial tax system resulting in dividends from our foreign subsidiaries not being subject to U.S. income tax and creating a one-time tax on previously unremitted earnings of foreign subsidiaries. The effective tax rate for 2018 included a one-time discrete expense of $57 million resulting from recently issued guidance by the Internal Revenue Service related to certain international provisions of the Act. Our effective tax rate for 2018 would have been 9.6% without the one-time discrete expense. The discrete tax expense recorded during 2018 relates to an increase in the valuation allowance recorded on certain U.S. foreign tax credit assets as we determined these assets were no longer "more-likely-than-not" realizable due to concluding how the foreign tax credits allowed against the U.S. tax liability, would be utilized. The effective tax rate for 2017 included a one-time discrete benefit of $526 million recorded as a result of U.S. tax reform. Our effective tax rate for 2017 would have been 10.4% without the one-time discrete benefit.

The effective income tax rates reflect a 17% statutory tax rate on our Singapore operations and a zero percent tax rate on our Macao gaming operations due to our income tax exemption in Macao. In August 2018, our income tax exemption in Macao was extended through June 26, 2022, the date our subconcession agreement expires. We have recorded a valuation allowance related to certain deferred tax assets previously generated by operations in the U.S. and certain foreign jurisdictions; however, to the extent the financial results of these operations improve or we determine related administrative guidance, notices, implementation regulations, potential legislative amendments or interpretations of the Act require changes to positions we have taken and it becomes "more-likely-than-not" these deferred tax assets or a portion thereof are realizable, we will reduce the valuation allowances in the period such determination is made, as appropriate.

The net income attributable to our noncontrolling interests was $538 million for the year ended December 31, 2018, compared to $455 million for the year ended December 31, 2017. These amounts are primarily related to the noncontrolling interest of SCL and reflect the increased net income generated by SCL in 2018.

### Year Ended December 31, 2017 Compared to the Year Ended December 31, 2016

#### Operating Revenues

Our net revenues consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 (Dollars in millions)</td>
<td>2016 (Dollars in millions)</td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>$9,086</td>
<td>$7,886</td>
<td>15.2%</td>
</tr>
<tr>
<td>Rooms</td>
<td>1,586</td>
<td>1,499</td>
<td>5.8%</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>828</td>
<td>747</td>
<td>10.8%</td>
</tr>
<tr>
<td>Mall</td>
<td>651</td>
<td>591</td>
<td>10.2%</td>
</tr>
<tr>
<td>Convention, retail and other</td>
<td>577</td>
<td>548</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td><strong>$12,728</strong></td>
<td><strong>$11,271</strong></td>
<td><strong>12.9%</strong></td>
</tr>
</tbody>
</table>

Consolidated net revenues were $12.73 billion for the year ended December 31, 2017, an increase of $1.46 billion compared to $11.27 billion for the year ended December 31, 2016. The increase was primarily due to increases of $994 million at The Parisian Macao, which opened in September 2016, and $343 million at Marina Bay Sands, primarily due to increased casino revenues.
Casino revenues increased $1.20 billion compared to the year ended December 31, 2016. The increase was due to increases of $805 million at The Parisian Macao, which opened in September 2016, and $368 million at Marina Bay Sands, driven by increases in Rolling Chip win percentage and volume. The following table summarizes the results of our casino activity:

<table>
<thead>
<tr>
<th>Macao Operations:</th>
<th>Year Ended December 31,</th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td>(Dollars in millions)</td>
</tr>
<tr>
<td><strong>The Venetian Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$2,362</td>
<td>$2,286</td>
<td>3.3%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$7,399</td>
<td>$6,856</td>
<td>7.9%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>25.2%</td>
<td>25.2%</td>
<td>—</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$26,239</td>
<td>$28,851</td>
<td>(9.1)%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.34%</td>
<td>3.23%</td>
<td>0.11 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$2,929</td>
<td>$3,790</td>
<td>(22.7)%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>5.3%</td>
<td>4.5%</td>
<td>0.8 pts</td>
</tr>
<tr>
<td><strong>Sands Cotai Central</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$1,433</td>
<td>$1,471</td>
<td>(2.6)%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$5,996</td>
<td>$5,992</td>
<td>0.1%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>20.7%</td>
<td>20.2%</td>
<td>0.5 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$10,621</td>
<td>$12,329</td>
<td>(13.9)%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.09%</td>
<td>3.41%</td>
<td>(0.32) pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$4,802</td>
<td>$5,794</td>
<td>(17.1)%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>4.1%</td>
<td>3.6%</td>
<td>0.5 pts</td>
</tr>
<tr>
<td><strong>The Parisian Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$1,120</td>
<td>$315</td>
<td>255.6%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$3,973</td>
<td>$1,085</td>
<td>266.2%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>19.6%</td>
<td>18.5%</td>
<td>1.1 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$18,275</td>
<td>$4,061</td>
<td>350.0%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>3.14%</td>
<td>4.24%</td>
<td>(1.10) pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$3,729</td>
<td>$974</td>
<td>282.9%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>3.3%</td>
<td>4.5%</td>
<td>(1.2) pts</td>
</tr>
<tr>
<td><strong>The Plaza Macao and Four Seasons Hotel Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$391</td>
<td>$392</td>
<td>(0.3)%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$1,284</td>
<td>$1,114</td>
<td>15.3%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>22.7%</td>
<td>21.9%</td>
<td>0.8 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$10,040</td>
<td>$9,004</td>
<td>11.5%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>2.59%</td>
<td>3.09%</td>
<td>(0.50) pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$436</td>
<td>$414</td>
<td>5.3%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>7.4%</td>
<td>6.2%</td>
<td>1.2 pts</td>
</tr>
<tr>
<td><strong>Sands Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total casino revenues</td>
<td>$574</td>
<td>$614</td>
<td>(6.5)%</td>
</tr>
<tr>
<td>Non-Rolling Chip drop</td>
<td>$2,457</td>
<td>$2,628</td>
<td>(6.5)%</td>
</tr>
<tr>
<td>Non-Rolling Chip win percentage</td>
<td>19.0%</td>
<td>18.6%</td>
<td>0.4 pts</td>
</tr>
<tr>
<td>Rolling Chip volume</td>
<td>$4,309</td>
<td>$7,014</td>
<td>(38.6)%</td>
</tr>
<tr>
<td>Rolling Chip win percentage</td>
<td>2.79%</td>
<td>2.48%</td>
<td>0.31 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$2,420</td>
<td>$2,583</td>
<td>(6.3)%</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>3.3%</td>
<td>3.4%</td>
<td>(0.1) pts</td>
</tr>
</tbody>
</table>
(1) As of January 1, 2018, Non-Rolling Chip drop includes chips purchased and exchanged at the cage. Prior period amounts have been updated to conform to the current period presentation.

Room revenues increased $87 million compared to the year ended December 31, 2016. The increase was primarily due to increases of $92 million at The Parisian Macao, which opened in September 2016, and $24 million at Sands Cotai Central, driven by increased occupancy and average daily room rates, partially offset by an $18 million decrease at Marina Bay Sands, driven by decreased occupancy and fewer rooms available due to renovations. During the year ended December 31, 2017, there were approximately 9%, 8% and 4% fewer rooms available at The Plaza Macao and Four Seasons Hotel Macao, The Venetian Macao and Marina Bay Sands, respectively, compared to the year ended December 31, 2016. The following table summarizes the results of our room activity:

### Macao Operations:

#### The Venetian Macao

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>$179</td>
<td>$177</td>
<td>1.1 %</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>91.4%</td>
<td>86.0%</td>
<td>5.4 pts</td>
</tr>
<tr>
<td>Average daily room rate</td>
<td>$214</td>
<td>$208</td>
<td>2.9 %</td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>$196</td>
<td>$179</td>
<td>9.5 %</td>
</tr>
</tbody>
</table>

---

### U.S. Operations:

#### Las Vegas Operating Properties

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total casino revenues</td>
<td>$380</td>
<td>$359</td>
<td>5.8 %</td>
</tr>
<tr>
<td>Table games drop</td>
<td>$1,567</td>
<td>$1,692</td>
<td>(7.4)%</td>
</tr>
<tr>
<td>Table games win percentage</td>
<td>19.0%</td>
<td>17.3%</td>
<td>1.7 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$2,603</td>
<td>$2,589</td>
<td>0.5 %</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>8.5%</td>
<td>8.5%</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Sands Bethlehem

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total casino revenues</td>
<td>$493</td>
<td>$484</td>
<td>1.9 %</td>
</tr>
<tr>
<td>Table games drop</td>
<td>$1,123</td>
<td>$1,124</td>
<td>(0.1)%</td>
</tr>
<tr>
<td>Table games win percentage</td>
<td>20.1%</td>
<td>19.3%</td>
<td>0.8 pts</td>
</tr>
<tr>
<td>Slot handle</td>
<td>$4,715</td>
<td>$4,516</td>
<td>4.4 %</td>
</tr>
<tr>
<td>Slot hold percentage</td>
<td>6.5%</td>
<td>6.8%</td>
<td>(0.3 pts)</td>
</tr>
</tbody>
</table>
**Sands Cotai Central**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>291</td>
<td>267</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>86.6%</td>
<td>82.2%</td>
<td>4.4 pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>149</td>
<td>145</td>
<td>2.8%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>129</td>
<td>119</td>
<td>8.4%</td>
<td></td>
</tr>
</tbody>
</table>

**The Parisian Macao**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>128</td>
<td>36</td>
<td>255.6%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>90.4%</td>
<td>90.5%</td>
<td>(0.1) pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>141</td>
<td>136</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>128</td>
<td>123</td>
<td>4.1%</td>
<td></td>
</tr>
</tbody>
</table>

**The Plaza Macao and Four Seasons Hotel Macao**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>34</td>
<td>36</td>
<td>(5.6)%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>82.1%</td>
<td>75.3%</td>
<td>6.8 pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>343</td>
<td>355</td>
<td>(3.4)%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>281</td>
<td>268</td>
<td>4.9%</td>
<td></td>
</tr>
</tbody>
</table>

**Sands Macao**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>19</td>
<td>20</td>
<td>(5.0)%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>97.7%</td>
<td>97.1%</td>
<td>0.6 pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>188</td>
<td>199</td>
<td>(5.5)%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>184</td>
<td>193</td>
<td>(4.7)%</td>
<td></td>
</tr>
</tbody>
</table>

**Singapore Operations:**

**Marina Bay Sands**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>358</td>
<td>376</td>
<td>(4.8)%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>95.5%</td>
<td>97.3%</td>
<td>(1.8) pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>425</td>
<td>418</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>406</td>
<td>406</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

**U.S. Operations:**

**Las Vegas Operating Properties**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>561</td>
<td>572</td>
<td>(1.9)%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>93.9%</td>
<td>93.5%</td>
<td>0.4 pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>238</td>
<td>240</td>
<td>(0.8)%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>223</td>
<td>224</td>
<td>(0.4)%</td>
<td></td>
</tr>
</tbody>
</table>

**Sands Bethlehem**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total room revenues</td>
<td>16</td>
<td>15</td>
<td>6.7%</td>
<td></td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>93.2%</td>
<td>94.5%</td>
<td>(1.3) pts</td>
<td></td>
</tr>
<tr>
<td>Average daily room rate (ADR)</td>
<td>161</td>
<td>160</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>Revenue per available room (RevPAR)</td>
<td>150</td>
<td>151</td>
<td>(0.7)%</td>
<td></td>
</tr>
</tbody>
</table>

Food and beverage revenues increased $81 million compared to the year ended December 31, 2016. The increase was primarily due to increases of $43 million at our Las Vegas Operating Properties, driven by an increase in banquet operations associated with our convention customers and $41 million at The Parisian Macao, which opened in September 2016.
Mall revenues increased $60 million compared to the year ended December 31, 2016. The increase was primarily due to a $43 million increase in revenues from the Shoppes at Parisian. For further information related to the financial performance of our malls, see "Additional Information Regarding our Retail Mall Operations." The following table summarizes the results of our malls on the Cotai Strip in Macao and in Singapore:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mall revenues (in millions)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Macao Operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shoppes at Venetian</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$220</td>
<td>$209</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>786,429</td>
<td>777,413</td>
</tr>
<tr>
<td>Occupancy</td>
<td>97.2%</td>
<td>97.6%</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$247</td>
<td>$241</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$1,389</td>
<td>$1,326</td>
</tr>
<tr>
<td><strong>Shoppes at Cotai Central</strong> (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$63</td>
<td>$62</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>424,309</td>
<td>407,065</td>
</tr>
<tr>
<td>Occupancy</td>
<td>93.5%</td>
<td>96.7%</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$113</td>
<td>$128</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$744</td>
<td>$882</td>
</tr>
<tr>
<td><strong>Shoppes at Parisian</strong> (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$66</td>
<td>$23</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>300,218</td>
<td>299,778</td>
</tr>
<tr>
<td>Occupancy</td>
<td>93.4%</td>
<td>92.6%</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$218</td>
<td>$222</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$574</td>
<td>—</td>
</tr>
<tr>
<td><strong>Shoppes at Four Seasons</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$131</td>
<td>$127</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>257,859</td>
<td>259,410</td>
</tr>
<tr>
<td>Occupancy</td>
<td>99.6%</td>
<td>99.3%</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$456</td>
<td>$452</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$3,500</td>
<td>$3,004</td>
</tr>
<tr>
<td><strong>Singapore Operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The Shoppes at Marina Bay Sands</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>$167</td>
<td>$166</td>
</tr>
<tr>
<td>Mall gross leasable area (in square feet)</td>
<td>604,449</td>
<td>612,567</td>
</tr>
<tr>
<td>Occupancy</td>
<td>96.4%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Base rent per square foot</td>
<td>$244</td>
<td>$223</td>
</tr>
<tr>
<td>Tenant sales per square foot</td>
<td>$1,590</td>
<td>$1,383</td>
</tr>
</tbody>
</table>

Note: This table excludes the results of our mall operations at Sands Macao and Sands Bethlehem.

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

2. The Shoppes at Parisian opened in September 2016. Tenant sales per square foot reflect sales from tenants only after the tenant has been open for a period of 12 months.
**Operating Expenses**

Our operating expenses consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Dollars in millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>$4,876</td>
<td>$4,365</td>
<td>11.7%</td>
</tr>
<tr>
<td>Rooms</td>
<td>411</td>
<td>370</td>
<td>11.1%</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>640</td>
<td>584</td>
<td>9.6%</td>
</tr>
<tr>
<td>Mall</td>
<td>77</td>
<td>64</td>
<td>20.3%</td>
</tr>
<tr>
<td>Convention, retail and other</td>
<td>325</td>
<td>303</td>
<td>7.3%</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>96</td>
<td>173</td>
<td>(44.5)%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,417</td>
<td>1,287</td>
<td>10.1%</td>
</tr>
<tr>
<td>Corporate</td>
<td>173</td>
<td>256</td>
<td>(32.4)%</td>
</tr>
<tr>
<td>Pre-opening</td>
<td>8</td>
<td>130</td>
<td>(93.8)%</td>
</tr>
<tr>
<td>Development</td>
<td>13</td>
<td>9</td>
<td>44.4%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,171</td>
<td>1,111</td>
<td>5.4%</td>
</tr>
<tr>
<td>Amortization of leasehold interests in land</td>
<td>37</td>
<td>38</td>
<td>(2.6)%</td>
</tr>
<tr>
<td>Loss on disposal or impairment of assets</td>
<td>20</td>
<td>79</td>
<td>(74.7)%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$9,264</td>
<td>$8,769</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

Operating expenses were $9.26 billion for the year ended December 31, 2017, an increase of $495 million compared to $8.77 billion for the year ended December 31, 2016. The increase in operating expenses was driven by the opening of The Parisian Macao in September 2016.

Casino expenses increased $511 million compared to the year ended December 31, 2016. The increase was primarily attributable to increases of $524 million at The Parisian Macao and $36 million at Marina Bay Sands, driven by an increase in gaming tax, partially offset by a $39 million decrease at our Macao Operations (excluding The Parisian Macao), driven by a $22 million decrease in gaming taxes due to decreased casino revenues.

The provision for doubtful accounts was $96 million for the year ended December 31, 2017, compared to $173 million for the year ended December 31, 2016. The decrease resulted from increased collections of previously reserved customer balances during year ended December 31, 2017, as compared to the prior year period, and continued improvement in the quality of casino credit currently being extended. The amount of this provision can vary over short periods of time because of factors specific to the customers who owe us money from gaming activities at any given time. We believe the amount of our provision for doubtful accounts in the future will depend upon the state of the economy, our credit standards, our risk assessments and the judgment of our employees responsible for granting credit.

General and administrative expenses increased $130 million compared to the year ended December 31, 2016. The increase was primarily due to an $89 million increase at The Parisian Macao and increases of $18 million at our Las Vegas Operating Properties, driven by an increase in marketing and advertising efforts, and $12 million at The Venetian Macao, driven by an increase in team member related expenses.

Corporate expenses decreased $83 million compared to the year ended December 31, 2016. The decrease was primarily due to nonrecurring legal costs incurred during the year ended December 31, 2016.

Pre-opening expense represents personnel and other costs incurred prior to the opening of new ventures, which are expensed as incurred. Pre-opening expenses decreased $122 million compared to the year ended December 31, 2016, primarily due to The Parisian Macao. Development expenses include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are also expensed as incurred.

Depreciation and amortization expense increased $60 million compared to the year ended December 31, 2016. The increase is primarily attributable to a $144 million increase at The Parisian Macao, partially offset by a $112 million decrease resulting from a change in the estimated useful lives of certain property and equipment (see "Item 8 — Financial
Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2 — Summary of Significant Accounting Policies — Property and Equipment”.

Loss on disposal or impairment of assets was $20 million for the year ended December 31, 2017, compared to $79 million for the year ended December 31, 2016. The loss for the year ended December 31, 2017, primarily related to dispositions at our Macao and U.S. operations.

**Adjusted Property EBITDA**

The following table summarizes information related to our segments:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Year Ended December 31, 2017</th>
<th>Year Ended December 31, 2016</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Dollars in millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$1,133</td>
<td>$1,089</td>
<td>4.0%</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>633</td>
<td>616</td>
<td>2.8%</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>413</td>
<td>115</td>
<td>259.1%</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>233</td>
<td>221</td>
<td>5.4%</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>174</td>
<td>172</td>
<td>1.2%</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>21</td>
<td>32</td>
<td>(34.4)%</td>
</tr>
<tr>
<td><strong>Macao</strong></td>
<td>2,607</td>
<td>2,245</td>
<td>16.1%</td>
</tr>
<tr>
<td><strong>Marina Bay Sands</strong></td>
<td>1,755</td>
<td>1,395</td>
<td>25.8%</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>391</td>
<td>356</td>
<td>9.8%</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>147</td>
<td>143</td>
<td>2.8%</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>538</td>
<td>499</td>
<td>7.8%</td>
</tr>
<tr>
<td><strong>Consolidated adjusted property EBITDA</strong></td>
<td>$4,900</td>
<td>$4,139</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

Adjusted property EBITDA at our Integrated Resorts is primarily driven by our casino, room and mall operations, as previously discussed.

Adjusted property EBITDA at our Macao operations increased $362 million compared to the year ended December 31, 2016. The increase was primarily due to a $298 million increase at The Parisian Macao, which opened in September 2016, and $44 million at The Venetian Macao, mainly due to increased casino operations, driven by an increase in Non-Rolling Chip drop.

Adjusted property EBITDA at Marina Bay Sands increased $360 million compared to the year ended December 31, 2016. The increase was primarily due to increased casino revenues, driven by increases in Rolling Chip win percentage and volume. The increase was partially offset by a decrease in room revenues, driven by fewer rooms available due to renovations.

Adjusted property EBITDA at our Las Vegas Operating Properties increased $35 million compared to the year ended December 31, 2016. The increase was primarily due to a $54 million increase in net revenues (excluding intersegment royalty revenue), driven by increased convention and group meeting events benefitting food and beverage results and higher win percentage driving casino revenues, partially offset by an increase in marketing and advertising costs.
**Interest Expense**

The following table summarizes information related to interest expense:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost (which includes the amortization of deferred financing costs and original issue discounts)</td>
<td>$314</td>
<td>$293</td>
</tr>
<tr>
<td>Add — imputed interest on deferred proceeds from sale of The Shoppes at The Palazzo</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Less — capitalized interest</td>
<td>(2)</td>
<td>(34)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>$327</td>
<td>$274</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>$271</td>
<td>$248</td>
</tr>
<tr>
<td>Weighted average total debt balance</td>
<td>$9,909</td>
<td>$9,746</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>3.2%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Interest cost increased $21 million compared to the year ended December 31, 2016, resulting primarily from an increase in our weighted average total debt balance and a slight increase in our weighted average interest rate. Capitalized interest decreased $32 million compared to the year ended December 31, 2016, primarily due to the opening of The Parisian Macao in September 2016.

**Other Factors Affecting Earnings**

Other expense was $94 million for the year ended December 31, 2017, compared to other income of $31 million during the year ended December 31, 2016. Other expense during the year ended December 31, 2017, was primarily attributable to a depreciation of the U.S. dollar versus the Singapore dollar during the period. This resulted in $83 million of foreign currency transaction losses, driven by Singapore dollar denominated intercompany debt reported in U.S. dollars, and a $12 million fair value adjustment on our Singapore forward contracts.

The loss on modification or early retirement of debt was $5 million for the year ended December 31, 2017, and primarily related the amendment to the 2013 U.S. Credit Facility (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt — 2013 U.S. Credit Facility").

Our effective income tax rate was (6.8)% for the year ended December 31, 2017, compared to 10.6% for the year ended December 31, 2016. The decrease in the effective income tax rate relates primarily to the release of certain valuation allowances as a result of U.S. tax reform. The Act made significant changes to U.S. income tax laws including lowering the U.S. corporate tax rate to 21% effective beginning in 2018 and transitioning from a worldwide tax system to a territorial tax system resulting in dividends from our foreign subsidiaries not being subject to U.S. income tax and creating a one-time tax on previously unremitting earnings of foreign subsidiaries.

The effective income tax rates reflect a 17% statutory tax rate on our Singapore operations and a zero percent tax rate on our Macao gaming operations due to our income tax exemption in Macao. We have recorded a valuation allowance related to certain deferred tax assets generated by operations in the U.S. and certain foreign jurisdictions; however, to the extent the financial results of these operations improve and it becomes "more-likely-than-not" these deferred tax assets or a portion thereof are realizable, we will reduce the valuation allowances in the period such determination is made as appropriate. Our effective tax rate for 2017 would have been 10.4% without a one-time discrete benefit of $526 million recorded as a result of the impact of U.S. tax reform.

The net income attributable to our noncontrolling interests was $455 million for the year ended December 31, 2017, compared to $346 million for the year ended December 31, 2016. These amounts are primarily related to the noncontrolling interest of SCL and reflect the increased net income generated by SCL in 2017.
### Additional Information Regarding our Retail Mall Operations

The following tables summarize the results of our mall operations on the Cotai Strip and at Marina Bay Sands for the years ended December 31, 2018, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>Shoppes at Venetian</th>
<th>Shoppes at Four Seasons</th>
<th>Shoppes at Cotai Central</th>
<th>Shoppes at Parisian</th>
<th>The Shoppes at Marina Bay Sands</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended December 31, 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mall revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum rents (1)</td>
<td>$180</td>
<td>$110</td>
<td>$38</td>
<td>$42</td>
<td>$129</td>
<td>$499</td>
</tr>
<tr>
<td>Overage rents</td>
<td>21</td>
<td>25</td>
<td>14</td>
<td>3</td>
<td>22</td>
<td>85</td>
</tr>
<tr>
<td>CAM, levies and direct recoveries</td>
<td>32</td>
<td>10</td>
<td>17</td>
<td>12</td>
<td>28</td>
<td>99</td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>233</td>
<td>145</td>
<td>69</td>
<td>57</td>
<td>179</td>
<td>683</td>
</tr>
<tr>
<td>Mall operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common area maintenance</td>
<td>15</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>17</td>
<td>51</td>
</tr>
<tr>
<td>Marketing and other direct operating expenses</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>Mall operating expenses</td>
<td>24</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>24</td>
<td>77</td>
</tr>
<tr>
<td>Property taxes (2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td>Mall-related expenses (3)</td>
<td>$24</td>
<td>$9</td>
<td>$11</td>
<td>$11</td>
<td>$30</td>
<td>$85</td>
</tr>
<tr>
<td><strong>For the year ended December 31, 2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mall revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum rents (1)</td>
<td>$176</td>
<td>$110</td>
<td>$39</td>
<td>$53</td>
<td>$123</td>
<td>$504</td>
</tr>
<tr>
<td>Overage rents</td>
<td>12</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>18</td>
<td>45</td>
</tr>
<tr>
<td>CAM, levies and direct recoveries</td>
<td>32</td>
<td>9</td>
<td>19</td>
<td>12</td>
<td>26</td>
<td>98</td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>220</td>
<td>131</td>
<td>63</td>
<td>66</td>
<td>167</td>
<td>647</td>
</tr>
<tr>
<td>Mall operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common area maintenance</td>
<td>15</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>15</td>
<td>47</td>
</tr>
<tr>
<td>Marketing and other direct operating expenses</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Mall operating expenses</td>
<td>23</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td>21</td>
<td>73</td>
</tr>
<tr>
<td>Property taxes (2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td>Mall-related expenses (3)</td>
<td>$23</td>
<td>$9</td>
<td>$10</td>
<td>$13</td>
<td>$26</td>
<td>$81</td>
</tr>
<tr>
<td><strong>For the year ended December 31, 2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mall revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum rents (1)</td>
<td>$167</td>
<td>$114</td>
<td>$44</td>
<td>$17</td>
<td>$123</td>
<td>$465</td>
</tr>
<tr>
<td>Overage rents</td>
<td>10</td>
<td>3</td>
<td>4</td>
<td>—</td>
<td>16</td>
<td>33</td>
</tr>
<tr>
<td>CAM, levies and direct recoveries</td>
<td>32</td>
<td>10</td>
<td>14</td>
<td>6</td>
<td>27</td>
<td>89</td>
</tr>
<tr>
<td>Total mall revenues</td>
<td>209</td>
<td>127</td>
<td>62</td>
<td>23</td>
<td>166</td>
<td>587</td>
</tr>
<tr>
<td>Mall operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common area maintenance</td>
<td>15</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>16</td>
<td>44</td>
</tr>
<tr>
<td>Marketing and other direct operating expenses</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>Mall operating expenses</td>
<td>20</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>22</td>
<td>62</td>
</tr>
<tr>
<td>Property taxes (2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>3</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Mall-related expenses (3)</td>
<td>$23</td>
<td>$8</td>
<td>$8</td>
<td>$4</td>
<td>$29</td>
<td>$72</td>
</tr>
</tbody>
</table>
Note: This table excludes the results of our mall operations at Sands Macao and Sands Bethlehem.

(1) Minimum rents include base rents and straight-line adjustments of base rents.

(2) Commercial property that generates rental income is exempt from property tax for the first six years for newly constructed buildings in Cotai. Each property is also eligible to obtain an additional six-year exemption, provided certain qualifications are met. To date, The Venetian Macao, The Plaza Macao and Four Seasons Hotel Macao and The Parisian Macao have obtained a second exemption, extending the property tax exemption to July 2019, July 2020 and August 2028, respectively. Under the initial exemption, Sands Cotai Central has a distinct exemption for each hotel tower with expiration dates that range from March 2018 to November 2021. The Company is currently working on obtaining the second exemption for Sands Cotai Central.

(3) Mall-related expenses consist of CAM, marketing fees and other direct operating expenses, property taxes and provision for doubtful accounts, but excludes depreciation and amortization and general and administrative costs.

It is common in the mall operating industry for companies to disclose mall net operating income ("NOI") as a useful supplemental measure of a mall's operating performance. Because NOI excludes general and administrative expenses, interest expense, impairment losses, depreciation and amortization, gains and losses from property dispositions, allocations to noncontrolling interests and provision for income taxes, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact on operations from trends in occupancy rates, rental rates and operating costs.

In the tables above, we believe taking total mall revenues less mall-related expenses provides an operating performance measure for our malls. Other mall operating companies may use different methodologies for deriving mall-related expenses. As such, this calculation may not be comparable to the NOI of other mall operating companies.

Development Projects

We are constantly evaluating opportunities to improve our product offerings, such as refreshing our meeting and convention facilities, suites and rooms, retail malls, restaurant and nightlife mix and our gaming areas, as well as other revenue generating additions to our Integrated Resorts.

Macao

As of December 31, 2018, we have capitalized an aggregate of $12.93 billion in construction costs and land premiums for our Cotai Strip developments, which include The Venetian Macao, Sands Cotai Central, The Parisian Macao and The Plaza Macao and Four Seasons Hotel Macao, as well as our investments in transportation infrastructure, including our passenger ferry service operations.

We previously announced the renovation, expansion and rebranding of the Sands Cotai Central into a new destination Integrated Resort, The Londoner Macao, by adding extensive thematic elements both externally and internally. The Londoner Macao will feature new attractions and features from London, including some of London’s most recognizable landmarks, and expanded retail and food and beverage venues. We will add approximately 370 luxury suites in the St. Regis Tower Suites Macao. Design work is nearing completion and construction is being initiated and will be phased to minimize disruption during the property’s peak periods. We expect the additional St. Regis Tower Suites Macao to be completed in 2020 and The Londoner Macao project to be completed in phases throughout 2020 and 2021.

We also previously announced the Four Seasons Tower Suites Macao, which will feature approximately 290 additional premium quality suites. We have completed the structural work of the tower and have commenced preliminary build out of the suites. We expect the project to be completed in the first quarter of 2020.

We anticipate the total costs associated with these development projects to be approximately $2.2 billion. The ultimate costs and completion dates for these projects are subject to change as we finalize our planning and design work and complete the projects. See "Item 1A — Risk Factors — Risks Related to Our Business — There are significant risks associated with our construction projects, which could have a material adverse effect on our financial condition, results of operations and cash flows."

66
United States

We were constructing the Las Vegas Condo Tower, located on the Las Vegas Strip within The Venetian Resort Las Vegas. In 2008, we suspended our construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. We continue to evaluate the highest return opportunity for the project. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty. Should management decide to abandon the project, we could record a charge for some portion of the $129 million in capitalized construction costs as of December 31, 2018.

Other

We continue to evaluate additional development projects in each of our markets and pursue new development opportunities globally.

Liquidity and Capital Resources

Cash Flows — Summary

Our cash flows consisted of the following:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>$4,701</td>
<td>$4,543</td>
<td>$4,044</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(949)</td>
<td>(837)</td>
<td>(1,398)</td>
</tr>
<tr>
<td>Proceeds from disposal of property and equipment</td>
<td>19</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>—</td>
<td>—</td>
<td>(47)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(930)</td>
<td>(822)</td>
<td>(1,440)</td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from exercise of stock options</td>
<td>79</td>
<td>40</td>
<td>17</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>(905)</td>
<td>(375)</td>
<td>—</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(2,979)</td>
<td>(2,943)</td>
<td>(2,924)</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>7,593</td>
<td>654</td>
<td>2,296</td>
</tr>
<tr>
<td>Repayments of long-term debt</td>
<td>(5,178)</td>
<td>(858)</td>
<td>(1,987)</td>
</tr>
<tr>
<td>Payments of financing costs</td>
<td>(132)</td>
<td>(5)</td>
<td>(33)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(1,522)</td>
<td>(3,487)</td>
<td>(2,631)</td>
</tr>
<tr>
<td>Effect of exchange rate on cash, cash equivalents and restricted cash</td>
<td>(18)</td>
<td>58</td>
<td>(22)</td>
</tr>
<tr>
<td>Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents</td>
<td>2,231</td>
<td>292</td>
<td>(49)</td>
</tr>
<tr>
<td>Cash, cash equivalents and restricted cash and cash equivalents at beginning of year</td>
<td>2,430</td>
<td>2,138</td>
<td>2,187</td>
</tr>
<tr>
<td>Cash, cash equivalents and restricted cash and cash equivalents at end of year</td>
<td>$4,661</td>
<td>$2,430</td>
<td>$2,138</td>
</tr>
</tbody>
</table>

Cash Flows — Operating Activities

Table games play at our properties is conducted on a cash and credit basis, while slot machine play is primarily conducted on a cash basis. Our rooms, food and beverage and other non-gaming revenues are conducted primarily on a cash basis or as a trade receivable, resulting in operating cash flows being generally affected by changes in operating income and accounts receivable. For the year ended December 31, 2018, net cash generated from operating activities increased $158 million compared to the year ended December 31, 2017. The increase was primarily attributable to an increase in operating income, driven by our Macao operations. For the year ended December 31, 2017, net cash generated from operating activities increased $499 million compared to the year ended December 31, 2016. The increase was primarily attributable to the increase in operating cash flows generated from our Macao and Singapore operations.
Cash Flows — Investing Activities

Capital expenditures for the year ended December 31, 2018, totaled $949 million, including $535 million in Macao, which consisted primarily of $180 million for the Venetian Macao, $131 million for each of Sands Cotai Central and The Parisian Macao; $182 million in Singapore; $127 million at our Las Vegas Operating Properties; and $105 million for corporate and other activities.

Capital expenditures for the year ended December 31, 2017, totaled $837 million, including $479 million in Macao, which consisted primarily of $204 million for The Parisian Macao, $153 million for the Venetian Macao and $86 million for Sands Cotai Central; $196 million in Singapore; $123 million at our Las Vegas Operating Properties; and $39 million for corporate and other activities.

Capital expenditures for the year ended December 31, 2016, totaled $1.40 billion, including $1.19 billion in Macao, which consisted primarily of $925 million for The Parisian Macao and $128 million for Sands Cotai Central; $92 million at our Las Vegas Operating Properties; $83 million in Singapore; and $38 million for corporate and other activities. Additionally, during the year ended December 31, 2016, we paid SGD 66 million (approximately $47 million at exchange rates in effect at the time of the transaction) to renew our Singapore gaming license for a three-year term.

Cash Flows — Financing Activities

Net cash flows used in financing activities were $1.52 billion for the year ended December 31, 2018, which was primarily attributable to $2.98 billion in dividend payments and $905 million in common stock repurchases, partially offset by net proceeds of $2.42 billion from the issuance of the SCL Senior Notes and borrowings under the 2013 U.S. Credit Facility.

Net cash flows used in financing activities were $3.49 billion for the year ended December 31, 2017, which was primarily attributable to $2.94 billion in dividend payments, $375 million in common stock repurchases, net repayments of $204 million on our various credit facilities, partially offset by proceeds of $40 million from the exercise of stock options.

Net cash flows used in financing activities were $2.63 billion for the year ended December 31, 2016, which was primarily attributable to $2.92 billion in dividend payments, partially offset by $309 million of net proceeds from our various credit facilities.

As of December 31, 2018, we had $3.51 billion available for borrowing under our U.S., Macao and Singapore credit facilities, net of letters of credit.

Capital Financing Overview

We fund our development projects primarily through borrowings from our debt instruments (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt") and operating cash flows.

In March 2018, we amended our SGD 4.80 billion (approximately $3.51 billion at exchange rates in effect on December 31, 2018) Singapore credit facility, which extended the maturities of the term loans and revolving loans to March 29, 2024, and September 29, 2023, respectively, and amended the amortization schedule and the leverage covenant to provide that the leverage ratio not exceed 4.0x for all quarterly periods through maturity (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt — 2012 Singapore Credit Facility").

In March 2018, we amended our U.S. Credit Facility, which refinanced the term loans in an aggregate amount of $2.16 billion, extended the maturity of the term loans to March 27, 2025, and reduced the applicable margin credit spread for borrowings under the term loans. In June 2018, we further amended our U.S. Credit Facility to, among other things, increase the amount of the term loans by $1.35 billion, to an aggregate amount of $3.51 billion (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt — 2013 U.S. Credit Facility").

In August 2018, SCL issued, in a private offering, three series of unsecured notes in an aggregate principal amount of $5.50 billion (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-term Debt — SCL Senior Notes"). A portion of the net proceeds from the offering was
used to repay in full the outstanding borrowings under the prior Macao credit facility. We will use the remaining net proceeds from the offering of the SCL Senior Notes for general corporate purposes, including capital expenditures. In connection with the SCL Senior Notes, we entered into interest rate swap agreements in August 2018, which were designated as fair value hedges (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 10 — Derivative Instruments").

We entered into a $2.0 billion revolving credit facility available pursuant to the facility agreement, dated November 20, 2018, (the "SCL Credit Facility") and on November 20, 2018, effective as of November 21, 2018, we canceled the remaining commitments under the prior Macao credit facility. As of December 31, 2018, no amounts were drawn on the SCL Credit Facility.

Our U.S., Macao and Singapore credit facilities, as amended, contain various financial covenants, which include maintaining a maximum leverage ratio of debt or net debt, as defined, to trailing twelve-month adjusted earnings before interest, income taxes, depreciation and amortization, as defined ("Adjusted EBITDA"). The U.S. credit facility requires our Las Vegas operations to maintain a maximum leverage ratio of net debt to Adjusted EBITDA at the end of each quarter to the extent any revolving loans or certain letters of credit are outstanding. The maximum leverage ratio is 5.5x for all quarterly periods through maturity. We can elect to contribute cash on hand to our Las Vegas operations on a bi-quarterly basis; such contributions having the effect of increasing Adjusted EBITDA during the applicable quarter for purposes of calculating compliance with the maximum leverage ratio. Our SCL credit facility requires our Macao operations to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA of 4.0x for all quarterly periods through maturity. Our Singapore credit facility requires our Marina Bay Sands operations to comply with similar financial covenants, including maintaining a maximum leverage ratio of debt to Adjusted EBITDA of 4.0x for all quarterly periods through maturity. 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.

We held unrestricted cash and cash equivalents of approximately $4.65 billion and restricted cash and cash equivalents of approximately $13 million as of December 31, 2018, of which approximately $3.0 billion of the unrestricted amount is held by non-U.S. subsidiaries. Of the $3.0 billion, approximately $2.20 billion is available to be repatriated to the U.S., and we do not expect withholding taxes or other foreign income taxes to apply should these earnings be distributed in the form of dividends or otherwise. U.S. tax reform created a one-time mandatory tax on the previously unremitted earnings of foreign subsidiaries upon transitioning from a worldwide tax system to a territorial tax system. The foreign taxes paid on these earnings created a U.S. foreign tax credit that offsets this one-time tax. Foreign earnings repatriated to the U.S. in the future will be exempt from U.S. income tax and we do not expect significant withholding or other foreign taxes to apply to the repatriation of these earnings. The remaining unrestricted amounts held by non-U.S. subsidiaries are not available for repatriation primarily due to dividend requirements to third-party public shareholders in the case of funds being repatriated from SCL. We believe the cash on hand and cash flow generated from operations, as well as the $3.51 billion available for borrowing under our U.S., Macao and Singapore credit facilities, net of outstanding letters of credit, as of December 31, 2018, will be sufficient to maintain compliance with the financial covenants of our credit facilities and fund our working capital needs, committed and planned capital expenditures, development opportunities, debt obligations and dividend commitments. In the normal course of our activities, we will continue to evaluate global capital markets to consider future opportunities for enhancements of our capital structure.

During the year ended December 31, 2018, we paid a quarterly dividend of $0.75 per common share as part of a regular cash dividend program and recorded $2.35 billion as a distribution against retained earnings. In January 2019, our Board of Directors declared a quarterly dividend of $0.77 per common share (a total estimated to be approximately $597 million ) to be paid on March 28, 2019, to shareholders of record on March 20, 2019. We expect this level of
dividend to continue quarterly through the remainder of 2019. Our Board of Directors will continually assess the level and appropriateness of any cash dividends.

On February 23 and June 22, 2018, SCL paid a dividend of 0.99 Hong Kong dollars ("HKD") and HKD 1.00 per share, respectively, to SCL shareholders (a total of $2.05 billion, of which the Company retained $1.44 billion during the year ended December 31, 2018). In January 2019, the Board of Directors of SCL declared a dividend of HKD 0.99 per share (a total of $1.02 billion, of which we will retain approximately $715 million) to SCL shareholders of record on February 4, 2019, which was paid on February 22, 2019.

In November 2016, our Board of Directors authorized the repurchase of $1.56 billion of our outstanding common stock, which was to expire in November 2018. In June 2018, our Board of Directors authorized increasing the remaining repurchase amount of $1.11 billion to $2.50 billion and extending the expiration date to November 2020. During the year ended December 31, 2018, we repurchased 14,998,127 shares of our common stock for $905 million (including commissions) under this program. All share repurchases of our common stock have been recorded as treasury stock. Repurchases of our common stock are made at our discretion in accordance with applicable federal securities laws in the open market or otherwise. The timing and actual number of shares to be repurchased in the future will depend on a variety of factors, including our financial position, earnings, legal requirements, other investment opportunities and market conditions.

Aggregate Indebtedness and Other Known Contractual Obligations

Our total long-term indebtedness and other known contractual obligations are summarized below as of December 31, 2018:

<table>
<thead>
<tr>
<th>Payments Due by Period (1)</th>
<th>2019</th>
<th>2020 - 2021</th>
<th>2022 - 2023</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Debt Obligations (2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013 U.S. Credit Facility</td>
<td>$35</td>
<td>$70</td>
<td>$70</td>
<td>$3,310</td>
<td>$3,485</td>
</tr>
<tr>
<td>SCL Senior Notes</td>
<td>—</td>
<td>—</td>
<td>1,800</td>
<td>3,700</td>
<td>5,500</td>
</tr>
<tr>
<td>2012 Singapore Credit Facility</td>
<td>63</td>
<td>126</td>
<td>2,332</td>
<td>563</td>
<td>3,084</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>13</td>
<td>3</td>
<td>—</td>
<td>—</td>
<td>16</td>
</tr>
<tr>
<td>Fixed Interest Payments</td>
<td>277</td>
<td>555</td>
<td>555</td>
<td>698</td>
<td>2,085</td>
</tr>
<tr>
<td>Variable Interest Payments (3)</td>
<td>240</td>
<td>470</td>
<td>426</td>
<td>179</td>
<td>1,315</td>
</tr>
<tr>
<td>Contractual Obligations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Leases (4)</td>
<td>35</td>
<td>51</td>
<td>45</td>
<td>294</td>
<td>425</td>
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<tr>
<td>Mall Deposits (5)</td>
<td>52</td>
<td>68</td>
<td>18</td>
<td>11</td>
<td>149</td>
</tr>
<tr>
<td>Macao Annual Premium (6)</td>
<td>42</td>
<td>85</td>
<td>21</td>
<td>—</td>
<td>148</td>
</tr>
<tr>
<td>Other (7)</td>
<td>159</td>
<td>177</td>
<td>65</td>
<td>218</td>
<td>619</td>
</tr>
<tr>
<td>Total</td>
<td>$916</td>
<td>$1,605</td>
<td>$5,332</td>
<td>$8,973</td>
<td>$16,826</td>
</tr>
</tbody>
</table>

(1) As of December 31, 2018, we had a $51 million liability related to uncertain tax positions; we do not expect this liability to result in a payment of cash within the next 12 months. We are unable to reasonably estimate the timing of the liability in individual years beyond 12 months due to uncertainties in the timing of the effective settlement of tax positions; therefore, such amounts are not included in the table.

(2) See "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 9 — Long-Term Debt" for further details on these financing transactions.

(3) Based on the 1-month rates as of December 31, 2018, London Inter-Bank Offered Rate ("LIBOR") of 2.50%, and Singapore Swap Offer Rate ("SOR") of 1.75% plus the applicable interest rate spread in accordance with the respective debt agreements.
We are party to certain operating leases for real estate and various equipment, which primarily include $135 million related to a 99-year lease agreement (85 years remaining) for a parking structure located adjacent to The Venetian Resort Las Vegas, $90 million related to certain leaseback agreements related to the sale of the Grand Canal Shoppes and $77 million related to long-term land leases with an initial term of 25 years.

Mall deposits consist of refundable security deposits received from mall tenants.

In addition to the 39% gross gaming win tax in Macao (which is not included in this table as the amount we pay is variable in nature), we are required to pay an annual premium with a fixed portion and a variable portion, which is based on the number and type of gaming tables and gaming machines we operate. Based on the gaming tables and gaming machines in operation as of December 31, 2018, the annual premium payable to the Macao government is approximately $42 million through the termination of the gaming subconcession in June 2022.

Consists of all other non-cancellable contractual obligations and primarily relates to certain hotel and restaurant management and service agreements. The amounts exclude open purchase orders with our suppliers that have not yet been received as these agreements generally allow us the option to cancel, reschedule and adjust terms based on our business needs prior to the delivery of goods or performance of services.

Off-Balance Sheet Arrangements

We have not entered into any transactions with special purpose entities, nor have we engaged in any derivative transactions other than interest rate swaps.

Restrictions on Distributions

We are a parent company with limited business operations. Our main asset is the stock and membership interests of our subsidiaries. The debt instruments of our U.S., Macao and Singapore subsidiaries contain certain restrictions that, among other things, limit the ability of certain subsidiaries to incur additional indebtedness, issue disqualified stock or equity interests, pay dividends or make other distributions, repurchase equity interests or certain indebtedness, create certain liens, enter into certain transactions with affiliates, enter into certain mergers or consolidations or sell our assets of our company without prior approval of the lenders or noteholders.

Special Note Regarding Forward-Looking Statements

This report contains forward-looking statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include the discussions of our business strategies and expectations concerning future operations, margins, profitability, liquidity and capital resources. In addition, in certain portions included in this report, the words: "anticipates," "believes," "estimates," "seeks," "expects," "plans," "intends" and similar expressions, as they relate to our company or management, are intended to identify forward-looking statements. Although we believe these forward-looking statements are reasonable, we cannot assure you any forward-looking statements will prove to be correct. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, among others, the risks associated with:

- general economic and business conditions in the U.S. and internationally, which may impact levels of disposable income, consumer spending, group meeting business, pricing of hotel rooms and retail and mall sales;
- the uncertainty of consumer behavior related to discretionary spending and vacationing at our Integrated Resorts in Macao, Singapore, Las Vegas and Bethlehem, Pennsylvania;
- the extensive regulations to which we are subject and the costs of compliance or failure to comply with such regulations;
- our ability to maintain our gaming licenses, certificate and subconcession in Macao, Singapore, Las Vegas and Bethlehem, Pennsylvania;
- new developments, construction projects and ventures, including our Cotai Strip developments;
- fluctuations in currency exchange rates and interest rates;
regulatory policies in mainland China or other countries in which our customers reside, or where we have operations, including visa restrictions limiting the number of visits or the length of stay for visitors from mainland China to Macao, restrictions on foreign currency exchange or importation of currency, and the judicial enforcement of gaming debts;

our leverage, debt service and debt covenant compliance, including the pledge of our assets (other than our equity interests in our subsidiaries) as security for our indebtedness and ability to refinance our debt obligations as they come due or to obtain sufficient funding for our planned, or any future, development projects;

increased competition for labor and materials due to planned construction projects in Macao and quota limits on the hiring of foreign workers;

our ability to obtain required visas and work permits for management and employees from outside countries to work in Macao, and our ability to compete for the managers and employees with the skills required to perform the services we offer at our properties;

our dependence upon properties primarily in Macao, Singapore and Las Vegas for all of our cash flow;

the passage of new legislation and receipt of governmental approvals for our operations in Macao and Singapore, and other jurisdictions where we are planning to operate;

our insurance coverage, including the risk we have not obtained sufficient coverage, may not be able to obtain sufficient coverage in the future, or will only be able to obtain additional coverage at significantly increased rates;

disruptions or reductions in travel, as well as disruptions in our operations, due to natural or man-made disasters, outbreaks of infectious diseases, terrorist activity or war;

our ability to collect gaming receivables from our credit players;

our relationship with gaming promoters in Macao;

our dependence on chance and theoretical win rates;

fraud and cheating;

our ability to establish and protect our IP rights;

conflicts of interest that arise because certain of our directors and officers are also directors of SCL;

government regulation of the casino industry (as well as new laws and regulations and changes to existing laws and regulations), including gaming license regulation, the requirement for certain beneficial owners of our securities to be found suitable by gaming authorities, the legalization of gaming in other jurisdictions and regulation of gaming on the Internet;

increased competition in Macao and Las Vegas, including recent and upcoming increases in hotel rooms, meeting and convention space, retail space, potential additional gaming licenses and online gaming;

the popularity of Macao, Singapore and Las Vegas as convention and trade show destinations;

new taxes, changes to existing tax rates or proposed changes in tax legislation and the impact of U.S. tax reform;

the continued services of our key management and personnel;

any potential conflict between the interests of our principal stockholder and us;

the ability of our subsidiaries to make distribution payments to us;

labor actions and other labor problems;

our failure to maintain the integrity of information systems that contain legally protected information about people and company data, including against past or future cybersecurity attacks, and any litigation or disruption to our operations resulting from such loss of data integrity;

the completion of infrastructure projects in Macao;
All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. Readers are cautioned not to place undue reliance on these forward-looking statements. We assume no obligation to update any forward-looking statements after the date of this report as a result of new information, future events or developments, except as required by federal securities laws.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information currently available to us and on various other assumptions management believes to be reasonable under the circumstances. Actual results could vary from those estimates and we may change our estimates and assumptions in future evaluations. Changes in these estimates and assumptions may have a material effect on our results of operations and financial condition. We believe the critical accounting policies discussed below affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Allowance for Doubtful Casino Accounts

We maintain an allowance, or reserve, for doubtful casino accounts at our operating casino resorts in Macao, Singapore and the U.S., which we regularly evaluate. We specifically analyze the collectability of each account with a balance over a specified dollar amount, based upon the age of the account, the customer's financial condition, collection history and any other known information, and we apply standard reserve percentages to aged account balances under the specified dollar amount. We also monitor regional and global economic conditions and forecasts in our evaluation of the adequacy of the recorded reserves. Credit or marker play was 15.3%, 16.0% and 65.8% of table games play at our Macao properties, Marina Bay Sands and Las Vegas Operating Properties, respectively, during the year ended December 31, 2018. Our table games play in Pennsylvania is primarily conducted on a cash basis. Our allowance for doubtful casino accounts was 41.1% and 51.5% of gross casino receivables as of December 31, 2018 and 2017, respectively. The credit extended to gaming promoters can be offset by the commissions payable to said gaming promoters, which is considered in the establishment of the allowance for doubtful accounts. Our allowance for doubtful accounts from our hotel and other receivables is not material.

Litigation Accrual

We are subject to various claims and legal actions. We estimate the accruals for these claims and legal actions based on all relevant facts and circumstances currently available and include such accruals in other accrued liabilities in the consolidated balance sheets when it is determined such contingencies are both probable and reasonably estimable.

Property and Equipment

At December 31, 2018, we had net property and equipment of $15.15 billion, representing 67.2% of our total assets. We depreciate property and equipment on a straight-line basis over their estimated useful lives. 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 we use certain assets requiring a change in the estimated useful lives of such assets. The estimated useful lives of assets are periodically reviewed and adjusted as necessary on a prospective basis. During the year ended December 31, 2017, we completed an evaluation of the estimated useful lives of our property and equipment (see "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2 — Summary of Significant Accounting Policies — Property and Equipment").

For assets to be held and used (including projects under development), fixed assets are reviewed for impairment whenever indicators of impairment exist. If an indicator of impairment exists, we first group our assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other
assets and liabilities (the "asset group"). Secondly, we estimate the undiscounted future cash flows directly associated with and expected to arise from the completion, use and eventual disposition of such asset group. We estimate the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment is measured based on fair value compared to carrying value, with fair value typically based on a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs.

To estimate the undiscounted cash flows of our asset groups, we consider all potential cash flows scenarios, which are probability weighted based on management's estimates given current conditions. Determining the recoverability of our asset groups is judgmental in nature and requires the use of significant estimates and assumptions, including estimated cash flows, probability weighting of potential scenarios, costs to complete construction for assets under development, growth rates and future market conditions, among others. Future changes to our estimates and assumptions based upon changes in macro-economic factors, regulatory environments, operating results or management's intentions may result in future changes to the recoverability of our asset groups.

For assets to be held for sale, the fixed assets (the "disposal group") are measured at the lower of their carrying amount or fair value less cost to sell. Losses are recognized for any initial or subsequent write-down to fair value less cost to sell, while gains are recognized for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized. Any gains or losses not previously recognized that result from the sale of the disposal group shall be recognized at the date of sale. Fixed assets are not depreciated while classified as held for sale.

**Income Taxes**

We are subject to income taxes in the U.S. (including federal and state) and numerous foreign jurisdictions in which we operate. We record income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards.

Our foreign and U.S. tax rate differential reflects the fact income earned in Singapore and Macao is taxed at local rates, which are lower than U.S. tax rates. In August 2018, we received an additional exemption from Macao's corporate income tax on profits generated by the operation of casino games of chance for the period January 1, 2019 through June 26, 2022, the date our subconcession agreement expires. We entered into an agreement with the Macao government effective through the end of 2018 that provided for an annual payment of 42 million patacas (approximately $5 million at exchange rates in effect on December 31, 2018) that is a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions. In September 2018, we requested an additional agreement with the Macao government through June 26, 2022, to correspond to the expiration of the income tax exemption for gaming operations; however, there is no assurance we will receive the additional agreement.

Accounting standards regarding income taxes require a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence, it is "more-likely-than-not" such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a "more-likely-than-not" realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with operating loss and tax credit carryforwards not expiring, and implementation of tax planning strategies.

We recorded a valuation allowance on the net deferred tax assets of certain foreign jurisdictions of $268 million and $261 million, as of December 31, 2018 and 2017, respectively, and a valuation allowance on certain net deferred tax assets of our U.S. operations of $4.50 billion and $4.43 billion as of December 31, 2018 and 2017, respectively. Management will reassess the realization of deferred tax assets based on the applicable accounting standards for income taxes each reporting period and consider the scheduled reversal of deferred tax liabilities, sources of taxable income and tax planning strategies. To the extent the financial results of these operations improve and it becomes "more-likely-than-not" the deferred tax assets are realizable, we will be able to reduce the valuation allowance in the period such determination is made, as appropriate.
Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions for which the tax treatment is uncertain. Accounting standards regarding uncertainty in income taxes provides a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is "more-likely-than-not" the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely, based solely on the technical merits, of being sustained on examinations. We recorded unrecognized tax benefits of $118 million and $92 million as of December 31, 2018 and 2017, respectively. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and for which actual outcomes may be different.

Our major tax jurisdictions are the U.S., Macao, and Singapore. We could be subject to examination for years beginning 2010 in the U.S. and for years beginning 2014 in Macao and Singapore.

U.S. tax reform made significant changes to U.S. income tax laws including lowering the U.S. corporate tax rate to 21% effective beginning in 2018 and transitioning from a worldwide tax system to a territorial tax system resulting in dividends from our foreign subsidiaries not being subject to U.S. income tax and creating a one-time tax on previously unremitted earnings of foreign subsidiaries. As a result, during the year ended December 31, 2017, we recorded a tax benefit of $526 million relating to the reduction of the valuation allowance on certain deferred tax assets that were previously determined not likely to be utilized and also the revaluation of our U.S. deferred tax liabilities at the reduced corporate income tax rate of 21%.

Recent Accounting Pronouncements

See related disclosure at "Item 8 — Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 2 — Summary of Significant Accounting Policies."

ITEM 7A. — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposures to market risk are interest rate risk associated with our long-term debt and interest rate swap contracts and foreign currency exchange risk rate associated with our operations outside the United States, which we may manage through the use of futures, options, caps, forward contracts and similar instruments. We do not hold or issue financial instruments for trading purposes and do not enter into derivative transactions that would be considered speculative positions. Our derivative financial instruments currently consist of interest rate swap contracts on certain fixed-rate long-term debt, which have been designated as hedging instruments for accounting purposes.

As of December 31, 2018, the estimated fair value of our long-term debt was approximately $11.65 billion, compared to its carrying value of $12.08 billion. The estimated fair value of our long-term debt is based on level 2 inputs (quoted prices in markets that are not active). A hypothetical 100 basis point change in market rates would cause the fair value of our long-term debt to change by $396 million, inclusive of the impact from the interest rate swaps. A hypothetical 100 basis point change in LIBOR and SOR would cause our annual interest cost on our long-term debt to change by approximately $121 million.

The total notional amount of our fixed-to-variable interest rate swaps was $5.50 billion as of December 31, 2018. The fair value of the interest rate swaps, on a stand-alone basis, as of December 31, 2018, was an asset of $56 million. A hypothetical 100 basis point change in LIBOR would cause the fair value of the interest rate swaps to change by approximately $88 million.

Foreign currency transaction gains for the year ended December 31, 2018, were $25 million primarily due to Singapore dollar denominated intercompany debt reported in U.S. dollars and U.S. dollar denominated debt issued by SCL. We may be vulnerable to changes in the U.S. dollar/SGD and U.S. dollar/pataca exchange rates. Based on balances as of December 31, 2018, a hypothetical 10% weakening of the U.S. dollar/SGD exchange rate would cause a foreign currency transaction loss of approximately $129 million and a hypothetical 1% weakening of the U.S. dollar/pataca exchange rate would cause a foreign currency transaction loss of approximately $40 million. The pataca is pegged to the Hong Kong dollar and the Hong Kong dollar is pegged to the U.S. dollar (within a range). We maintain a significant
amount of our operating funds in the same currencies in which we have obligations thereby reducing our exposure to currency fluctuations.
ITEM 8. — FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

Financial Statements:

- Reports of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets at December 31, 2018 and 2017
- Consolidated Statements of Operations for each of the three years in the period ended December 31, 2018
- Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2018
- Consolidated Statements of Equity for each of the three years in the period ended December 31, 2018
- Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2018
- Notes to Consolidated Financial Statements

Financial Statement Schedule:

- Schedule II — Valuation and Qualifying Accounts

The financial information included in the financial statement schedule should be read in conjunction with the consolidated financial statements. All other financial statement schedules have been omitted because they are not applicable or the required information is included in the consolidated financial statements or the notes thereto.
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Las Vegas Sands Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Las Vegas Sands Corp. and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and the financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP
Las Vegas, Nevada
February 22, 2019

We have served as the Company's auditor since 2013.
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Las Vegas Sands Corp.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Las Vegas Sands Corp. and subsidiaries (the “Company”) as of December 31, 2018, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2018 of the Company and our report dated February 22, 2019, expressed an unqualified opinion on those financial statements and financial statement schedule.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
February 22, 2019
LAS VEGAS SANDS CORP. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS 

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td>$(In millions, except par value)</td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,648</td>
<td>$2,419</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>726</td>
<td>615</td>
</tr>
<tr>
<td>Inventories</td>
<td>35</td>
<td>37</td>
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<tr>
<td>Prepaid expenses and other</td>
<td>144</td>
<td>115</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,566</td>
<td>3,197</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>15,154</td>
<td>15,516</td>
</tr>
<tr>
<td>Deferred income taxes, net</td>
<td>368</td>
<td>493</td>
</tr>
<tr>
<td>Leasehold interests in land, net</td>
<td>1,198</td>
<td>1,237</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>72</td>
<td>89</td>
</tr>
<tr>
<td>Other assets, net</td>
<td>189</td>
<td>155</td>
</tr>
<tr>
<td>Total assets</td>
<td>$22,547</td>
<td>$20,687</td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
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<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$178</td>
<td>$171</td>
</tr>
<tr>
<td>Construction payables</td>
<td>189</td>
<td>152</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>2,435</td>
<td>2,076</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>244</td>
<td>261</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>111</td>
<td>296</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>3,157</td>
<td>2,956</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>179</td>
<td>147</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>191</td>
<td>206</td>
</tr>
<tr>
<td>Deferred amounts related to mall sale transactions</td>
<td>401</td>
<td>407</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>11,874</td>
<td>9,344</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>15,802</td>
<td>13,060</td>
</tr>
<tr>
<td>Commitments and contingencies (Note 15)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred stock, $0.001 par value, 50 shares authorized, zero shares issued and outstanding</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock, $0.001 par value, 1,000 shares authorized, 832 and 831 shares issued, 775 and 789 shares outstanding</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Treasury stock, at cost, 57 and 42 shares</td>
<td>(3,727)</td>
<td>(2,818)</td>
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<tr>
<td>Capital in excess of par value</td>
<td>6,680</td>
<td>6,580</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(40)</td>
<td>14</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,770</td>
<td>2,709</td>
</tr>
<tr>
<td>Total Las Vegas Sands Corp. stockholders' equity</td>
<td>5,684</td>
<td>6,486</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>1,061</td>
<td>1,141</td>
</tr>
<tr>
<td>Total equity</td>
<td>6,745</td>
<td>7,627</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>$22,547</td>
<td>$20,687</td>
</tr>
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</table>

The accompanying notes are an integral part of these consolidated financial statements.
## LAS VEGAS SANDS CORP. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td>(In millions, except per share data)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>$ 9,819</td>
<td>$ 9,086</td>
<td>$ 7,886</td>
<td></td>
</tr>
<tr>
<td>Rooms</td>
<td>1,733</td>
<td>1,586</td>
<td>1,499</td>
<td></td>
</tr>
<tr>
<td>Food and beverage</td>
<td>865</td>
<td>828</td>
<td>747</td>
<td></td>
</tr>
<tr>
<td>Mall</td>
<td>690</td>
<td>651</td>
<td>591</td>
<td></td>
</tr>
<tr>
<td>Convention, retail and other</td>
<td>622</td>
<td>577</td>
<td>548</td>
<td></td>
</tr>
<tr>
<td><strong>Net revenues</strong></td>
<td></td>
<td>13,729</td>
<td>12,728</td>
<td>11,271</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>5,448</td>
<td>4,876</td>
<td>4,365</td>
<td></td>
</tr>
<tr>
<td>Rooms</td>
<td>438</td>
<td>411</td>
<td>370</td>
<td></td>
</tr>
<tr>
<td>Food and beverage</td>
<td>673</td>
<td>640</td>
<td>584</td>
<td></td>
</tr>
<tr>
<td>Mall</td>
<td>79</td>
<td>77</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>Convention, retail and other</td>
<td>336</td>
<td>325</td>
<td>303</td>
<td></td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>5</td>
<td>96</td>
<td>173</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,483</td>
<td>1,417</td>
<td>1,287</td>
<td></td>
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<tr>
<td>Corporate</td>
<td>202</td>
<td>173</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Pre-opening</td>
<td>6</td>
<td>8</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>12</td>
<td>13</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,111</td>
<td>1,171</td>
<td>1,111</td>
<td></td>
</tr>
<tr>
<td>Amortization of leasehold interests in land</td>
<td>35</td>
<td>37</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Loss on disposal or impairment of assets</td>
<td>150</td>
<td>20</td>
<td>79</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td></td>
<td>3,751</td>
<td>3,464</td>
<td>2,502</td>
</tr>
<tr>
<td><strong>Other income (expense):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>59</td>
<td>16</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Interest expense, net of amounts capitalized</td>
<td>(446)</td>
<td>(327)</td>
<td>(274)</td>
<td></td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>26</td>
<td>(94)</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Loss on modification or early retirement of debt</td>
<td>(64)</td>
<td>(5)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>3,326</td>
<td>3,054</td>
<td>2,264</td>
<td></td>
</tr>
<tr>
<td>Income tax (expense) benefit</td>
<td>(375)</td>
<td>209</td>
<td>(239)</td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td>2,951</td>
<td>3,263</td>
<td>2,025</td>
</tr>
<tr>
<td>Net income attributable to noncontrolling interests</td>
<td>(538)</td>
<td>(455)</td>
<td>(346)</td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to Las Vegas Sands Corp.</strong></td>
<td>$ 2,413</td>
<td>$ 2,808</td>
<td>$ 1,679</td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per share:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$ 3.07</td>
<td>$ 3.55</td>
<td>$ 2.11</td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td></td>
<td>$ 3.07</td>
<td>$ 3.55</td>
<td>$ 2.11</td>
</tr>
<tr>
<td><strong>Weighted average shares outstanding:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>786</td>
<td>792</td>
<td>795</td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td></td>
<td>786</td>
<td>792</td>
<td>795</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>$2,951</td>
<td>$3,263</td>
<td>$2,025</td>
</tr>
<tr>
<td><strong>Currency translation adjustment, before and after tax</strong></td>
<td>(58)</td>
<td>125</td>
<td>(54)</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>2,893</td>
<td>3,388</td>
<td>1,971</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to noncontrolling interests</strong></td>
<td>(534)</td>
<td>(447)</td>
<td>(345)</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to Las Vegas Sands Corp.</strong></td>
<td>$2,359</td>
<td>$2,941</td>
<td>$1,626</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
### LAS VEGAS SANDS CORP. AND SUBSIDIARIES
#### CONSOLIDATED STATEMENTS OF EQUITY

#### Las Vegas Sands Corp. Stockholders’ Equity

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Treasury Stock</th>
<th>Capital in Excess of Par Value</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Retained Earnings</th>
<th>Noncontrolling Interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2016</strong></td>
<td>$1</td>
<td>$(2,443)</td>
<td>$6,485</td>
<td>$(66)</td>
<td>$2,822</td>
<td>$1,600</td>
<td>$8,399</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$1,679</td>
<td>$346</td>
<td>$2,025</td>
</tr>
<tr>
<td>Currency translation adjustment</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(53)</td>
<td>—</td>
<td>(1)</td>
<td>(54)</td>
</tr>
<tr>
<td>Exercise of stock options</td>
<td>—</td>
<td>—</td>
<td>14</td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>Tax shortfall from stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(11)</td>
<td>(11)</td>
</tr>
<tr>
<td>Conversion of equity awards to liability awards</td>
<td>—</td>
<td>—</td>
<td>(1)</td>
<td>—</td>
<td>—</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>29</td>
<td>—</td>
<td>—</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>Dividends declared ($2.88 per share) (Note 11)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2,288)</td>
<td>(634)</td>
<td>(2,922)</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2016</strong></td>
<td>1</td>
<td>(2,443)</td>
<td>6,516</td>
<td>(119)</td>
<td>2,213</td>
<td>1,318</td>
<td>7,486</td>
</tr>
<tr>
<td>Cumulative effect adjustment from change in accounting principle</td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>—</td>
<td>(2)</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2,808</td>
<td>455</td>
<td>3,263</td>
<td>—</td>
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<tr>
<td>Currency translation adjustment</td>
<td>—</td>
<td>—</td>
<td>133</td>
<td>—</td>
<td>(8)</td>
<td>125</td>
<td>—</td>
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<tr>
<td>Exercise of stock options</td>
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<td>—</td>
<td>35</td>
<td>—</td>
<td>—</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>Conversion of equity awards to liability awards</td>
<td>—</td>
<td>—</td>
<td>(3)</td>
<td>—</td>
<td>(1)</td>
<td>(4)</td>
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<tr>
<td>Stock-based compensation</td>
<td>—</td>
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<td>29</td>
<td>—</td>
<td>—</td>
<td>5</td>
<td>34</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>—</td>
<td>(375)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(375)</td>
<td>—</td>
</tr>
<tr>
<td>Dividends declared ($2.92 per share) (Note 11)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2,310)</td>
<td>(632)</td>
<td>(2,942)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2017</strong></td>
<td>1</td>
<td>(2,818)</td>
<td>6,580</td>
<td>14</td>
<td>2,709</td>
<td>1,141</td>
<td>7,627</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2,413</td>
<td>538</td>
<td>2,951</td>
</tr>
<tr>
<td>Currency translation adjustment</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(54)</td>
<td>—</td>
<td>(4)</td>
<td>(58)</td>
</tr>
<tr>
<td>Exercise of stock options</td>
<td>—</td>
<td>(4)</td>
<td>74</td>
<td>—</td>
<td>—</td>
<td>9</td>
<td>79</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>26</td>
<td>—</td>
<td>—</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>—</td>
<td>(905)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(905)</td>
<td>—</td>
</tr>
<tr>
<td>Dividends declared ($3.00 per share) (Note 11)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(2,352)</td>
<td>(627)</td>
<td>(2,979)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2018</strong></td>
<td>$1</td>
<td>$(3,727)</td>
<td>$6,680</td>
<td>$(40)</td>
<td>$2,770</td>
<td>$1,061</td>
<td>$6,745</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
# LAS VEGAS SANDS CORP. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,  

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$2,951</td>
<td>$3,263</td>
<td>$2,025</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash generated from operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$1,111</td>
<td>$1,171</td>
<td>$1,111</td>
</tr>
<tr>
<td>Amortization of leasehold interests in land</td>
<td>$35</td>
<td>$37</td>
<td>$38</td>
</tr>
<tr>
<td>Amortization of deferred financing costs and original issue discount</td>
<td>$35</td>
<td>$42</td>
<td>$44</td>
</tr>
<tr>
<td>Amortization of deferred gain on and rent from mall sale transactions</td>
<td>$(5)</td>
<td>$(4)</td>
<td>$(4)</td>
</tr>
<tr>
<td>Loss on modification or early retirement of debt</td>
<td>$64</td>
<td>$5</td>
<td>$2</td>
</tr>
<tr>
<td>Loss on disposal or impairment of assets</td>
<td>$149</td>
<td>$20</td>
<td>$79</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>$30</td>
<td>$34</td>
<td>$34</td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>$5</td>
<td>$96</td>
<td>$173</td>
</tr>
<tr>
<td>Foreign exchange (gain) loss</td>
<td>$(26)</td>
<td>$53</td>
<td>$(21)</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>$113</td>
<td>$(497)</td>
<td>$24</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$(119)</td>
<td>$83</td>
<td>$319</td>
</tr>
<tr>
<td>Other assets</td>
<td>$(40)</td>
<td>$22</td>
<td>$(36)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$8</td>
<td>$40</td>
<td>$19</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$390</td>
<td>$178</td>
<td>$237</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>$4,701</td>
<td>$4,543</td>
<td>$4,044</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** |          |          |          |
| Capital expenditures | $(949)   | $(837)   | $(1,398) |
| Proceeds from disposal of property and equipment | $19      | $15      | $5       |
| Acquisition of intangible assets | $—       | $—       | $(47)    |
| **Net cash used in investing activities** | $(930)   | $(822)   | $(1,440) |

| **Cash flows from financing activities:** |          |          |          |
| Proceeds from exercise of stock options | $79      | $40      | $17      |
| Repurchase of common stock | $(905)   | $(375)   | $—       |
| Dividends paid | $(2,979) | $(2,943) | $(2,924) |
| Proceeds from long-term debt (Note 9) | $7,593   | $654     | $2,296   |
| Repayments of long-term debt (Note 9) | $(5,178) | $(858)   | $(1,987) |
| Payments of financing costs | $(132)   | $(5)     | $(33)    |
| **Net cash used in financing activities** | $(1,522) | $(3,487) | $(2,631) |

| **Effect of exchange rate on cash, cash equivalents and restricted cash** | $(18)    | $58      | $(22)    |
| Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents | $2,231   | $292     | $(49)    |
| **Cash, cash equivalents and restricted cash and cash equivalents at beginning of year** | $2,430   | $2,138   | $2,187   |
| **Cash, cash equivalents and restricted cash and cash equivalents at end of year** | $4,661   | $2,430   | $2,138   |
### Supplemental disclosure of cash flow information:

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments for interest, net of amounts capitalized</td>
<td>$326</td>
<td>$269</td>
<td>$214</td>
</tr>
<tr>
<td>Cash payments for taxes, net of refunds</td>
<td>$264</td>
<td>$230</td>
<td>$204</td>
</tr>
<tr>
<td>Changes in construction payables</td>
<td>$37</td>
<td>$(232)</td>
<td>$20</td>
</tr>
</tbody>
</table>

### Non-cash investing and financing activities:

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized stock-based compensation costs</td>
<td>$1</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Change in dividends payable included in other accrued liabilities</td>
<td>$</td>
<td>$1</td>
<td>$(1)</td>
</tr>
<tr>
<td>Property and equipment acquired under capital lease</td>
<td>$1</td>
<td>$</td>
<td>$6</td>
</tr>
<tr>
<td>Conversion of equity awards to liability awards</td>
<td>$</td>
<td>$4</td>
<td>$2</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
Note 1 — Organization and Business of Company

Las Vegas Sands Corp. ("LVSC" or together with its subsidiaries, the "Company") is incorporated in Nevada and its common stock is traded on the New York Stock Exchange under the symbol "LVS."

The ordinary shares of the Company's subsidiary, Sands China Ltd. ("SCL," the indirect owner and operator of the majority of the Company's operations in the Macao Special Administrative Region ("Macao") of the People's Republic of China) are listed on The Main Board of The Stock Exchange of Hong Kong Limited ("SEHK"). The shares were not, and will not be, registered under the Securities Act of 1933, as amended, and may not be offered or sold in the U.S. absent a registration under the Securities Act of 1933, as amended, or an applicable exception from such registration requirements.

Operations

The Company is a developer of destination properties ("Integrated Resorts") that feature premium accommodations, world-class gaming, entertainment and retail, convention and exhibition facilities, celebrity chef restaurants and other amenities.

Macao

The Company currently owns 70.0% of SCL, which includes the operations of The Venetian Macao Resort Hotel ("The Venetian Macao"); Sands Cotai Central, The Parisian Macao, The Plaza Macao and Four Seasons Hotel Macao, Cotai Strip (the "Four Seasons Hotel Macao"), Sands Macao and other ancillary operations that support these properties, as further discussed below. The Company operates the gaming areas within these properties pursuant to a 20-year gaming subconcession agreement, which expires in June 2022.

The Company owns and operates The Venetian Macao, which anchors the Cotai Strip, the Company's master-planned development of Integrated Resorts on an area of approximately 140 acres in Macao. The Venetian Macao includes a 39-floor luxury hotel with over 2,900 suites; approximately 374,000 square feet of gaming space; a 15,000-seat arena; an 1,800-seat theater; a mall with retail and dining space of approximately 943,000 square feet; and a convention center and meeting room complex of approximately 1.2 million square feet.

The Company owns the Sands Cotai Central, an Integrated Resort situated across the street from The Venetian Macao, The Parisian Macao and The Plaza Macao and Four Seasons Hotel Macao. The Sands Cotai Central opened in phases, beginning in April 2012. The property features four hotel towers: the first hotel tower, consisting of approximately 650 five-star rooms and suites under the Conrad brand and approximately 1,200 four-star rooms and suites under the Holiday Inn brand; the second hotel tower, consisting of approximately 1,800 rooms and suites under the Sheraton brand; the third hotel tower, consisting of approximately 2,100 rooms and suites under the Sheraton brand; and the fourth hotel tower, consisting of approximately 400 rooms and suites under the St. Regis brand. Within Sands Cotai Central, the Company also owns and currently operates approximately 367,000 square feet of gaming space; 369,000 square feet of meeting space and approximately 520,000 square feet of retail space, as well as entertainment and dining facilities.

On September 13, 2016, the Company opened The Parisian Macao, an Integrated Resort connected to The Venetian Macao and The Plaza Macao and Four Seasons Hotel Macao, which includes a 253,000 square foot casino. The Parisian Macao also features approximately 2,500 rooms and suites; approximately 296,000 square feet of retail and dining space; a meeting room complex of approximately 63,000 square feet; and a 1,200-seat theater.

The Company owns The Plaza Macao and Four Seasons Hotel Macao, which features 360 rooms and suites managed and operated by Four Seasons Hotels Inc. and is located adjacent and connected to The Venetian Macao. Within the Integrated Resort, the Company owns and operates the Plaza Casino, which features approximately 105,000 square feet of gaming space; 19 Patiza mansions; retail space of approximately 242,000 square feet, which is connected to the mall at The Venetian Macao; several food and beverage offerings; and conference, banquet and other facilities.
The Company owns and operates the Sands Macao, the first Las Vegas-style casino in Macao. The Sands Macao offers approximately 213,000 square feet of gaming space and a 289-suite hotel tower, as well as several restaurants, VIP facilities, a theater and other high-end services and amenities.

**Singapore**

The Company owns and operates the Marina Bay Sands in Singapore, which features three 55-story hotel towers (totaling approximately 2,600 rooms and suites), the Sands SkyPark (which sits atop the hotel towers and features an infinity swimming pool and several dining options), approximately 160,000 square feet of gaming space, an enclosed retail, dining and entertainment complex of approximately 800,000 net leasable square feet, a convention center and meeting room complex of approximately 1.2 million square feet, a theater and a landmark iconic structure at the bay-front promenade that contains an art/science museum.

**United States**

**Las Vegas**

The Company owns and operates The Venetian Resort Hotel Casino ("The Venetian Resort Las Vegas"), with three hotel towers, which include The Venetian Tower, a Renaissance Venice-themed resort; the adjoining Venezia Tower; The Palazzo Tower, a resort featuring modern European ambience and design; and an expo and convention center of approximately 1.2 million square feet (the "Sands Expo Center," together with The Venetian Resort Las Vegas, the "Las Vegas Operating Properties"). The Las Vegas Operating Properties, situated on the Las Vegas Strip, is an Integrated Resort with approximately 7,100 suites; approximately 225,000 square feet of gaming space; a meeting and conference facility of approximately 1.1 million square feet; and the Grand Canal Shoppes, which consists of an enclosed retail, dining and entertainment complex that was sold to GGP Limited Partnership ("GGP," see “Note 14 — Mall Activities"). In total, the Las Vegas Operating Properties offer approximately 2.3 million gross square feet of state-of-the-art exhibition and meeting facilities that can be configured to provide small, mid-size or large meeting rooms and/or accommodate large-scale multi-media events or trade shows.

**Pennsylvania**

The Company owns and operates the Sands Casino Resort Bethlehem (the "Sands Bethlehem"), a gaming, hotel, retail and dining complex located on the site of the historic Bethlehem Steel Works in Bethlehem, Pennsylvania. Sands Bethlehem features approximately 146,000 square feet of gaming space; a hotel tower with 282 rooms; a 150,000-square-foot retail facility; an arts and cultural center; and a 50,000-square-foot multipurpose event center. The Company owns 86% of the economic interest in the gaming, hotel and entertainment portion of the property through its ownership interest in Sands Bethworks Gaming LLC and approximately 35% of the economic interest in the retail portion of the property through its ownership interest in Sands Bethworks Retail LLC.

On March 8, 2018, the Company entered into a purchase and sale agreement under which PCI Gaming Authority, an unincorporated, chartered instrumentality of the Poarch Band of Creek Indians, will acquire Sands Bethlehem for a total enterprise value of $1.30 billion. The closing of the transaction is subject to regulatory review and other closing conditions.

**Development Projects**

The Company is constantly evaluating opportunities to improve its product offerings, such as refreshing its meeting and convention facilities, suites and rooms, retail malls, restaurant and nightlife mix and its gaming areas, as well as other anticipated revenue generating additions to the Company's Integrated Resorts.

**Macao**

The Company previously announced the renovation, expansion and rebranding of the Sands Cotai Central into a new destination Integrated Resort, The Londoner Macao, by adding extensive thematic elements both externally and internally. The Londoner Macao will feature new attractions and features from London, including some of London’s most recognizable landmarks, and expanded retail and food and beverage venues. The Company will add approximately 370 luxury suites in the St. Regis Tower Suites Macao. Design work is nearing completion and construction is being
initiated and will be phased to minimize disruption during the property’s peak periods. The Company expects the additional St. Regis Tower Suites Macao to be completed in 2020 and The Londoner Macao project to be completed in phases throughout 2020 and 2021.

The Company also previously announced the Four Seasons Tower Suites Macao, which will feature approximately 290 additional premium quality suites. The Company has completed the structural work of the tower and has commenced preliminary build out of the suites. The Company expects the project to be completed in the first quarter of 2020.

The Company anticipates the total costs associated with these development projects to be approximately $2.2 billion. The ultimate costs and completion dates for these projects are subject to change as the Company finalizes its planning and design work and completes the projects.

United States

The Company was constructing a high-rise residential condominium tower (the "Las Vegas Condo Tower"), located on the Las Vegas Strip within The Venetian Resort Las Vegas. In 2008, the Company suspended construction activities for the project due to reduced demand for Las Vegas Strip condominiums and the overall decline in general economic conditions. The Company continues to evaluate the highest return opportunity for the project. The impact of the suspension on the estimated overall cost of the project is currently not determinable with certainty. Should demand and conditions fail to improve or management decides to abandon the project, the Company could record a charge for some portion of the $129 million in capitalized construction costs (net of depreciation) as of December 31, 2018.

Other

The Company continues to evaluate current development projects in each of our markets and pursue new development opportunities globally.

Note 2 — Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and variable interest entities ("VIEs") in which the Company is the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

Management's determination of the appropriate accounting method with respect to the Company's variable interests is based on accounting standards for VIEs issued by the Financial Accounting Standards Board ("FASB"). The Company consolidates any VIEs in which it is the primary beneficiary and discloses significant variable interests in VIEs of which it is not the primary beneficiary, if any.

The Company has entered into various joint venture agreements with independent third parties. The operations of these joint ventures have been consolidated by the Company due to the Company's significant investment in these joint ventures, its power to direct the activities of the joint ventures that would significantly impact their economic performance and the obligation to absorb potentially significant losses or the rights to receive potentially significant benefits from these joint ventures. The Company evaluates its primary beneficiary designation on an ongoing basis and will assess the appropriateness of the VIE's status when events have occurred that would trigger such an analysis.

As of December 31, 2018 and 2017, the Company's consolidated joint ventures had total assets of $73 million and $77 million, respectively, and total liabilities of $225 million and $198 million, respectively. The Company's joint ventures had intercompany liabilities of $223 million and $196 million as of December 31, 2018 and 2017, respectively.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information currently available to the Company
and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could vary from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term investments with original maturities of less than 90 days. Such investments are carried at cost, which is a reasonable estimate of their fair value. Cash equivalents are placed with high credit quality financial institutions and are primarily in money market funds. Restricted cash represents those amounts contractually reserved for substantial mall-related repairs and maintenance expenditures. The estimated fair value of the Company’s cash equivalents is based on level 1 inputs (quoted market prices in active markets).

Accounts Receivable and Credit Risk

Accounts receivable are comprised of casino, hotel and other receivables, which do not bear interest and are recorded at cost. The Company extends credit to approved casino customers following background checks and investigations of creditworthiness. The Company also extends credit to gaming promoters in Macao, which receivables can be offset against commissions payable to the respective gaming promoters. Business or economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

The allowance for doubtful accounts represents the Company’s best estimate of the amount of probable credit losses in the Company’s existing accounts receivable. The Company determines the allowance based on an analysis of the collectability of each account with a balance over a specified dollar amount, based upon the age of the account, the customer’s financial condition, collection history and any other known information, and the Company applies standard reserve percentages to aged account balances under the specified dollar amount. Account balances are charged off against the allowance when the Company believes it is probable the receivable will not be recovered. 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 accounts receivable could change.

Inventories

Inventories consist primarily of food, beverage, retail products and operating supplies, which are stated at the lower of cost or net realizable value. Cost is determined by the weighted average and specific identification methods.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and accumulated impairment losses, if any. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, which do not exceed the lease term for leasehold improvements, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land improvements, building and building improvements</td>
<td>10 to 50 years</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>3 to 20 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>3 to 15 years</td>
</tr>
<tr>
<td>Transportation</td>
<td>5 to 20 years</td>
</tr>
</tbody>
</table>

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 Company uses certain assets requiring a change in the estimated useful lives of such assets.

During the year ended December 31, 2017, the Company changed the estimated useful lives of certain of its property and equipment based on a combination of factors accumulating over time that provided the Company with updated information to make a better estimate of the economic lives of these assets. These factors included (1) the accumulation of historical asset replacement data at the Company’s operating properties, which reflects the actual length of time the Company uses certain property and equipment, (2) the stabilization of the operating, regulatory and
competitive environment in each jurisdiction the Company operates in, which includes meeting the final land concession government-imposed deadlines for the Company's Macao properties on the Cotai Strip, (3) transitioning to more predictable renovation cycles at the Company's operating properties and (4) consideration of the estimated useful lives assigned to buildings of the Company's peers in the gaming and hospitality industry. Based on these factors, as well as the anticipated use and condition of the assets evaluated, the Company determined changes to the useful lives of certain property and equipment were appropriate. As a result, the Company revised the estimated useful lives of its buildings, building improvements and land improvements from a range of 15 to 40 years to 10 to 50 years and certain other furniture, fixtures and equipment from 3 to 6 years to 5 to 10 years to better reflect the estimated periods during which these assets are expected to remain in service.

This change in estimated useful lives was accounted for as a change in accounting estimate effective July 1, 2017. The impact of this change for the year ended December 31, 2017, was a decrease in depreciation and amortization expense and an increase in operating income of $112 million, and an increase in net income attributable to LVSC of $72 million, or earnings per share of $0.09 on a basic and diluted basis.

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 statements of operations.

The Company evaluates its property and equipment and other long-lived assets for impairment in accordance with related accounting standards. For assets to be disposed of, the Company recognizes the asset to be sold at the lower of carrying value or fair value less costs of disposal. Fair value for assets to be disposed of is estimated based on comparable asset sales, solicited offers or a discounted cash flow model.

For assets to be held and used (including projects under development), fixed assets are reviewed for impairment whenever indicators of impairment exist. If an indicator of impairment exists, the Company first groups its assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (the "asset group"). Secondly, the Company estimates the undiscounted future cash flows directly associated with and expected to arise from the completion, use and eventual disposition of such asset group. The Company estimates the undiscounted cash flows over the remaining useful life of the primary asset within the asset group. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment is measured based on fair value compared to carrying value, with fair value typically based on a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs.

To estimate the undiscounted cash flows of the Company's asset groups, the Company considers all potential cash flow scenarios, which are probability weighted based on management's estimates given current conditions. Determining the recoverability of the Company's asset groups is judgmental in nature and requires the use of significant estimates and assumptions, including estimated cash flows, probability weighting of potential scenarios, costs to complete construction for assets under development, growth rates and future market conditions, among others. Future changes to the Company's estimates and assumptions based upon changes in macro-economic factors, regulatory environments, operating results or management's intentions may result in future changes to the recoverability of these asset groups.

For assets to be held for sale, the fixed assets (the "disposal group") are measured at the lower of their carrying amount or fair value less cost to sell. Losses are recognized for any initial or subsequent write-down to fair value less cost to sell, while gains are recognized for any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized. Any gains or losses not previously recognized that result from the sale of the disposal group shall be recognized at the date of sale. Fixed assets are not depreciated while classified as held for sale.

**Capitalized Interest and Internal Costs**

Interest costs associated with major construction projects are capitalized and included in the cost of the projects. When no debt is incurred specifically for construction projects, interest is capitalized on amounts expended using the weighted average cost of the Company's outstanding borrowings. Capitalization of interest ceases when the project is
During the years ended December 31, 2018, 2017 and 2016, the Company capitalized approximately $31 million, $24 million and $29 million, respectively, of internal costs, consisting primarily of compensation expense for individuals directly involved with the development and construction of property.

Deferred Financing Costs and Original Issue Discounts

Certain direct and incremental costs and discounts incurred in obtaining loans are capitalized and amortized to interest expense based on the terms of the related debt instruments using the effective interest method.

Leasehold Interests in Land

Leasehold interests in land represent payments made for the use of land over an extended period of time. The leasehold interests in land are amortized on a straight-line basis over the expected term of the related lease agreements.

Indefinite Useful Life Assets

Assets with indefinite useful lives are regularly assessed to ensure they continue to meet the indefinite useful life criteria. These assets are not subject to amortization and are tested for impairment and recoverability annually or more frequently if events or circumstances indicate the assets might be impaired. When performing the impairment analysis, the Company may first conduct a qualitative assessment to determine whether it is "more-likely-than-not" the asset is impaired. If the Company elects to perform a qualitative assessment and it is determined it is "more-likely-than-not" the asset is impaired after assessing the qualitative factors, the Company then performs an impairment test that consists of a comparison of the fair value of the asset with its carrying amount. If the fair value of the asset exceeds the carrying amount, no impairment is recognized. If the fair value of the asset does not exceed the carrying amount, an impairment will be recognized in an amount equal to the difference.

As of December 31, 2018, the Company had assets of $50 million and $17 million related to its Sands Bethlehem gaming license and table games certificate, respectively, both of which were determined to have an indefinite useful life and have been recorded within intangible assets in the accompanying consolidated balance sheets. For the years ended December 31, 2018 and 2016, the annual impairment analysis included an assessment of certain qualitative factors including, but not limited to, the results of the most recent fair value calculation, current year and projected operating results, and macro-economic and industry conditions. The Company considered the qualitative factors and determined it was not "more-likely-than-not" the indefinite lived intangible assets were impaired. For the year ended December 31, 2017, the Company elected to perform a quantitative analysis with the last quantitative analysis being performed during the year ended December 31, 2014. The fair value of the Company’s gaming license and table games certificate was estimated using the Company’s expected adjusted property EBITDA (as defined in "Note 19 — Segment Information"), combined with estimated future tax-affected cash flows and a terminal value using the Gordon Growth Model, which were discounted to present value at rates commensurate with the Company’s capital structure and the prevailing borrowing rates within the casino industry in general. Adjusted property EBITDA and discounted cash flows are common measures used to value cash-intensive businesses such as casinos. Determining the fair value of the gaming license and table games certificate is judgmental in nature and requires the use of significant estimates and assumptions, including adjusted property EBITDA, growth rates, discount rates and future market conditions, among others.

Future changes to the Company’s estimates and assumptions based upon changes in macro-economic factors, operating results or management's intentions may result in future changes to the fair value of the gaming license and table games certificate. No impairment charge related to these assets was necessary for the years ended December 31, 2018, 2017 and 2016.
Revenue Recognition

Revenue from contracts with customers primarily consists of casino wagers, room sales, food and beverage transactions, rental income from the Company’s mall tenants, 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 Company’s loyalty programs.

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

For wagering contracts that include products and services provided to a patron in exchange for points earned under the Company’s loyalty programs, the Company 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 Company-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 Company 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 Company 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 hotel, convention space and food and beverage services 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.

Revenue from leases is primarily recorded to mall revenue and is generated from base rents and overage rents received through long-term leases with retail tenants. Base rent, adjusted for contractual escalations, is recognized on a straight-line basis over the term of the related lease. Overage rent is paid by a tenant when its sales exceed an agreed upon minimum amount and is not recognized by the Company until the threshold is met.

Gaming Taxes

The Company is subject to taxes based on gross gaming revenue in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes, including the goods and services tax in Singapore, are an assessment on the Company's gaming revenue and are recorded as a casino expense in the accompanying consolidated statements of operations. These taxes were $4.09 billion, $3.60 billion and $3.24 billion for the years ended December 31, 2018, 2017 and 2016, respectively.

Pre-Opening and Development Expenses

The Company accounts for costs incurred in the development and pre-opening phases of new ventures in accordance with accounting standards regarding start-up activities. Pre-opening expenses represent personnel and other
costs incurred prior to the opening of new ventures and are expensed as incurred. Development expenses include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are also expensed as incurred.

**Advertising Costs**

Costs for advertising are expensed the first time the advertising takes place or as incurred. Advertising costs included in the accompanying consolidated statements of operations were $132 million, $129 million and $121 million for the years ended December 31, 2018, 2017 and 2016, respectively.

**Corporate Expenses**

Corporate expense represents payroll, travel, legal fees, professional fees and various other expenses not allocated or directly related to the Company's Integrated Resort operations and related ancillary operations.

**Foreign Currency**

The Company accounts for foreign currency translation in accordance with related accounting standards. Gains or losses from foreign currency remeasurements are included in other income (expense). Balance sheet accounts are translated at the exchange rate in effect at each balance sheet date and income statement accounts are translated at the average exchange rates during the year. Translation adjustments resulting from this process are charged or credited to other comprehensive income.

**Comprehensive Income and Accumulated Other Comprehensive Income (Loss)**

Comprehensive income includes net income and all other non-stockholder changes in equity, or other comprehensive income. The balance of accumulated other comprehensive income (loss) consisted solely of foreign currency translation adjustments.

**Earnings Per Share**

The weighted average number of common and common equivalent shares used in the calculation of basic and diluted earnings per share consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Weighted average common shares outstanding (used in the calculation of basic earnings per share)</td>
<td>786</td>
</tr>
<tr>
<td>Potential dilution from stock options and restricted stock and stock units</td>
<td>—</td>
</tr>
<tr>
<td>Weighted average common and common equivalent shares (used in the calculation of diluted earnings per share)</td>
<td>786</td>
</tr>
<tr>
<td>Antidilutive stock options excluded from the calculation of diluted earnings per share</td>
<td>2</td>
</tr>
</tbody>
</table>

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Stock-Based Employee Compensation

The Company accounts for its stock-based employee compensation in accordance with accounting standards regarding share-based payment, which establishes accounting for equity instruments exchanged for employee services. Stock-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). The Company's stock-based employee compensation plans are more fully discussed in "Note 16 — Stock-Based Employee Compensation."

Income Taxes

The Company is subject to income taxes in the U.S. (including federal and state) and numerous foreign jurisdictions in which it operates. The Company records income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards.

The Company's foreign and U.S. tax rate differential reflects the fact income earned in Singapore and Macao is taxed at local rates, which are lower than U.S. tax rates. The Company enjoys an income tax exemption in Macao that exempts the Company from paying corporate income tax on profits generated by gaming operations. In August 2018, the Company received an additional exemption from Macao's corporate income tax on profits generated by the operation of casino games of chance for the period January 1, 2019 through June 26, 2022, the date the Company's subconcession agreement expires. The Company entered into an agreement with the Macao government, effective through the end of 2018 that provided for an annual payment of 42 million patacas (approximately $5 million at exchange rates in effect on December 31, 2018) that is a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions paid from VML gaming profits. In September 2018, VML requested an additional agreement with the Macao government through June 26, 2022, to correspond to the expiration of the income tax exemption for gaming operations; however, there is no assurance VML will receive the additional agreement.

Accounting standards regarding income taxes require a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence, it is "more-likely-than-not" such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a "more-likely-than-not" realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, the Company's experience with operating loss and tax credit carryforwards not expiring, and tax planning strategies.

The Company recorded valuation allowances on the net deferred tax assets of certain foreign jurisdictions of $268 million and $261 million, as of December 31, 2018 and 2017, respectively, and a valuation allowance on certain deferred tax assets of its U.S. operations of $4.50 billion and $4.43 billion as of December 31, 2018 and 2017, respectively, which increased during the current year primarily due to a change in the expected utilization of U.S. foreign tax credits primarily due to guidance issued by the Internal Revenue Service ("IRS") related to the international provisions of U.S. tax reform, defined below. Management will reassess the realizability of deferred tax assets based on the accounting standards for income taxes each reporting period and consider the scheduled reversal of deferred tax liabilities, sources of taxable income and tax planning strategies. To the extent the financial results of these operations improve and it becomes "more-likely-than-not" the deferred tax assets are realizable, the Company will be able to reduce the valuation allowance in the period such determination is made as appropriate.

Significant judgment is required in evaluating the Company's tax positions and determining its provision for income taxes. During the ordinary course of business, there are many transactions for which the ultimate tax determination is uncertain. Accounting standards regarding uncertainty in income taxes provide a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is "more-likely-than-not" the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit.
as the largest amount that is more than 50% likely, based solely on the technical merits, of being sustained on examinations. The Company recorded unrecognized tax benefits of $118 million and $92 million as of December 31, 2018 and 2017, respectively. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and for which actual outcomes may be different.

In December 2017, the U.S. enacted the Tax Cuts and Jobs Act (the "Act") also referred to as "U.S. tax reform." The Act made significant changes to U.S. income tax laws including lowering the U.S. corporate tax rate to 21% effective beginning in 2018 and transitioning from a worldwide tax system to a territorial tax system resulting in dividends from the Company's foreign subsidiaries not being subject to U.S. income tax and creating a one-time tax on previously unremitted earnings of foreign subsidiaries. As a result, during the year ended December 31, 2017, the Company recorded a tax benefit of $526 million relating to the reduction of the valuation allowance on certain deferred tax assets previously determined not likely to be utilized and also the revaluation of the Company's U.S. deferred tax liabilities at the reduced corporate income tax rate of 21%.

The Company recorded this impact of enactment of U.S. tax reform subject to Staff Accounting Bulletin ("SAB") 118, which provided for a twelve-month remeasurement period to complete the accounting required under Accounting Standards Codification ("ASC") 740, Income Taxes. During this twelve month remeasurement period, as the new tax law continued to evolve, the Company adjusted these provisional amounts for related administrative guidance, notices, implementing regulations, legislative amendments and interpretations. The Company completed the accounting for effects of the Act in December 2018.

Accounting for Derivative Instruments and Hedging Activities

Accounting standards require an entity to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. 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 Company to risks associated with market fluctuations and the financial instrument used must be designated as a hedge and must reduce the Company's exposure to market fluctuation throughout the hedge period.

Changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices, can impact the Company's results of operations. The Company's primary exposures to market risk are interest rate risk associated with long-term debt and foreign currency exchange rate risk associated with the Company's operations outside the United States. The Company 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 Company to use any combination of interest rate swaps, futures, options, caps, forward contracts and similar instruments. The Company does not hold or issue financial instruments for trading purposes and does not enter into derivative transactions that would be considered speculative positions. Depending on its classification and position at the end of the reporting period, each derivative was reported as prepaid expenses and other; other assets, net; other accrued liabilities; or other long-term liabilities, as applicable, in the accompanying consolidated balance sheets. See "Note 10 — Derivative Instruments" for additional disclosures regarding derivatives.

Recent Accounting Pronouncements

In February 2016, the FASB issued an accounting standard update on leases, which requires all lessees to recognize right-of-use ("ROU") assets and lease liabilities, measured at the present value of the future minimum lease payments, at the lease commencement date. Lessor accounting remains largely unchanged under the new guidance. In July 2018, the FASB issued an additional update that allows for an optional transition approach allowing companies to forgo comparative reporting and instead adopt the guidance on a prospective basis. The guidance is effective for fiscal years beginning after December 15, 2018, including interim reporting periods within that reporting period, with early adoption permitted. The Company adopted the new standard on January 1, 2019, on a prospective basis. The most significant impact is the recognition of ROU assets and lease liabilities on the Company's balance sheet for real estate operating leases. Management estimates adoption of the standard will result in the recognition of ROU assets and lease liabilities.
for operating leases of approximately $330 million and approximately $340 million, respectively, as of January 1, 2019, with the difference recorded as a write-off of deferred rent. The adoption of this guidance will not have a material impact on net income.

In June 2016, the FASB issued an accounting standard update that revises the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. The guidance is effective for fiscal years beginning after December 15, 2019, including interim reporting periods within that reporting period, and should be applied on a modified retrospective basis, with early adoption permitted. The Company is currently assessing the effect the guidance will have on the Company's financial condition and results of operations, but does not expect it will have a material impact.

Reclassification

Certain amounts in the accompanying consolidated balance sheet as of December 31, 2017, and the related consolidated statements of operations, comprehensive income, equity and cash flows for the years ended December 31, 2017 and 2016, have been adjusted to be consistent with the current year presentation. These adjustments resulted from the implementation of the accounting standards updates for revenue from contracts with customers and presentation of restricted cash on the statements of cash flows and reclassifying the immaterial cost of aircraft spare parts from inventories to other assets, net.

Note 3 — Revenue

Revenue Disaggregation

The Company operates Integrated Resorts internationally, in Macao and Singapore, and domestically, in Las Vegas and Pennsylvania. The Company generates revenues at its properties by providing the following types of products and services: gaming, rooms, food and beverage, mall and convention, retail and other. Revenue disaggregated by type of revenue and geographic location is as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31, 2018</th>
<th>Casino</th>
<th>Rooms</th>
<th>Food and Beverage</th>
<th>Mall</th>
<th>Convention, Retail and Other</th>
<th>Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macao:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$2,829</td>
<td>$223</td>
<td>$81</td>
<td>$234</td>
<td>$107</td>
<td>$3,474</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>1,622</td>
<td>331</td>
<td>102</td>
<td>69</td>
<td>29</td>
<td>2,153</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>1,265</td>
<td>124</td>
<td>65</td>
<td>57</td>
<td>22</td>
<td>1,533</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>502</td>
<td>39</td>
<td>29</td>
<td>145</td>
<td>4</td>
<td>719</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>598</td>
<td>17</td>
<td>27</td>
<td>3</td>
<td>5</td>
<td>650</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td>6,816</td>
<td>734</td>
<td>304</td>
<td>508</td>
<td>327</td>
<td>8,689</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>2,178</td>
<td>393</td>
<td>211</td>
<td>179</td>
<td>108</td>
<td>3,069</td>
</tr>
<tr>
<td>United States:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>357</td>
<td>590</td>
<td>324</td>
<td>—</td>
<td>411</td>
<td>1,682</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>468</td>
<td>16</td>
<td>26</td>
<td>4</td>
<td>22</td>
<td>536</td>
</tr>
<tr>
<td></td>
<td>825</td>
<td>606</td>
<td>350</td>
<td>4</td>
<td>433</td>
<td>2,218</td>
</tr>
<tr>
<td>Intercompany eliminations (1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(1)</td>
<td>(246)</td>
<td>(247)</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>$9,819</td>
<td>$1,733</td>
<td>$865</td>
<td>$690</td>
<td>$622</td>
<td>$13,729</td>
</tr>
</tbody>
</table>
### Year Ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Casino</th>
<th>Rooms</th>
<th>Food and Beverage</th>
<th>Mall</th>
<th>Convention, Retail and Other</th>
<th>Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macao:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$2,362</td>
<td>$179</td>
<td>$74</td>
<td>$220</td>
<td>$89</td>
<td>$2,924</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>1,433</td>
<td>291</td>
<td>102</td>
<td>63</td>
<td>27</td>
<td>1,916</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>1,120</td>
<td>128</td>
<td>61</td>
<td>66</td>
<td>20</td>
<td>1,395</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>391</td>
<td>34</td>
<td>28</td>
<td>131</td>
<td>3</td>
<td>587</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>574</td>
<td>19</td>
<td>27</td>
<td>—</td>
<td>6</td>
<td>626</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>161</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>5,880</td>
<td>651</td>
<td>292</td>
<td>480</td>
<td>306</td>
<td>7,609</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>2,333</td>
<td>358</td>
<td>183</td>
<td>167</td>
<td>93</td>
<td>3,134</td>
</tr>
<tr>
<td><strong>United States:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>380</td>
<td>561</td>
<td>325</td>
<td>—</td>
<td>391</td>
<td>1,657</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>493</td>
<td>16</td>
<td>28</td>
<td>4</td>
<td>23</td>
<td>564</td>
</tr>
<tr>
<td></td>
<td>873</td>
<td>577</td>
<td>353</td>
<td>4</td>
<td>414</td>
<td>2,221</td>
</tr>
<tr>
<td>Intercompany eliminations (1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(236)</td>
<td>(236)</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>$9,086</td>
<td>$1,586</td>
<td>$828</td>
<td>$651</td>
<td>$577</td>
<td>$12,728</td>
</tr>
</tbody>
</table>

### Year Ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Casino</th>
<th>Rooms</th>
<th>Food and Beverage</th>
<th>Mall</th>
<th>Convention, Retail and Other</th>
<th>Net Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Macao:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$2,286</td>
<td>$177</td>
<td>$75</td>
<td>$209</td>
<td>$84</td>
<td>$2,831</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>1,471</td>
<td>267</td>
<td>99</td>
<td>62</td>
<td>25</td>
<td>1,924</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>315</td>
<td>36</td>
<td>20</td>
<td>23</td>
<td>7</td>
<td>401</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>392</td>
<td>36</td>
<td>26</td>
<td>127</td>
<td>3</td>
<td>584</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>614</td>
<td>20</td>
<td>26</td>
<td>—</td>
<td>8</td>
<td>668</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>158</td>
<td>158</td>
</tr>
<tr>
<td></td>
<td>5,078</td>
<td>536</td>
<td>246</td>
<td>421</td>
<td>285</td>
<td>6,566</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>1,965</td>
<td>376</td>
<td>189</td>
<td>166</td>
<td>95</td>
<td>2,791</td>
</tr>
<tr>
<td><strong>United States:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>359</td>
<td>572</td>
<td>282</td>
<td>—</td>
<td>358</td>
<td>1,571</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>484</td>
<td>15</td>
<td>30</td>
<td>4</td>
<td>22</td>
<td>555</td>
</tr>
<tr>
<td></td>
<td>843</td>
<td>587</td>
<td>312</td>
<td>4</td>
<td>380</td>
<td>2,126</td>
</tr>
<tr>
<td>Intercompany eliminations (1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(212)</td>
<td>(212)</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>$7,886</td>
<td>$1,499</td>
<td>$747</td>
<td>$591</td>
<td>$548</td>
<td>$11,271</td>
</tr>
</tbody>
</table>

(1) Intercompany eliminations include royalties and other intercompany services (see "Note 19 — Segment Information").

**Contract and Contract Related Liabilities**

The Company 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 Company 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 Company. 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:

<table>
<thead>
<tr>
<th></th>
<th>Outstanding Chip Liability</th>
<th>Loyalty Program Liability</th>
<th>Customer Deposits and Other Deferred Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1</strong></td>
<td>$   478</td>
<td>$   525</td>
<td>$   63</td>
</tr>
<tr>
<td><strong>Balance at December 31</strong></td>
<td>551</td>
<td>478</td>
<td>66</td>
</tr>
<tr>
<td><strong>Increase (decrease)</strong></td>
<td>$  73</td>
<td>$  (47)</td>
<td>$   3</td>
</tr>
</tbody>
</table>

(1) Of this amount, $152 million, $145 million and $131 million as of December 31, 2018, December 31, 2017 and January 1, 2017, respectively, relates to mall deposits that are accounted for based on lease terms usually greater than one year.

**Significant Impacts of Adoption**

The Company adopted the new revenue recognition standard on January 1, 2018, on a full retrospective basis. The adoption of the change in accounting standards related to revenue from contracts with customers resulted in the following significant impacts: (1) promotional allowances line item was eliminated from the condensed consolidated statement of operations with the amount being deducted primarily from casino revenue, (2) the valuation of points associated with the Company’s loyalty programs was changed from cost to fair value; the loyalty program expense, previously charged to casino expense, was deducted from casino revenue to defer revenue recognition until redemption of the loyalty program points occurs; and redemption of the loyalty program points at third parties is now deducted from the loyalty program liability and paid directly to the third party, with any discounts received from the third party recorded to other revenue and (3) the portion of gaming promoter commissions previously recorded to casino revenue is now deducted from casino revenue. These adjustments resulted in a decrease to net revenues and operating expenses of $154 million and $156 million, respectively, and an increase in operating income of $2 million for the year ended December 31, 2017, and a decrease to net revenues and operating expenses of $139 million and $148 million, respectively, and an increase in operating income of $9 million for the year ended December 31, 2016. The cumulative effect of the adoption was recognized as a decrease in retained earnings of $18 million and a decrease in equity from noncontrolling interests of $1 million on January 1, 2016.

**Note 4 — Accounts Receivable, Net**

Accounts receivable consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>(In millions)</strong></td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>$  763</td>
</tr>
<tr>
<td>Rooms</td>
<td>98</td>
</tr>
<tr>
<td>Mall</td>
<td>78</td>
</tr>
<tr>
<td>Other</td>
<td>111</td>
</tr>
<tr>
<td><strong>Less — allowance for doubtful accounts</strong></td>
<td>1,050</td>
</tr>
<tr>
<td><strong>Less — allowance for doubtful accounts</strong> (324)</td>
<td>(442)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$  726</td>
</tr>
</tbody>
</table>

**Note 5 — Property and Equipment, Net**

Property and equipment consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>(In millions)</strong></td>
<td></td>
</tr>
<tr>
<td>Land and improvements</td>
<td>$  651</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>17,861</td>
</tr>
<tr>
<td>Furniture, fixtures, equipment and leasehold improvements</td>
<td>4,255</td>
</tr>
<tr>
<td>Transportation</td>
<td>458</td>
</tr>
</tbody>
</table>
The property and equipment legally sold to GGP totaling $189 million (net of $111 million of accumulated depreciation) as of December 31, 2018, will continue to be recorded on the Company's consolidated balance sheet and will continue to be depreciated in the Company's consolidated statement of operations. See "Note 14 — Mall Activities — The Shoppes at The Palazzo."

The cost and accumulated depreciation of property and equipment the Company is leasing to third parties, primarily as part of its mall operations, was $1.36 billion and $469 million, respectively, as of December 31, 2018. The cost and accumulated depreciation of property and equipment that the Company is leasing to these third parties was $1.31 billion and $415 million, respectively, as of December 31, 2017.

The cost and accumulated depreciation of property and equipment the Company is leasing under capital lease arrangements was $40 million and $24 million, respectively, as of December 31, 2018. The cost and accumulated depreciation of property and equipment that the Company is leasing under capital lease arrangements was $41 million and $24 million, respectively, as of December 31, 2017.

During the year ended December 31, 2018, the Company recognized a loss on disposal or impairment of assets of $150 million, consisting primarily of $128 million in write-off of costs related to the Four Seasons Tower Suites Macao, as well as other dispositions at the Company's operating properties. During the years ended December 31, 2017 and 2016, the Company recognized a loss on disposal or impairment of assets of $20 million and $79 million, respectively.
Note 6 — Leasehold Interests in Land, Net

Leasehold interests in land consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018 (In millions)</td>
<td>2017 (In millions)</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>$1,006</td>
<td>$1,027</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>237</td>
<td>237</td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>192</td>
<td>182</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>91</td>
<td>89</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,632</strong></td>
<td><strong>1,640</strong></td>
</tr>
</tbody>
</table>

Less — accumulated amortization (434) (403)

$1,198 $1,237

The Company amortizes the leasehold interests in land on a straight-line basis over the expected term of the lease, which includes automatic extensions in Macao as discussed further below. Amortization expense of $35 million, $37 million and $38 million was included in amortization of leasehold interests in land expense for the years ended December 31, 2018, 2017 and 2016, respectively. The estimated future amortization expense over the expected term of the lease is approximately $36 million for each of the five years in the period ending December 31, 2023, and $1.36 billion thereafter at exchange rates in effect on December 31, 2018.

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 Company has received land concessions from the Macao government to build on the sites on which Sands Macao, The Venetian Macao, The Plaza Macao and Four Seasons Hotel Macao, Sands Cotai Central and The Parisian Macao are located. The Company does not own these land sites in Macao; however, the land concessions grant the Company exclusive use of the land. As specified in the land concessions, the Company is required to pay premiums for each parcel, as well as make annual rent payments in the amounts and at the times specified in the land concessions. The rent amounts may be revised every five years by the Macao government. For the Company's future rental payment obligations, see "Note 15 — Commitments and Contingencies — Operating Leases."

Note 7 — Intangible Assets, Net

Intangible assets consist of the following:

|                                | December 31, |        |
|                                | 2018 (In millions) | 2017 (In millions) |
| Sands Bethlehem gaming license and certificate | $67 | $67 |
| Marina Bay Sands gaming license | 48 | 49 |
| Trademarks and other | 1 | 1 |
| **Total intangible assets, net** | **$72** | **$89** |

In August 2007 and July 2010, the Company was issued a gaming license and certificate from the Pennsylvania Gaming Control Board for its slots and table games operations at Sands Bethlehem, respectively, which were acquired.
for $50 million and $17 million, respectively. The license and certificate were determined to have indefinite lives and therefore, are not subject to amortization. In April 2016, the Company paid 66 million Singapore dollars ("SGD," approximately $47 million at exchange rates in effect at the time of the transaction) to the Singapore Casino Regulatory Authority (the "CRA") as part of the process to renew its gaming license at Marina Bay Sands. This license is being amortized over its three-year term, which expires in April 2019, and is renewable upon submitting an application, paying the applicable license fee and meeting the requirements as determined by the CRA. The Company has filed a renewal application and believes it meets the renewal requirements as determined by the CRA; however, no assurance can be given the license renewal will be granted or for what period of time it will be granted.

Amortization expense was $16 million, $16 million and $15 million for the years ended December 31, 2018, 2017 and 2016, respectively. The estimated future amortization expense is approximately $5 million for the year ending December 31, 2019.

**Note 8 — Other Accrued Liabilities**

Other accrued liabilities consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2018 (In millions)</th>
<th>December 31, 2017 (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer deposits</td>
<td>$676</td>
<td>$572</td>
</tr>
<tr>
<td>Outstanding chip liability</td>
<td>551</td>
<td>478</td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>403</td>
<td>367</td>
</tr>
<tr>
<td>Payroll and related</td>
<td>359</td>
<td>342</td>
</tr>
<tr>
<td>Other accruals</td>
<td>446</td>
<td>317</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,435</strong></td>
<td><strong>2,076</strong></td>
</tr>
</tbody>
</table>

100
Note 9 — Long-Term Debt

Long-term debt consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and U.S. Related (1):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013 U.S. Credit Facility — Extended Term B (net of unamortized original</td>
<td>$3,464</td>
<td>$2,150</td>
</tr>
<tr>
<td>issue discount and deferred financing costs of $21 and $11, respectively)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HVAC Equipment Lease</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Macao Related (1):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.600% Senior Notes due 2023 (net of unamortized original issue discount</td>
<td>1,791</td>
<td>—</td>
</tr>
<tr>
<td>and deferred financing costs of $14 and a positive cumulative fair value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjustment of $5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.125% Senior Notes due 2025 (net of unamortized original issue discount</td>
<td>1,789</td>
<td>—</td>
</tr>
<tr>
<td>and deferred financing costs of $16 and a positive cumulative fair value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjustment of $5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.400% Senior Notes due 2028 (net of unamortized original issue discount</td>
<td>1,884</td>
<td>—</td>
</tr>
<tr>
<td>and deferred financing costs of $21 and a positive cumulative fair value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjustment of $5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 VML Credit Facility — Term (net of unamortized deferred financing</td>
<td>—</td>
<td>4,043</td>
</tr>
<tr>
<td>costs of $56)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 VML Credit Facility — Non-Extended Term (net of unamortized deferred</td>
<td>—</td>
<td>247</td>
</tr>
<tr>
<td>financing costs of $2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Singapore Related (1):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012 Singapore Credit Facility — Term (net of unamortized deferred financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>costs of $43 and $32, respectively)</td>
<td>3,041</td>
<td>3,183</td>
</tr>
<tr>
<td>Less — current maturities</td>
<td>(111)</td>
<td>(296)</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>$11,874</td>
<td>$9,344</td>
</tr>
</tbody>
</table>

(1) Unamortized deferred financing costs of $47 million and $24 million as of December 31, 2018 and 2017, respectively, related to the U.S., Macao and Singapore revolving credit facilities are included in other assets, net in the accompanying consolidated balance sheets.

Corporate and U.S. Related Debt

2013 U.S. Credit Facility

In December 2013, the Company entered into a $3.5 billion senior secured credit facility (the "2013 U.S. Credit Facility"), which consists of a $2.25 billion funded term B loan (the "2013 U.S. Term B Facility") with an original issue discount of $11 million and a $1.25 billion revolving credit facility (the "2013 U.S. Revolving Facility"). The borrowings under the 2013 U.S. Credit Facility were used to repay the outstanding balance on the Company's prior senior secured credit facility.

During August 2016, the Company amended the 2013 U.S. Credit Facility to, among other things, obtain revolving credit commitments in the aggregate amount of $1.15 billion (the "2013 Extended U.S. Revolving Facility"), which mature on September 19, 2020, and were used to replace the commitments under, and refinance all amounts outstanding under, the existing 2013 U.S. Revolving Facility and to pay fees and expenses incurred in connection with the amendment. Borrowings under the 2013 Extended U.S. Revolving Facility will be used for general corporate purposes.
and working capital needs. The Company recorded a $2 million loss on modification of debt during the quarter ended September 30, 2016, in connection with this amendment.

During December 2016, the Company amended the 2013 U.S. Credit Facility to lower the applicable margin credit spread for adjusted Eurodollar rate term loans from 2.50% to 2.25% per annum and for alternative base rate term loans from 1.50% to 1.25% per annum. Additionally, the amendment lowered the adjusted Eurodollar rate floor from 0.75% per annum to 0.0% per annum (and thereby effectively lowered the alternative base rate floor from 1.75% per annum to 1.0% per annum). Other than the items noted above, the terms and conditions of the existing 2013 U.S. Credit Facility remained unchanged. The Company recorded a $2 million loss on modification of debt during the quarter ended December 31, 2016, in connection with this amendment.

During March 2017, the Company entered into an agreement (the "Fourth Amendment Agreement") to amend the existing 2013 U.S. Credit Facility to, among other things, refinance the term loans (by way of continuing or replacing existing term loans) in an aggregate amount of $2.18 billion (the "2013 Extended U.S. Term B Facility") and to lower the applicable margin credit spread for adjusted Eurodollar rate term loans from 2.25% to 2.0% per annum and for alternative base rate term loans from 1.25% to 1.0% per annum. Additionally, the Fourth Amendment Agreement removed the requirement to prepay outstanding revolving loans and/or permanently reduce revolving commitments in certain circumstances and extended the maturity date of the term loans from December 19, 2020 to March 29, 2024. The Company recorded a $5 million loss on modification of debt during the year ended December 31, 2017, in connection with the Amendment Agreement.

During March 2018, the Company entered into an agreement (the "Fifth Amendment Agreement") to amend the existing 2013 U.S. Credit Facility to, among other things, refinance the term loans (by way of continuing or replacing existing term loans) in an aggregate amount of $2.16 billion and to lower the applicable margin credit spread for adjusted Eurodollar rate term loans from 2.0% to 1.75% per annum and for alternative base rate term loans from 1.0% to 0.75% per annum. Additionally, the Fifth Amendment Agreement extended the maturity date of the term loans from March 29, 2024 to March 27, 2025. The Company recorded a $3 million loss on modification of debt during the year ended December 31, 2018, in connection with the Fifth Amendment Agreement.

During June 2018, the Company further amended the 2013 U.S. Credit Facility (the "Sixth Amendment Agreement") to, among other things, increase the amount of the term loans by $1.35 billion, to an aggregate amount of $3.51 billion. The additional $1.35 billion, which was fully drawn on the closing date, matures on March 27, 2025, and has terms substantially identical to those applicable to the term loans outstanding under the then existing credit agreement. The 2013 Extended U.S. Term B Facility is subject to quarterly amortization payments of $9 million, which began on June 30, 2018, followed by a balloon payment of $3.27 billion due on March 27, 2025. As of December 31, 2018, the Company had $1.15 billion of available borrowing capacity under the 2013 Extended U.S. Revolving Facility, net of outstanding letters of credit.

The 2013 U.S. Credit Facility is guaranteed by certain of the Company's domestic subsidiaries (the "Guarantors"). The obligations under the 2013 U.S. Credit Facility and the guarantees of the Guarantors are collateralized by a first-priority security interest in substantially all of Las Vegas Sands, LLC ("LVSLLC") and the Guarantors' assets, other than capital stock and similar ownership interests, certain furniture, fixtures and equipment, and certain other excluded assets.

Borrowings under the 2013 Extended U.S. Term B Facility bear interest, at the Company's option, at either an adjusted Eurodollar rate, plus a credit spread of 1.75% per annum, or at an alternative base rate, plus a credit spread of 0.75% per annum (the interest rate was set at 4.3% as of December 31, 2018). Borrowings under the 2013 U.S. Extended Revolving Facility bear interest, at the Company's option, at either an adjusted Eurodollar rate, plus a credit spread, or an alternative base rate, plus a credit spread, which credit spread in each case is determined based on the Company's corporate family rating as set forth in the pricing grid per the 2013 U.S. Credit Facility, as amended (the "Corporate Rating"). The credit spread ranges from 1.125% to 1.625% per annum for loans accruing interest at an adjusted Eurodollar rate and 0.125% to 0.625% per annum for loans accruing interest at the base rate. The 2013 Extended U.S. Revolving Facility has no interim amortization payments and matures on September 19, 2020. The Company pays a commitment fee on the undrawn amounts under the 2013 Extended U.S. Revolving Facility, which is determined based on the
Corporate Rating and ranges from 0.125% to 0.25% per annum. The weighted average interest rate for the 2013 U.S. Credit Facility was 3.9% during the year ended December 31, 2018, and 3.2% during the years ended December 31, 2017 and 2016.

The 2013 U.S. Credit Facility contains affirmative and negative covenants customary for such financings, including, but not limited to, limitations on incurring additional liens, incurring additional indebtedness, making certain investments and acquiring and selling assets. The 2013 U.S. Credit Facility also requires the Guarantors to comply with a maximum ratio of net debt outstanding to adjusted earnings before interest, income taxes, depreciation and amortization, as defined ("Adjusted EBITDA") to the extent there is an outstanding balance on the 2013 Extended U.S. Revolving Facility or certain letters of credit are outstanding. The maximum leverage ratio is 5.5x for all applicable quarterly periods through maturity. Based on the actual leverage ratio as of December 31, 2018, there were no material net assets of LVSLLC restricted from being distributed under the terms of the 2013 U.S. Credit Facility. In addition to the covenants noted above, the 2013 U.S. Credit Facility contains conditions and additional events of default customary for such financings.

Airplane Financings

In February 2007, the Company entered into promissory notes totaling $72 million to finance the purchase of one airplane and to finance two others that the Company already owned. The notes consisted of balloon payment promissory notes and amortizing promissory notes, all of which had ten-year maturities and were collateralized by the related aircraft. The notes bore interest at three-month London Inter-Bank Offered Rate ("LIBOR") plus 1.5% per annum. The amortizing notes, totaling $29 million, were subject to quarterly amortization payments of $1 million, which began June 1, 2007. The balloon notes, totaling $44 million, matured on March 1, 2017, and had no interim amortization payments. The weighted average interest rate on the notes was 2.4% and 2.2% during the years ended December 31, 2017 and 2016, respectively.

In April 2007, the Company entered into promissory notes totaling $20 million to finance the purchase of an additional airplane. The notes had ten-year maturities and consisted of a balloon payment promissory note and an amortizing promissory note. The notes bore interest at three-month LIBOR plus 1.25% per annum. The $8 million amortizing note was subject to nominal quarterly amortization payments, which began June 30, 2007. The $12 million balloon note matured on March 31, 2017, and had no interim amortization payments. The weighted average interest rate on the notes was 2.3% and 2.0% during the years ended December 31, 2017 and 2016, respectively.

In March 2017, the Company repaid the outstanding $56 million balance under the Airplane Financings.

HVAC Equipment Lease

In July 2009, the Company entered into a capital lease agreement with its current heating, ventilation and air conditioning ("HVAC") provider (the "HVAC Equipment Lease") to provide the operation and maintenance services for the HVAC equipment in Las Vegas. The lease has a 10-year term with a purchase option at the third, fifth, seventh and tenth anniversary dates. The Company is obligated under the agreement to make monthly payments of approximately $300,000 for the first year with automatic decreases of approximately $14,000 per month on every anniversary date. The HVAC Equipment Lease was capitalized at the present value of the future minimum lease payments at lease inception.

Macao Related Debt

SCL Senior Notes

On August 9, 2018, SCL issued, in a private offering, three series of senior unsecured notes in an aggregate principal amount of $5.50 billion, consisting of $1.80 billion of 4.600% Senior Notes due August 8, 2023 (the "2023 Notes"), $1.80 billion of 5.125% Senior Notes due August 8, 2025 (the "2025 Notes") and $1.90 billion of 5.400% Senior Notes due August 8, 2028 (the "2028 Notes" and, together with the 2023 Notes and the 2025 Notes, the "SCL Senior 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 (defined below). There are no interim principal payments on the SCL Senior Notes and interest is payable semi-annually in arrears on each February 8 and August 8, commencing on February 8, 2019.
In connection with the SCL Senior Notes, the Company entered into fixed-to-variable interest rate swap contracts (see "Note 10 — Derivative Instruments").

The SCL Senior Notes are general senior unsecured obligations of SCL. Each series of SCL Senior Notes rank equally in right of payment with all of SCL’s existing and future senior unsecured debt and rank senior in right of payment to all of SCL’s future subordinated debt, if any. The SCL Senior Notes are effectively subordinated in right of payment to all of SCL’s future secured debt (to the extent of the value of the collateral securing such debt) and are structurally subordinated to all of the liabilities of SCL’s subsidiaries. None of SCL’s subsidiaries guarantee the SCL Senior Notes.

The SCL Senior Notes were issued pursuant to an indenture, dated August 9, 2018 (the "Indenture"), between SCL and U.S. Bank National Association, as trustee. Upon the occurrence of certain events described in the Indenture, the interest rate on the SCL Senior Notes may be adjusted. The Indenture contains covenants, subject to customary exceptions and qualifications, that limit the ability of SCL 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 SCL’s assets on a consolidated basis. The Indenture also provides for customary events of default.

2018 SCL Credit Facility
On November 20, 2018, SCL 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 $2.0 billion revolving unsecured credit facility to SCL (the "2018 SCL Revolving Facility"). The facility is available until July 31, 2023, and SCL 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). SCL may utilize the loans for general corporate purposes and working capital requirements of SCL 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, 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. SCL is also required to pay a commitment fee of 0.60% per annum on the undrawn amounts under the 2018 SCL Revolving Facility. As of December 31, 2018, the Company had $2.0 billion of available borrowing capacity 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 SCL to maintain a maximum ratio of total indebtedness to adjusted EBITDA of 4.00 throughout the life of the facility and a minimum ratio of adjusted EBITDA to net interest expense (including capitalized interest) of 2.50 throughout the life of the facility.

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 SCL's gaming operations and the loss or termination of certain land concession contracts.

2016 VML Credit Facility
Two subsidiaries of the Company, VML US Finance LLC, the Borrower, and Venetian Macau Limited ("VML"), as guarantor, entered into a credit agreement (the "2016 VML Credit Facility"), which pursuant to various amendments, provided for a $4.12 billion term loan (the "2016 VML Term Loans"), a $269 million non-extended term loan (the
"2016 Non-Extended VML Term Loans"), and a $2.0 billion revolving facility (the "2016 VML Revolving Facility," and together with the 2016 VML Term Loans and the 2016 Non-Extended VML Term Loans, the "2016 VML Credit Facility"). Borrowings under the 2016 VML Term Loans were used for working capital requirements and general corporate purposes, including to make any investment or payment not specifically prohibited by the terms of the loan documents.

The Company paid standby fees of 0.5% per annum on the undrawn amounts under the 2016 VML Revolving Facility. The weighted average interest rate on the 2016 VML Credit Facility was 3.1%, 2.6% and 2.1% for the years ended December 31, 2018, 2017 and 2016, respectively.

As previously described, a portion of the proceeds from the SCL Senior Notes was used to repay the outstanding borrowings under the 2016 VML Credit Facility. As a result, the Company recorded a $52 million loss on early retirement of debt during the three months ended September 30, 2018.

On November 20, 2018, effective as of November 21, 2018, the 2016 VML Credit Facility was terminated. As a result, the Company recorded a $9 million loss on early retirement of debt during the three months ended December 31, 2018.

Singapore Related Debt

2012 Singapore Credit Facility

In June 2012, the Company's wholly owned subsidiary, Marina Bay Sands Pte. Ltd. ("MBS"), entered into a SGD 5.1 billion (approximately $3.73 billion at exchange rates in effect on December 31, 2018) credit agreement (the "2012 Singapore Credit Facility"), providing for a fully funded SGD 4.6 billion (approximately $3.37 billion at exchange rates in effect on December 31, 2018) term loan (the "2012 Singapore Term Facility") and a SGD 500 million (approximately $366 million at exchange rates in effect on December 31, 2018) revolving facility (the "2012 Singapore Revolving Facility") that was available until November 25, 2017, which included a SGD 100 million (approximately $73 million at exchange rates in effect on December 31, 2018) ancillary facility (the "2012 Singapore Ancillary Facility"). Borrowings under the 2012 Singapore Credit Facility were used to repay the outstanding balance under the previous Singapore credit facility.

During August 2014, the Company amended its 2012 Singapore Credit Facility, pursuant to which consenting lenders of borrowings under the 2012 Singapore Term Facility extended the maturity to August 28, 2020, and consenting lenders of borrowings under the 2012 Singapore Revolving Facility extended the maturity to February 28, 2020.

During March 2018, the Company amended its 2012 Singapore Credit Facility, which refinanced the facility in an aggregate amount of SGD 4.80 billion (approximately $3.51 billion at exchange rates in effect on December 31, 2018), pursuant to which consenting lenders of borrowings under the 2012 Singapore Term Facility extended the maturity to March 29, 2024, and consenting lenders of borrowings under the 2012 Singapore Revolving Facility extended the maturity to September 29, 2023. As of December 31, 2018, the Company had SGD 495 million (approximately $362 million at exchange rates in effect on December 31, 2018) of available borrowing capacity under the 2012 Singapore Revolving Facility, net of outstanding letters of credit.

The indebtedness under the 2012 Singapore Credit Facility is collateralized by a first-priority security interest in substantially all of MBS's assets, other than capital stock and similar ownership interests, certain furniture, fixtures and equipment and certain other excluded assets.

Commencing with the quarterly period ended June 30, 2018, and at the end of each subsequent quarter through March 31, 2022, the Company is required to repay the outstanding 2012 Singapore Term Facility in the amount of 0.5% of the aggregate principal amount outstanding as of March 19, 2018 (the "Singapore Restatement Date"). Commencing with the quarterly period ending June 30, 2022, and at the end of each subsequent quarter through March 31, 2023, the Company is required to repay the outstanding 2012 Singapore Term Facility in the amount of 5.0% of the aggregate principal amount outstanding as of the Singapore Restatement Date. For the quarterly periods ending June 30, 2023 through the termination date of March 29, 2024, the Company is required to repay the outstanding 2012 Singapore Term Facility in the amount of 18.0% of the aggregate principal amount outstanding as of the Singapore Restatement Date.
Date. The 2012 Singapore Revolving Facility has no interim amortization payments and matures on September 29, 2023.

Borrowings under the 2012 Singapore Credit Facility bear interest at the Singapore Swap Offered Rate ("SOR") plus a spread of 1.85% per annum. Beginning December 23, 2012, the spread for all outstanding loans is subject to reduction based on a ratio of debt to Adjusted EBITDA (interest rate set at approximately 3.1% as of December 31, 2018). MBS pays a standby commitment fee of 35% to 40% of the spread per annum on all undrawn amounts under the 2012 Singapore Revolving Facility. The weighted average interest rate for the 2012 Singapore Credit Facility was 2.6% for the year ended December 31, 2018, and 2.2% for the years ended December 31, 2017 and 2016.

The 2012 Singapore Credit Facility, as amended, contains affirmative and negative covenants customary for such financings, including, but not limited to, limitations on liens, indebtedness, loans and guarantees, investments, acquisitions and asset sales, restricted payments, affiliate transactions and use of proceeds from the facilities. The 2012 Singapore Credit Facility also requires MBS to comply with financial covenants, including maximum ratios of total indebtedness to Adjusted EBITDA, minimum ratios of Adjusted EBITDA to interest expense and a positive net worth requirement. The maximum leverage ratio, as amended, is 4.0x for all quarterly periods through maturity. Based on the actual leverage ratio as of December 31, 2018, there were no material net assets of MBS restricted from being distributed under the terms of the 2012 Singapore Credit Facility. In addition to the covenants noted above, the 2012 Singapore Credit Facility contains conditions and additional events of default customary for such financings.

Debt Covenant Compliance

As of December 31, 2018, management believes the Company was in compliance with all debt covenants.

Cash Flows from Financing Activities

Cash flows from financing activities related to long-term debt and capital lease obligations are as follows:

| Proceeds from SCL Senior Notes | $5,500 | $ — | $ — |
| Proceeds from 2016 VML Credit Facility | 746 | 649 | 1,000 |
| Proceeds from 2013 U.S. Credit Facility | 1,347 | 5 | 296 |
| Proceeds from 2011 VML Credit Facility | $ — | $ — | 1,000 |
| **Total Proceeds** | **$7,593** | **$654** | **$2,296** |

| Repayments on 2016 VML Credit Facility | $ (5,083) | $ (668) | $ — |
| Repayments on 2012 Singapore Credit Facility | (65) | (67) | (66) |
| Repayments on 2013 U.S. Credit Facility | (26) | (63) | (914) |
| Repayments on 2011 VML Credit Facility | — | — | (1,000) |
| Repayments on Airplane Financings | — | (56) | (4) |
| Repayments on HVAC Equipment Lease and Other Long-Term Debt | (4) | (4) | (3) |

**Total Repayments** | **$ (5,178)** | **$ (858)** | **$ (1,987)**

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Scheduled Maturities of Capital Lease Obligations and Long-Term Debt

Maturities of capital lease obligations and long-term debt outstanding as of December 31, 2018, are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Capital Lease Obligations</th>
<th>Long-term Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$14</td>
<td>$98</td>
</tr>
<tr>
<td>2020</td>
<td>2</td>
<td>98</td>
</tr>
<tr>
<td>2021</td>
<td>1</td>
<td>98</td>
</tr>
<tr>
<td>2022</td>
<td>—</td>
<td>520</td>
</tr>
<tr>
<td>2023</td>
<td>—</td>
<td>3,682</td>
</tr>
<tr>
<td>Thereafter</td>
<td>—</td>
<td>7,573</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>12,069</td>
</tr>
<tr>
<td>Less — amount representing interest</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$16</td>
<td>$12,069</td>
</tr>
</tbody>
</table>

Fair Value of Long-Term Debt

The estimated fair value of the Company's long-term debt as of December 31, 2018 and 2017, was approximately $11.65 billion and $9.61 billion, respectively, compared to its carrying value of $12.08 billion and $9.72 billion, respectively. The estimated fair value of the Company's long-term debt is based on level 2 inputs (quoted prices in markets that are not active).

Note 10 — Derivative Instruments

In August 2018, the Company entered into interest rate swap agreements (the "IR Swaps"), which qualified and were designated as fair value hedges, swapping fixed-rate for variable-rate interest to hedge changes in the fair value of the SCL Senior Notes. These IR Swaps have a total notional value of $5.50 billion and expire in August 2020.

The total fair value of the IR Swaps as of December 31, 2018 was $56 million. In the accompanying condensed consolidated balance sheets, $15 million was recorded as an asset in other assets, net with an equal corresponding adjustment recorded against the carrying value of the SCL Senior Notes. The realized portion of the IR swaps of $41 million was recorded as interest receivable in accounts receivable, net. The fair value of the IR Swaps was estimated using level 2 inputs from recently reported market forecasts of interest rates. 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 gain or loss has been recognized due to hedge ineffectiveness. Additionally, for the year ended December 31, 2018, the Company recorded $9 million as a reduction to interest expense related to the realized amount associated with the IR Swaps.
Note 11 — Equity

Preferred Stock

The Company is authorized to issue up to 50,000,000 shares of preferred stock. The Company's Board of Directors is authorized, subject to limitations prescribed by Nevada law and the Company's articles of incorporation, to determine the terms and conditions of the preferred stock, including whether the shares of preferred stock will be issued in one or more series, the number of shares to be included in each series and the powers, designations, preferences and rights of the shares. The Company's Board of Directors also is authorized to designate any qualifications, limitations or restrictions on the shares without any further vote or action by the stockholders.

Common Stock

Dividends

On March 30, June 28, September 27 and December 27, 2018, the Company paid a dividend of $0.75 per common share as part of a regular cash dividend program. During the year ended December 31, 2018, the Company recorded $2.35 billion as a distribution against retained earnings (of which $1.30 billion related to the Principal Stockholder and his family and the remaining $1.05 billion related to all other shareholders).

On March 31, June 30, September 29 and December 29, 2017, the Company paid a dividend of $0.73 per common share as part of a regular cash dividend program. During the year ended December 31, 2017, the Company recorded $2.31 billion as a distribution against retained earnings (of which $1.26 billion related to the Principal Stockholder and his family and the remaining $1.05 billion related to all other shareholders).

On March 31, June 30, September 30 and December 30, 2016, the Company paid a dividend of $0.72 per common share as part of a regular cash dividend program. During the year ended December 31, 2016, the Company recorded $2.29 billion as a distribution against retained earnings (of which $1.24 billion related to the Principal Stockholder and his family and the remaining $1.05 billion related to all other shareholders).

In January 2019, as part of a regular cash dividend program, the Company's Board of Directors declared a quarterly dividend of $0.77 per common share (a total estimated to be approximately $597 million) to be paid on March 28, 2019, to shareholders of record on March 20, 2019.

Repurchase Program

In October 2014, the Company's Board of Directors authorized the repurchase of $2.0 billion of its outstanding common stock, which expired in October 2016. In November 2016, the Company's Board of Directors authorized the repurchase of $1.56 billion of its outstanding common stock, which was to expire in November 2018. In June 2018, the Company's Board of Directors authorized increasing the remaining repurchase amount of $1.11 billion to $2.50 billion and extending the expiration date to November 2020. Repurchases of the Company's common stock are made at the Company's discretion in accordance with applicable federal securities laws in the open market or otherwise. The timing and actual number of shares to be repurchased in the future will depend on a variety of factors, including the Company's financial position, earnings, legal requirements, other investment opportunities and market conditions. During the years ended December 31, 2018 and 2017, the Company repurchased 14,998,127 and 6,194,137 shares, respectively, of its common stock for $905 million and $375 million, respectively, (including commissions) under the Company's current program. During the year ended December 31, 2016, no shares were repurchased. All share repurchases of the Company's common stock have been recorded as treasury stock.
**Rollforward of Shares of Common Stock**

A summary of the outstanding shares of common stock is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2016</td>
<td>794,645,310</td>
</tr>
<tr>
<td>Exercise of stock options</td>
<td>233,804</td>
</tr>
<tr>
<td>Issuance of restricted stock</td>
<td>61,546</td>
</tr>
<tr>
<td>Vesting of restricted stock units</td>
<td>28,750</td>
</tr>
<tr>
<td>Forfeiture of unvested restricted stock</td>
<td>(9,318)</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2016</strong></td>
<td><strong>794,960,092</strong></td>
</tr>
<tr>
<td>Exercise of stock options</td>
<td>617,612</td>
</tr>
<tr>
<td>Issuance of restricted stock</td>
<td>37,270</td>
</tr>
<tr>
<td>Vesting of restricted stock units</td>
<td>64,150</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>(6,194,137)</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2017</strong></td>
<td><strong>789,484,987</strong></td>
</tr>
<tr>
<td>Exercise of stock options</td>
<td>1,007,551</td>
</tr>
<tr>
<td>Issuance of restricted stock</td>
<td>10,296</td>
</tr>
<tr>
<td>Vesting of restricted stock units</td>
<td>5,000</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>(15,044,620)</td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2018</strong></td>
<td><strong>775,463,214</strong></td>
</tr>
</tbody>
</table>

**Other Equity Transactions**

In addition to the shares repurchased under the share repurchase program, during the year ended December 31, 2018, the Company repurchased 46,493 shares in satisfaction of tax withholding and exercise price obligations on stock option exercises.

**Noncontrolling Interests**

**SCL**

On February 23 and June 22, 2018, SCL paid a dividend of 0.99 Hong Kong dollars (“HKD”) and HKD 1.00 per share, respectively, to SCL shareholders (a total of $2.05 billion, of which the Company retained $1.44 billion during the year ended December 31, 2018).

On February 24 and June 23, 2017, SCL paid a dividend of HKD 0.99 and HKD 1.00 per share, respectively, to SCL shareholders (a total of $2.07 billion, of which the Company retained $1.45 billion during the year ended December 31, 2017).

On February 26 and June 24, 2016, SCL paid a dividend of HKD 0.99 and HKD 1.00 per share, respectively, to SCL shareholders (a total of $2.07 billion, of which the Company retained $1.45 billion during the year ended December 31, 2016).

In January 2019, the Board of Directors of SCL declared a dividend of HKD 0.99 per share (a total of $1.02 billion, of which the Company retained approximately $715 million) to SCL shareholders of record on February 4, 2019, which was paid on February 22, 2019.

**Other**

During the years ended December 31, 2018, 2017 and 2016, the Company distributed $12 million, $13 million and $15 million, respectively, to certain of its noncontrolling interests.
Note 12 — Income Taxes

Consolidated income before taxes and noncontrolling interests for domestic and foreign operations is as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>$3,164</td>
<td>$2,806</td>
<td>$2,227</td>
</tr>
<tr>
<td>Domestic</td>
<td>162</td>
<td>248</td>
<td>37</td>
</tr>
<tr>
<td>Total income before income taxes</td>
<td>$3,326</td>
<td>$3,054</td>
<td>$2,264</td>
</tr>
</tbody>
</table>

The components of the income tax expense (benefit) are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>$245</td>
<td>$258</td>
<td>$206</td>
</tr>
<tr>
<td>Deferred</td>
<td>(12)</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td>Federal:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>15</td>
<td>30</td>
<td>9</td>
</tr>
<tr>
<td>Deferred</td>
<td>135</td>
<td>(509)</td>
<td>(5)</td>
</tr>
<tr>
<td>State:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>2</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Deferred</td>
<td>(10)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total income tax expense (benefit)</td>
<td>$375</td>
<td>$(209)</td>
<td>$239</td>
</tr>
</tbody>
</table>

The reconciliation of the statutory federal income tax rate and the Company's effective tax rate is as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory federal income tax rate</td>
<td>21.0%</td>
<td>35.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Increase (decrease) in tax rate resulting from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax exempt income of foreign subsidiary</td>
<td>(8.3)%</td>
<td>(7.9)%</td>
<td>(8.7)%</td>
</tr>
<tr>
<td>Foreign and U.S. tax rate differential</td>
<td>(6.5)%</td>
<td>(18.8)%</td>
<td>(20.4)%</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>4.5%</td>
<td>18.3%</td>
<td>43.2%</td>
</tr>
<tr>
<td>Repatriation of foreign earnings</td>
<td>—%</td>
<td>72.1%</td>
<td>79.8%</td>
</tr>
<tr>
<td>U.S. foreign tax credits</td>
<td>—%</td>
<td>(105.9)%</td>
<td>(119.3)%</td>
</tr>
<tr>
<td>Other, net</td>
<td>0.6%</td>
<td>0.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>11.3%</td>
<td>(6.8)%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

The Company enjoys an income tax exemption in Macao that exempts the Company from paying corporate income tax on profits generated by gaming operations. In August 2018, VML received an additional exemption from Macao's corporate income tax on profits generated by the operation of casino games of chance through June 26, 2022, the date VML's subconcession agreement expires. Had the Company not received the income tax exemption in Macao, consolidated net income attributable to LVSC would have been reduced by $184 million, $158 million, and $127 million, and diluted earnings per share would have been reduced by $0.23, $0.20, and $0.16 per share for the years ended December 31, 2018, 2017, and 2016, respectively. In May 2014, the Company entered into an agreement with the Macao government, which was effective through the end of 2018 and provided for an annual payment of 42 million patacas (approximately $5 million at exchange rates in effect on December 31, 2018) that is a substitution for a 12% tax otherwise due from VML shareholders on dividend distributions paid from VML gaming profits. In September 2018,
VML requested an additional agreement with the Macao government through June 26, 2022, to correspond to the expiration of the income tax exemption for gaming operations; however, there is no assurance VML will receive the additional agreement, which could have a significant impact on the Company's tax obligation in Macao. In September 2013, the Company and the Internal Revenue Service entered into a Pre-Filing Agreement providing the Macao special gaming tax (35% of gross gaming revenue) qualifies as a tax paid in lieu of an income tax and could be claimed as a U.S. foreign tax credit.

The Company's foreign and U.S. tax rate differential reflects the fact that U.S. tax rates are higher than the statutory tax rates in Singapore and Macao of 17% and 12%, respectively.

U.S. tax reform made significant changes to U.S. income tax laws including lowering the U.S. corporate tax rate to 21% effective beginning in 2018 and transitioning from a worldwide tax system to a territorial tax system resulting in dividends from the Company's foreign subsidiaries not being subject to U.S. income tax and therefore, no longer generating U.S. foreign tax credits. As a result, during the year ended December 31, 2017, the Company recorded a tax benefit of $526 million relating to the reduction of the valuation allowance on certain deferred tax assets previously determined not likely to be utilized and also the revaluation of its U.S. deferred tax liabilities at the reduced corporate income tax rate of 21%. The Company recorded this impact of enactment of U.S. tax reform subject to SAB 118, which provided for a twelve-month measurement period to complete the accounting required under ASC 740, Income Taxes.

During the year ended December 31, 2018, the Company recorded a tax expense of $57 million resulting from recently issued guidance by the IRS related to certain international provisions of U.S. tax reform. While management believes the amounts recorded during the year ended December 31, 2018, reasonably represent the ultimate impact of U.S. tax reform on the Company's consolidated financial statements, it is possible the Company may adjust these amounts for future related administrative guidance, notices, implementation regulations, potential legislative amendments and interpretations as the Act continues to evolve. These adjustments could have an impact on the Company's tax assets and liabilities, effective tax rate, net income and earnings per share.
The primary tax affected components of the Company's net deferred tax assets (liabilities) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred tax assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. foreign tax credit carryforwards</td>
<td>$4,919</td>
<td>$4,937</td>
</tr>
<tr>
<td>Net operating loss carryforwards</td>
<td>271</td>
<td>262</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Deferred gain on the sale of The Grand Canal Shoppes and The Shoppes at The Palazzo</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Pre-opening expenses</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>State deferred items</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total deferred tax assets</strong></td>
<td>5,271</td>
<td>5,288</td>
</tr>
<tr>
<td><strong>Less — valuation allowances</strong></td>
<td>(4,769)</td>
<td>(4,690)</td>
</tr>
<tr>
<td><strong>Total deferred tax assets, net</strong></td>
<td>$177</td>
<td>$287</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>(245)</td>
<td>(246)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(3)</td>
<td>(5)</td>
</tr>
<tr>
<td>Other</td>
<td>(77)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Total deferred tax liabilities</strong></td>
<td>(325)</td>
<td>(311)</td>
</tr>
<tr>
<td><strong>Deferred tax assets, net</strong></td>
<td>$177</td>
<td>$287</td>
</tr>
</tbody>
</table>

U.S. tax reform required the Company to compute a one-time mandatory tax on the previously unremitted earnings of its foreign subsidiaries during the year ended December 31, 2017. This one-time deemed repatriation of these earnings did not result in a cash tax liability for the Company as the incremental U.S. taxable income was fully offset by the utilization of the U.S. foreign tax credits generated as a result of the deemed repatriation. In addition, the deemed repatriation generated excess U.S. foreign tax credits, which were carried forward to tax years 2018 and beyond. The Company's U.S. foreign tax credit carryforwards were $4.99 billion and $5.0 billion as of December 31, 2018 and 2017, respectively, which will begin to expire in 2021. The Company's state net operating loss carryforwards were $232 million and $237 million as of December 31, 2018 and 2017, respectively, which will begin to expire in 2029. There was a valuation allowance of $4.50 billion and $4.43 billion as of December 31, 2018 and 2017, respectively, provided on certain net U.S. deferred tax assets, as the Company believes these assets do not meet the "more-likely-than-not" criteria for recognition. Net operating loss carryforwards for the Company's foreign subsidiaries were $2.21 billion and $2.14 billion as of December 31, 2018 and 2017, respectively, which will begin to expire in 2019. There are valuation allowances of $268 million and $261 million as of December 31, 2018 and 2017, respectively, provided on the net deferred tax assets of certain foreign jurisdictions, as the Company believes these assets do not meet the "more-likely-than-not" criteria for recognition.

Undistributed earnings of subsidiaries are accounted for as a temporary difference, except deferred tax liabilities are not recorded for undistributed earnings of foreign subsidiaries deemed to be indefinitely reinvested in foreign jurisdictions. U.S. tax reform required the Company to compute a tax on previously unremitted earnings of its foreign subsidiaries upon transition from a worldwide tax system to a territorial tax system during the year ended December 31, 2017. The Company expects these earnings to be exempt from U.S. income tax if distributed as these earnings were taxed during the year ended December 31, 2017, under U.S. tax reform. The Company does not consider current year's tax earnings and profits of its foreign subsidiaries to be indefinitely reinvested. Beginning with the year ended December 31, 2015, the Company's major foreign subsidiaries distributed, and may continue to distribute, earnings in
excess of their current year’s tax earnings and profits in order to meet the Company's liquidity needs. As of December 31, 2018, the amount of earnings and profits of foreign subsidiaries the Company does not intend to repatriate was $3.53 billion. The Company does not expect withholding taxes or other foreign income taxes to apply should these earnings be distributed in the form of dividends or otherwise. If the Company’s current agreement with the Macao government that provides for a fixed annual payment that is a substitution for a 12% tax otherwise due on dividend distributions from the Company's Macao gaming operations is not extended beyond December 31, 2018, a 12% tax would be due on distributions from earnings generated after 2018.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018 (In millions)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>$92</td>
<td>$74</td>
<td>$65</td>
</tr>
<tr>
<td>Additions to tax positions related to prior years</td>
<td>2</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Additions to tax positions related to current year</td>
<td>24</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Settlements</td>
<td>—</td>
<td>—</td>
<td>(10)</td>
</tr>
<tr>
<td>Lapse in statutes of limitations</td>
<td>—</td>
<td>(1)</td>
<td>(2)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>$118</td>
<td>$92</td>
<td>$74</td>
</tr>
</tbody>
</table>

As of December 31, 2018, 2017 and 2016, unrecognized tax benefits of $67 million, $62 million and $58 million, respectively, were recorded as reductions to the U.S. foreign tax credit deferred tax asset. As of December 31, 2018, 2017 and 2016, unrecognized tax benefits of $51 million, $30 million and $16 million, respectively, were recorded in other long-term liabilities.

Included in the unrecognized tax benefit balance as of December 31, 2018, 2017 and 2016, are $103 million, $80 million and $65 million, respectively, of uncertain tax benefits that would affect the effective income tax rate if recognized.

The Company's major tax jurisdictions are the U.S., Macao, and Singapore. The Company could be subject to examination for tax years beginning 2010 in the U.S. and tax years beginning in 2014 in Macao and Singapore. The Company believes it has adequately reserved for its uncertain tax positions; however, there is no assurance the taxing authorities will not propose adjustments that are different from the Company's expected outcome and it could impact the provision for income taxes.

The Company recognizes interest and penalties, if any, related to unrecognized tax positions in the provision for income taxes in the accompanying consolidated statement of operations. Interest and penalties of $3 million and $1 million were accrued as of December 31, 2018 and 2017, respectively. No interest or penalties were accrued as of December 31, 2016. The Company does not expect a significant increase or decrease in unrecognized tax benefits over the next twelve months.

Note 13 — Fair Value Measurements

Under applicable accounting guidance, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance also establishes a valuation hierarchy for inputs in measuring fair value that maximizes the use of observable inputs (inputs market participants would use based on market data obtained from sources independent of the Company) and minimizes the use of unobservable inputs (inputs that reflect the Company's assumptions based upon the best information available in the circumstances) by requiring the most observable inputs be used when available. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the assets or liabilities, either directly or indirectly. Level 3 inputs are unobservable inputs for the assets or liabilities. Categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.
The Company used foreign currency forward contracts as effective economic hedges to manage a portion of its foreign currency exposure, the last of which expired in December 2017. Foreign currency forward contracts involve the purchase and sale of a designated currency at an agreed upon rate for settlement on a specified date. The aggregate notional value of these foreign currency contracts was $427 million as of December 31, 2016. As these derivatives were not designated and/or did not qualify for hedge accounting, the changes in fair value were recognized as other income (expense) in the accompanying consolidated statements of operations. For the years ended December 31, 2017 and 2016, the Company recorded in other income (expense) a $12 million loss and $10 million gain, respectively, related to the change in fair value of the forward contracts.

Cash equivalents, which are short-term investments with original maturities of less than 90 days, had an estimated fair value of $2.64 billion and $1.05 billion as of December 31, 2018 and 2017, respectively. The estimated fair value of the Company's cash equivalents is based on level 1 inputs (quoted market prices in active markets).

Note 14 — Mall Activities

Operating Leases

The Company leases space at several of its Integrated Resorts to various third parties. These leases are non-cancelable operating leases with remaining lease periods that vary from 1 month to 18 years. The leases include minimum base rents with escalated contingent rent clauses. As of December 31, 2018, the future minimum rentals on these non-cancelable leases are as follows (in millions, at exchange rates in effect on December 31, 2018):

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>457</td>
</tr>
<tr>
<td>2020</td>
<td>366</td>
</tr>
<tr>
<td>2021</td>
<td>269</td>
</tr>
<tr>
<td>2022</td>
<td>184</td>
</tr>
<tr>
<td>2023</td>
<td>80</td>
</tr>
<tr>
<td>Thereafter</td>
<td>140</td>
</tr>
<tr>
<td>Total minimum future rentals</td>
<td>$1,496</td>
</tr>
</tbody>
</table>

The total minimum future rentals do not include the escalated contingent rent clauses. Contingent rentals amounted to $88 million, $48 million and $36 million for the years ended December 31, 2018, 2017 and 2016, respectively.

The Grand Canal Shoppes at The Venetian Resort Las Vegas

In April 2004, the Company entered into an agreement to sell the portion of the Grand Canal Shoppes located within The Venetian Resort Las Vegas (formerly referred to as "The Grand Canal Shoppes") and lease certain restaurant and other retail space at the casino level of The Venetian Resort Las Vegas (the "Master Lease") to GGP for approximately $766 million (the "Mall Sale"). The Mall Sale closed in May 2004, and the Company realized a gain of $418 million in connection with the Mall Sale. Under the Master Lease agreement, The Venetian Las Vegas leased nineteen retail and restaurant spaces on its casino level to GGP for 89 years with annual rent of one dollar and GGP assumed the various leases. In accordance with related accounting standards, the Master Lease agreement does not qualify as a sale of the real property assets, which real property was not separately legally demised. Accordingly, $109 million of the transaction has been deferred as prepaid operating lease payments to The Venetian Resort Las Vegas, which will amortize into income on a straight-line basis over the 89-year lease term. During each of the years ended December 31, 2018, 2017 and 2016, $1 million of this deferred item was amortized and included in convention, retail and other revenue. In addition, the Company agreed with GGP to: (i) continue to be obligated to fulfill certain lease termination and asset purchase agreements; (ii) lease theater space located within The Grand Canal Shoppes from GGP for a period of 25 years with fixed minimum rent of $3 million per year with cost of living adjustments; (iii) operate the Gondola ride under an operating agreement for a period of 25 years for an annual fee of $4 million; and (iv) lease certain office space from GGP for a period of 10 years, subject to extension options for a period of up to 65 years, with annual rent of approximately $1 million. The lease payments under clauses (ii) through (iv) above are subject to automatic increases beginning on the sixth lease year. The net present value of the lease payments under clauses (ii) through (iv) on the closing date of...
the sale was $77 million. In accordance with related accounting standards, a portion of the transaction must be deferred in an amount equal to the present value of the minimum lease payments set forth in the lease back agreements. This deferred gain will be amortized to reduce lease expense on a straight-line basis over the lives of the leases. During each of the years ended December 31, 2018, 2017 and 2016, $3 million of this deferred item was amortized as an offset to convention, retail and other expense.

The Shoppes at The Palazzo

The Company contracted to sell a portion of the Grand Canal Shoppes (formerly referred to as The Shoppes at The Palazzo) to GGP and under the terms of the settlement with GGP on June 24, 2011, the Company retained $295 million of proceeds received and participates in certain potential future revenues earned by GGP. Pursuant to the Amended Agreement, the Company agreed with GGP to lease certain spaces located within The Shoppes at The Palazzo. As the transaction has not been accounted for as a sale in accordance with related accounting standards, $265 million of the mall sale transaction has been recorded as deferred proceeds from the sale as of December 31, 2018, which accrues interest at an imputed interest rate, offset by (i) imputed rental income and (ii) rent payments made to GGP related to those spaces leased back from GGP.

In the Amended Agreement, the Company agreed to lease certain restaurant and retail space on the casino level of The Palazzo Tower to GGP pursuant to a master lease agreement ("The Palazzo Master Lease"). Under The Palazzo Master Lease, which was executed concurrently with, and as a part of, the closing on the sale of The Shoppes at The Palazzo to GGP on February 29, 2008, the Company leased nine restaurant and retail spaces on the casino level within the Palazzo Tower to GGP for 89 years with annual rent of one dollar and GGP assumed the various tenant operating leases for those spaces. In accordance with related accounting standards, The Palazzo Master Lease does not qualify as a sale of the real property, which real property was not separately legally demised. Accordingly, $23 million of the mall sale transaction has been deferred as prepaid operating lease payments to the Company, which is amortized into income on a straight-line basis over the 89-year lease term.

Note 15 — Commitments and Contingencies

Litigation

The Company is involved in other litigation in addition to those noted below, arising in the normal course of business. Management has made certain estimates for potential litigation costs based upon consultation with legal counsel and has accrued a nominal amount for such costs as of December 31, 2018. Actual results could differ from these estimates; however, in the opinion of management, such litigation and claims will not have a material effect on the Company's financial condition, results of operations and cash flows.

Round Square Company Limited v. Las Vegas Sands Corp.

On October 15, 2004, Richard Suen and Round Square Company Limited ("Roundsquare") filed an action against LVSC, Las Vegas Sands, Inc. ("LVSI"), Sheldon G. Adelson and William P. Weidner in the District Court of Clark County, Nevada (the "District Court"), asserting a breach of an alleged agreement to pay a success fee of $5 million and 2.0% of the net profit from the Company's Macao resort operations to the plaintiffs as well as other related claims. In March 2005, LVSC was dismissed as a party without prejudice based on a stipulation to do so between the parties. Pursuant to an order filed March 16, 2006, plaintiffs' fraud claims set forth in the first amended complaint were dismissed with prejudice against all defendants. The order also dismissed with prejudice the first amended complaint against defendants Sheldon G. Adelson and William P. Weidner. On May 24, 2008, the jury returned a verdict for the plaintiffs in the amount of $44 million. On June 30, 2008, a judgment was entered in this matter in the amount of $59 million (including pre-judgment interest). The Company appealed the verdict to the Nevada Supreme Court. On November 17, 2010, the Nevada Supreme Court reversed the judgment and remanded the case to the District Court for a new trial. In its decision reversing the monetary judgment against the Company, the Nevada Supreme Court also made several other rulings, including overturning the pre-trial dismissal of the plaintiffs' breach of contract claim and deciding several evidentiary matters, some of which confirmed and some of which overturned rulings made by the District Court. On February 27, 2012, the District Court set a date of March 25, 2013, for the new trial. On June 22, 2012, the defendants filed a request to add experts and plaintiffs filed a motion seeking additional financial data as part of their discovery.
LAS VEGAS SANDS CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The District Court granted both requests. The retrial began on March 27 and on May 14, 2013, the jury returned a verdict in favor of Roundsquare in the amount of $70 million. On May 28, 2013, a judgment was entered in the matter in the amount of $102 million (including pre-judgment interest). On June 7, 2013, the Company filed a motion with the District Court requesting the judgment be set aside as a matter of law or in the alternative that a new trial be granted. On July 30, 2013, the District Court denied the Company's motion. On October 17, 2013, the District Court entered an order granting plaintiff's request for certain costs and fees associated with the litigation in the amount of approximately $1 million. On December 6, 2013, the Company filed a notice of appeal of the jury verdict with the Nevada Supreme Court. The Company filed its opening appellate brief with the Nevada Supreme Court on June 16, 2014. On August 19, 2014, the Nevada Supreme Court issued an order granting plaintiff's additional time until September 15, 2014, to file their answering brief. On September 15, 2014, Roundsquare filed a request to the Nevada Supreme Court to file a brief exceeding the maximum number of words, which was granted. On October 10, 2014, Roundsquare filed its answering brief. On January 12, 2015, the defendants filed their reply brief. On January 27, 2015, Roundsquare filed its reply brief. The Nevada Supreme Court set oral argument for December 17, 2015, before a panel of justices only to reset it for January 26, 2016, en banc. Oral arguments were presented to the Nevada Supreme Court as scheduled. On March 11, 2016, the Nevada Supreme Court issued an order affirming the judgment of liability, but reversing the damages award and remanding for a new trial on damages. On March 29, 2016, Roundsquare filed a petition for rehearing. The Nevada Supreme Court ordered an answer by the Company, which the Company filed on May 4, 2016. On May 12, 2016, Roundsquare filed a motion for leave to file a reply brief in support of its petition for rehearing, and on May 19, 2016, the Company filed an opposition to that motion. On June 24, 2016, the Nevada Supreme Court issued an order granting Roundsquare's petition for rehearing and submitting the appeal for decision on rehearing without further briefing or oral argument. On July 22, 2016, the Nevada Supreme Court once again ordered a new trial as to plaintiff Roundsquare on the issue of quantum merit damages. A pre-trial hearing was set in District Court for December 12, 2016. At the December 12, 2016 hearing, the District Court indicated it would allow a scope of trial and additional discovery into areas the Company opposed as inconsistent with the Nevada Supreme Court's remand. The District Court issued a written order on the scope of trial and discovery dated December 15, 2016. On January 5, 2017, the Company moved for a stay of proceedings in the District Court, pending the Nevada Supreme Court's resolution of the Company's petition for writ of mandamus or prohibition, which was filed on January 13, 2017. On February 13, 2017, the District Court denied the motion to stay proceedings and, on February 16, 2017, the Nevada Supreme Court denied the writ. The parties are presently engaged in discovery and the damages trial date has been set to begin on March 4, 2019. The Company has accrued a nominal amount for estimated costs related to this legal matter as of December 31, 2018. In the event the Company's assumptions used to evaluate this matter change in future periods, it may be required to record an additional liability for an adverse outcome. The Company intends to defend this matter vigorously.


On January 19, 2012, Asian American Entertainment Corporation, Limited ("AAEC") filed a claim (the "Macao action") with the Macao Judicial Court (Tribunal Judicial de Base) against VML, LVS (Nevada) International Holdings, Inc. ("LVS (Nevada)"), Las Vegas Sands, LLC ("LVSLLC") and Venetian Casino Resort, LLC ("VCR") (collectively, the "Defendants"). The claim is for 3.0 billion patacas (approximately $372 million at exchange rates in effect on December 31, 2018) as compensation for damages resulting from the alleged breach of agreements entered into between AAEC and LVS (Nevada), LVSLLC and VCR (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 July 4, 2012, the Defendants filed their defense to the Macao action with the Macao Judicial Court. AAEC then filed a reply that included several amendments to the original claim, although the amount of the claim was not amended. On January 4, 2013, the Defendants filed an amended defense to the amended claim with the Macao Judicial Court. On September 23, 2013, the U.S. Defendants filed a motion with the Macao Second Instance Court, seeking recognition and enforcement of the U.S. Court of Appeals ruling in the Prior Action, referred to below, given on April 10, 2009, which partially dismissed AAEC's claims against the U.S. Defendants.

On March 24, 2014, the Macao Judicial Court issued a Decision (Despacho Seneador) 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. The Macao
Judicial Court further held that the existence of the pending application for recognition and enforcement of the U.S. Court of Appeals ruling before the Macao Second Instance Court did not justify a stay of the proceedings against the U.S. Defendants at the present time, although in principle an application for a stay of the proceedings against the U.S. Defendants could be reviewed after the Macao Second Instance Court had issued its decision. On June 25, 2014, the Macao Second Instance Court delivered a decision, which gave formal recognition to and allowed enforcement in Macao of the judgment of the U.S. Court of Appeals, dismissing AAEC's claims against the U.S. Defendants.

AAEC appealed against the recognition decision to the Macao Court of Final Appeal, which, on May 6, 2015, dismissed the appeal and held the U.S. judgment to be final and have preclusive effect. The Macao Court of Final Appeal's decision became final on May 21, 2015. On June 5, 2015, the U.S. Defendants applied to the Macao Judicial Court to dismiss the claims against them as res judicata. AAEC filed its response to that application on June 30, 2015. The U.S. Defendants filed their reply on July 23, 2015. On September 14, 2015, the Macao Judicial Court admitted two further legal opinions from Portuguese and U.S. law experts. On March 16, 2016, the Macao Judicial Court dismissed the defense of res judicata. An appeal against that decision was lodged on April 7, 2016, together with a request that the appeal be heard immediately. By a decision dated April 13, 2016, the Macao Judicial Court accepted that the appeal be heard immediately. Legal arguments were submitted May 23, 2016. AAEC replied to the legal arguments on or about July 14, 2016, which was three days late, upon payment of a penalty. The U.S. Defendants submitted a response on September 20, 2016. On December 13, 2016, the Macao Judicial Court confirmed its earlier decision not to stay the proceedings pending appeal. As of the end of December 2016, all appeals (including VML's dismissal and the res judicata appeals) were being transferred to the Macao Second Instance Court. On May 11, 2017, the Macao Second Instance Court notified the parties of its decision of refusal to deal with the appeals at the present time. The Macao Second Instance Court ordered the court file be transferred back to the Macao Judicial Court. Evidence gathering by the Macao Judicial Court commenced by letters rogatory. On June 30, 2017, the Macao Judicial Court sent letters rogatory to the Public Prosecutor's office, for onward transmission to relevant authorities in the U.S. and Hong Kong. On August 10, 2017, the Hong Kong Mutual Legal Assistance Unit, International Law Division, Hong Kong Department of Justice ("HKMLAU") responded to the Public Prosecutor and requested additional information. On August 18, 2017, the Public Prosecutor forwarded the HKMLAU request to the Macao Judicial Court. On November 14, 2017, the Public Prosecutor replied to the HKMLAU. The HKMLAU sent a further communication to the Public Prosecutor on November 29, 2017, again requesting the Macao Judicial Court provide further information to enable processing of the Hong Kong letter rogatory. On January 6, 2018, the Macao Judicial Court notified the parties accordingly. On February 10, 2018, the Macao Judicial Court notified the parties that a communication dated January 25, 2018, had been received from the U.S. Department of Justice. The Macao Judicial Court extended the time for processing the letters rogatory until the end of June 2018. On May 7, 2018, the Macao Judicial Court further extended the time for processing one of the letters rogatory until mid-September 2018, which was further extended on August 16, 2018, to mid-November 2018. The trial of this matter has been scheduled by the Macao Judicial Court for mid-September 2019.

On March 25, 2015, application was made by the U.S. Defendants to the Macao Judicial Court to revoke the legal aid granted to AAEC, accompanied by a request for evidence taking from AAEC, relating to the fees and expenses that they incurred and paid in the U.S. subsequent action referred to below. The Macao Public Prosecutor has opposed the action on the ground of lack of evidence that AAEC's financial position has improved. No decision has been issued in respect to that application up to the present time. A complaint against AAEC's Macao lawyer arising from certain conduct in relation to recent U.S. proceedings was submitted to the Macao Lawyer's Association on October 19, 2015. A letter dated February 26, 2016, has been received from the Conselho Superior de Advocacia of the Macao Bar Association advising that disciplinary proceedings have commenced. A further letter dated April 5, 2016, was received from the Conselho Superior de Advocacia requesting confirmation that the signatories of the complaint were acting within their corporate authority. In a letter dated April 14, 2016, such confirmation was provided. On September 28, 2016, the Conselho Superior de Advocacia invited comments on the defense, which had been lodged by AAEC's Macao lawyer.

On July 9, 2014, the plaintiff filed another action in the U.S. District Court against LVSC, LVSLLC, VCR (collectively, the "LVSC entities"), Sheldon G. Adelson, William P. Weidner, David Friedman and Does 1-50 for declaratory judgment, equitable accounting, misappropriation of trade secrets, breach of confidence and conversion
The claim is for $5.0 billion. On November 4, 2014, plaintiff finally effected notice on the LVSC entities, which was followed by a motion to dismiss by the LVSC entities on November 10, 2014. Plaintiff failed to timely respond, and on December 2, 2014, the LVSC entities moved for immediate dismissal and sanctions against plaintiff and his counsel for bringing a frivolous lawsuit. On December 19, 2014, plaintiff filed an incomplete and untimely response, which was followed by plaintiff's December 27, 2014 notice of withdrawal of the lawsuit and the LVSC entities' December 29, 2014, reply in favor of sanctions and dismissal with prejudice. On August 31, 2015, the judge dismissed the U.S. action and the LVSC entities' sanctions motion. The Macao action is in a preliminary stage and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. The Company intends to defend this matter vigorously.

As previously disclosed by the Company, on February 5, 2007, AAEC brought a similar claim (the "Prior Action") in the U.S. District Court, against LVSI (now known as LVSLLC), VCR and Venetian Venture Development, LLC, which are subsidiaries of the Company, and William P. Weidner and David Friedman, who are former executives of the Company. The U.S. District Court entered an order on April 16, 2010, dismissing the Prior Action. On April 20, 2012, LVSLLC, VCR and LVS (Nevada) filed an injunctive action (the "Nevada Action") against AAEC in the U.S. District Court seeking to enjoin AAEC from proceeding with the Macao Action based on AAEC's filing, and the U.S. District Court's dismissal, of the Prior Action. On June 14, 2012, the U.S. District Court issued an order that denied the motions requesting the Nevada Action, thereby effectively dismissing the Nevada Action.

Macao 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 Casino Company Limited ("Galaxy"), a consortium of Macao and Hong Kong-based investors. During December 2002, VML and Galaxy entered into a subconcession agreement that was recognized and approved by the Macao government and allows VML to develop and operate casino projects, including The Venetian Macao, Sands Cotai Central, The Parisian Macao, the Plaza Casino at the The Plaza Macao and Four Seasons Hotel Macao and Sands Macao separately from Galaxy. Beginning on December 26, 2017, the Macao government may redeem the subconcession agreement by providing the Company at least one-year prior notice.

Under the subconcession, the Company 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 30 million patacas (approximately $4 million at exchange rates in effect on December 31, 2018). The variable portion is equal to 300,000 patacas per gaming table reserved exclusively for certain kinds of games or players, 150,000 patacas per gaming table not so reserved and 1,000 patacas per electrical or mechanical gaming machine, including slot machines (approximately $37,195, $18,598 and $124, respectively, at exchange rates in effect on December 31, 2018), subject to a minimum of 45 million patacas (approximately $6 million at exchange rates in effect on December 31, 2018). The Company is also obligated to pay a special gaming tax of 35% of gross gaming revenues and applicable withholding taxes. The Company 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 of December 31, 2018, the Company was obligated under its subconcession to make minimum future payments of approximately $42 million during each of the three years in the period ending December 31, 2021, and approximately $21 million during the year ending December 31, 2022.
Operating Leases

The Company leases real estate, including the Macao and Singapore leasehold interests in land, and various equipment under operating lease arrangements with terms in excess of one year. As of December 31, 2018, the Company was obligated under non-cancelable operating leases to make future minimum lease payments as follows (in millions):

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>35</td>
</tr>
<tr>
<td>2020</td>
<td>27</td>
</tr>
<tr>
<td>2021</td>
<td>24</td>
</tr>
<tr>
<td>2022</td>
<td>23</td>
</tr>
<tr>
<td>2023</td>
<td>22</td>
</tr>
<tr>
<td>Thereafter</td>
<td>294</td>
</tr>
<tr>
<td>Total minimum payments</td>
<td>$425</td>
</tr>
</tbody>
</table>

Expenses incurred under operating lease agreements, including amortization of leasehold interest in land and those that are short-term and variable-rate in nature, totaled $94 million, $116 million and $109 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Note 16 — Stock-Based Employee Compensation

The Company has two equity award plans for grants of options to purchase the Company's common stock and ordinary shares of SCL (the "2004 Plan" and the "SCL Equity Plan," respectively), which are described below. The plans provide for the granting of equity awards pursuant to the applicable provisions of the Internal Revenue Code and regulations.

Las Vegas Sands Corp. 2004 Equity Award Plan

The 2004 Plan gives the Company a competitive edge in attracting, retaining and motivating employees, directors and consultants and to provide the Company with a stock plan providing incentives directly related to increases in its stockholder value. Any of the Company's subsidiaries' or affiliates' employees, directors or officers and many of its consultants are eligible for awards under the 2004 Plan. The 2004 Plan originally had a term of ten years, but in June 2014, the Company's Board of Directors approved an amendment to the 2004 Plan, extending the term to December 2019. The compensation committee may grant awards of nonqualified stock options, incentive (qualified) stock options, stock appreciation rights, restricted stock awards, restricted stock units, stock bonus awards, performance compensation awards or any combination of the foregoing. As of December 31, 2018, there were 917,674 shares available for grant under the 2004 Plan.

Stock option awards are granted with an exercise price equal to the fair market value (as defined in the 2004 Plan) of the Company's stock on the date of grant. The outstanding stock options generally vest over three to four years and have ten-year contractual terms. Compensation cost for all stock option grants, which all have graded vesting, is recognized on a straight-line basis over the awards' respective requisite service periods. The Company estimates the fair value of stock 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 stock 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 stock option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield is based on the estimate of annual dividends expected to be paid at the time of the grant.

Sands China Ltd. Equity Award Plan

The SCL Equity Plan gives SCL a competitive edge in attracting, retaining and motivating employees, directors and consultants and to provide SCL with a stock plan providing incentives directly related to increases in its stockholder value. Subject to certain criteria as defined in the SCL Equity Plan, SCL's subsidiaries' or affiliates' employees, directors
or officers and many of its consultants are eligible for awards under the SCL Equity Plan. The SCL Equity Plan provides for an aggregate of 804,786,508 shares of SCL’s common stock to be available for awards. The SCL Equity Plan has a term of ten years and no further awards may be granted after the expiration of the term. SCL’s remuneration committee may grant awards of stock options, stock appreciation rights, restricted stock awards, restricted stock units, stock bonus awards, performance compensation awards or any combination of the foregoing. As of December 31, 2018, there were 714,665,526 shares available for grant under the SCL Equity Plan.

Stock option awards are granted with an exercise price not less than (i) the closing price of SCL's stock on the date of grant or (ii) the average closing price of SCL’s stock for the five business days immediately preceding the date of grant. The outstanding stock options generally vest over four years and have ten-year contractual terms. Compensation cost for all stock option grants, which all have graded vesting is recognized on a straight-line basis over the awards’ respective requisite service periods. SCL estimates the fair value of stock options using the Black-Scholes option-pricing model. Expected volatilities are based on SCL’s historical volatility for a period equal to the expected life of the stock 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 stock option is based on the Hong Kong Government Bond rate in effect at the time of the grant. The expected dividend yield is based on the estimate of annual dividends expected to be paid at the time of the grant.

Stock-Based Employee Compensation Activity

The fair value of each option grant was estimated on the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>LVSC 2004 Plan:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average volatility</td>
<td>25.8%</td>
<td>26.7%</td>
<td>33.5%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>6.7</td>
<td>5.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Risk-free rate</td>
<td>2.9%</td>
<td>1.9%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>5.7%</td>
<td>4.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>SCL Equity Plan:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average volatility</td>
<td>36.0%</td>
<td>36.9%</td>
<td>40.8%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>4.7</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Risk-free rate</td>
<td>1.7%</td>
<td>1.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Expected dividend yield</td>
<td>5.8%</td>
<td>6.6%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>
A summary of the stock option activity for the Company's equity award plans for the year ended December 31, 2018, is presented below:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Shares</th>
<th>Weighted Average Exercise Price</th>
<th>Weighted Average Remaining Contractual Life (Years)</th>
<th>Aggregate Intrinsic Value (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LVSC 2004 Plan:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of January 1, 2018</td>
<td>6,290,747</td>
<td>$ 57.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>3,124,168</td>
<td>55.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(1,007,551)</td>
<td>58.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeited or expired</td>
<td>(451,000)</td>
<td>80.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of December 31, 2018</td>
<td>7,956,364</td>
<td>$ 55.10</td>
<td>7.78</td>
<td>$ 13</td>
</tr>
<tr>
<td>Exercisable as of December 31, 2018</td>
<td>2,217,728</td>
<td>$ 53.99</td>
<td>5.96</td>
<td>$ 7</td>
</tr>
<tr>
<td><strong>SCL Equity Plan:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of January 1, 2018</td>
<td>48,251,975</td>
<td>$ 4.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>18,872,800</td>
<td>5.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(6,185,925)</td>
<td>3.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeited or expired</td>
<td>(3,556,475)</td>
<td>5.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding as of December 31, 2018</td>
<td>57,382,375</td>
<td>$ 4.81</td>
<td>7.64</td>
<td>$ 18</td>
</tr>
<tr>
<td>Exercisable as of December 31, 2018</td>
<td>18,152,075</td>
<td>$ 5.00</td>
<td>6.00</td>
<td>$ 8</td>
</tr>
</tbody>
</table>

A summary of the unvested restricted stock and stock units under the Company's equity award plans for the year ended December 31, 2018, is presented below:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Shares</th>
<th>Weighted Average Grant Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LVSC 2004 Plan:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unvested Restricted Stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of January 1, 2018</td>
<td>74,281</td>
<td>$ 51.17</td>
</tr>
<tr>
<td>Granted</td>
<td>10,296</td>
<td>$ 77.68</td>
</tr>
<tr>
<td>Vested</td>
<td>(42,874)</td>
<td>$ 53.06</td>
</tr>
<tr>
<td>Balance as of December 31, 2018</td>
<td>41,703</td>
<td>$ 55.77</td>
</tr>
<tr>
<td>Unvested Restricted Stock Units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of January 1, 2018</td>
<td>5,000</td>
<td>$ 73.20</td>
</tr>
<tr>
<td>Vested</td>
<td>(5,000)</td>
<td>$ 73.20</td>
</tr>
<tr>
<td>Balance as of December 31, 2018</td>
<td>—</td>
<td>$ —</td>
</tr>
<tr>
<td><strong>SCL Equity Plan:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unvested Restricted Stock Units, Cash-Settled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of January 1, 2018</td>
<td>852,000</td>
<td>$ 7.51</td>
</tr>
<tr>
<td>Vested</td>
<td>(852,000)</td>
<td>$ 7.51</td>
</tr>
<tr>
<td>Balance as of December 31, 2018</td>
<td>—</td>
<td>$ —</td>
</tr>
</tbody>
</table>

As of December 31, 2018, under the 2004 Plan there was $37 million of unrecognized compensation cost related to unvested stock options. The stock option and restricted stock costs are expected to be recognized over a weighted average period of 3.4 years and 0.4 years, respectively.
As of December 31, 2018, under the SCL Equity Plan there was $25 million of unrecognized compensation cost related to unvested stock options. The stock option costs are expected to be recognized over a weighted average period of 2.7 years.

The stock-based compensation activity for the 2004 Plan and SCL Equity Plan is as follows for the three years ended December 31, 2018:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock options</td>
<td>$29</td>
<td>$29</td>
<td>$25</td>
</tr>
<tr>
<td>Restricted stock and stock units</td>
<td>1</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Income tax benefit recognized in the consolidated statements of operations</td>
<td>$4</td>
<td>$7</td>
<td>$6</td>
</tr>
<tr>
<td>Compensation cost capitalized as part of property and equipment</td>
<td>$1</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

LVSC 2004 Plan:

<table>
<thead>
<tr>
<th>Stock options granted</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average grant date fair value</td>
<td>$7.52</td>
<td>$8.95</td>
<td>$8.62</td>
</tr>
<tr>
<td>Restricted stock granted</td>
<td>10,296</td>
<td>37,270</td>
<td>61,546</td>
</tr>
<tr>
<td>Weighted average grant date fair value</td>
<td>$77.68</td>
<td>$58.51</td>
<td>$42.50</td>
</tr>
</tbody>
</table>

Stock options exercised:

<table>
<thead>
<tr>
<th>Intrinsic value</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received</td>
<td>$56</td>
<td>$28</td>
<td>$11</td>
</tr>
</tbody>
</table>

SCL Equity Plan:

<table>
<thead>
<tr>
<th>Stock options granted</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average grant date fair value</td>
<td>$1.01</td>
<td>$0.71</td>
<td>$0.73</td>
</tr>
</tbody>
</table>

Stock options exercised:

<table>
<thead>
<tr>
<th>Intrinsic value</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received</td>
<td>$23</td>
<td>$12</td>
<td>$6</td>
</tr>
</tbody>
</table>

Note 17 — Employee Benefit Plans

The Company is self-insured for health care benefits for its U.S. employees and workers' compensation benefits for its employees at the Las Vegas Operating Properties. The liability for claims filed and estimates of claims incurred but not filed is included in other accrued liabilities in the accompanying consolidated balance sheets.

Participation in the Las Vegas Sands Corp. 401(k) Retirement Plan is available for all eligible employees as of their date of hire. The savings plan allows participants to defer, on a pre-tax basis, a portion of their salary and accumulate tax-deferred earnings as a retirement fund. The Company matches 150% of the first $390 of employee contributions and 50% of employee contributions in excess of $390 subject to a cap whereby the amount of the contributions do not exceed 5% of the participating employee's eligible gross wages. For the years ended December 31, 2018, 2017 and 2016, the Company's matching contributions under the savings plan were $12 million, $10 million and $9 million, respectively.

Participation in VML's provident retirement fund is available for all permanent employees after a three-month probation period. VML contributes 5% of each employee's basic salary to the fund and the employee is eligible to receive, upon resignation, 30% of these contributions after working for three consecutive years, gradually increasing.
to 100% after working for ten years. For the years ended December 31, 2018, 2017 and 2016, VML's contributions into the provident fund were $38 million, $37 million and $35 million, respectively.

Participation in MBS's provident retirement fund is available for all permanent and part-time employees that are a Singapore citizen or a permanent resident upon joining the Company. As of December 31, 2018, MBS contributes 17% of each employee's basic salary to the fund, subject to certain caps as mandated by local regulations. The employee is eligible to receive funds upon reaching the retirement age or upon meeting requirements set up by local regulations. For the years ended December 31, 2018, 2017 and 2016, MBS's contributions into the provident fund were $41 million, $38 million and $35 million, respectively.

Note 18 — Related Party Transactions

During the years ended December 31, 2018, 2017 and 2016, the Principal Stockholder and his family purchased certain services from the Company including lodging, banquet services and services provided by Company personnel for approximately $3 million each year. For the years ended December 31, 2018, 2017 and 2016, the Company incurred $2 million, $1 million and $2 million, respectively, for food and beverage services provided by restaurants the Principal Stockholder has an ownership interest in.

During the years ended December 31, 2018, 2017 and 2016, the Company incurred certain expenses totaling $6 million, $10 million and $3 million, respectively, to its Principal Stockholder related to the Company's use of his personal aircraft and yacht for business purposes. During the years ended December 31, 2018, 2017 and 2016, the Company charged the Principal Stockholder $20 million, $21 million and $17 million, respectively, related to aviation costs incurred by the Company for the Principal Stockholder's use of Company aviation personnel and assets for personal purposes. In addition, the Principal Stockholder agreed to reimburse the Company for the installation of avionics and aircraft systems on his personal aircraft. The cost of these systems is expected to be $22 million, plus all taxes and expenses related to the installation and operation of these systems. During the year ended December 31, 2018, the Company paid $13 million for such costs and was reimbursed in full by the Principal Stockholder.

Related party receivables were $3 million as of December 31, 2018 and less than $1 million as of December 31, 2017. Related party payables were less than $1 million as of December 31, 2018 and 2017.

Note 19 — Segment Information

The Company's principal operating and developmental activities occur in three geographic areas: Macao, Singapore and the U.S. The Company reviews the results of operations for each of its operating segments: The Venetian Macao; Sands Cotai Central; The Parisian Macao; The Plaza Macao and Four Seasons Hotel Macao; Sands Macao; Marina Bay Sands; Las Vegas Operating Properties; and Sands Bethlehem. The Company 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 Four Seasons Tower Suites Macao and the St. Regis Tower Suites Macao in Macao, and the Las Vegas Condo Tower (for which construction currently is suspended) in the United States. The Company has included Ferry Operations and Other (comprised primarily of the Company's ferry operations and various other operations that are ancillary to its properties in Macao) to reconcile to consolidated results of operations and financial condition. The Company has included Corporate and Other (which includes the Las Vegas Condo Tower and corporate activities of the Company) to reconcile to the consolidated financial condition. The segment information for the years ended December 31, 2017 and 2016 have been reclassified to conform to the current presentation.
The Company's segment information as of and for the years ended December 31, 2018, 2017 and 2016 is as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td><strong>Net Revenues</strong></td>
<td>(In millions)</td>
<td>(In millions)</td>
<td>(In millions)</td>
</tr>
<tr>
<td><strong>Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$3,474</td>
<td>$2,924</td>
<td>$2,831</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>2,153</td>
<td>1,916</td>
<td>1,924</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>1,533</td>
<td>1,395</td>
<td>401</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>719</td>
<td>587</td>
<td>584</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>650</td>
<td>626</td>
<td>668</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>160</td>
<td>161</td>
<td>158</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>$8,689</td>
<td>$7,609</td>
<td>$6,566</td>
</tr>
<tr>
<td><strong>Marina Bay Sands</strong></td>
<td>3,069</td>
<td>3,134</td>
<td>2,791</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>1,682</td>
<td>1,657</td>
<td>1,571</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>536</td>
<td>564</td>
<td>555</td>
</tr>
<tr>
<td><strong>Total intersegment revenues</strong></td>
<td>(247)</td>
<td>(236)</td>
<td>(212)</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>$13,729</td>
<td>$12,728</td>
<td>$11,271</td>
</tr>
</tbody>
</table>

**Intersegment Revenues**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td><strong>(In millions)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Macao</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$4</td>
<td>$5</td>
<td>$6</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>—</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>25</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total intersegment revenues</strong></td>
<td>29</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td><strong>Marina Bay Sands</strong></td>
<td>9</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>209</td>
<td>200</td>
<td>175</td>
</tr>
<tr>
<td><strong>Total intersegment revenues</strong></td>
<td>$247</td>
<td>$236</td>
<td>$212</td>
</tr>
<tr>
<td></td>
<td>Year Ended December 31,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(In millions)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Property EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macao:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>$1,378</td>
<td>$1,133</td>
<td>$1,089</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>759</td>
<td>633</td>
<td>616</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>484</td>
<td>413</td>
<td>115</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>262</td>
<td>233</td>
<td>221</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>178</td>
<td>174</td>
<td>172</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>18</td>
<td>21</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,079</td>
<td>2,607</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>1,690</td>
<td>1,755</td>
<td>1,395</td>
</tr>
<tr>
<td>United States:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>394</td>
<td>391</td>
<td>356</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>116</td>
<td>147</td>
<td>143</td>
</tr>
<tr>
<td></td>
<td></td>
<td>510</td>
<td>538</td>
</tr>
<tr>
<td><strong>Consolidated adjusted property EBITDA</strong></td>
<td>$5,279</td>
<td>$4,900</td>
<td>$4,139</td>
</tr>
<tr>
<td><strong>Other Operating Costs and Expenses</strong></td>
<td>$3,751</td>
<td>$3,464</td>
<td>$2,502</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(12)</td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td>Corporate</td>
<td>(202)</td>
<td>(173)</td>
<td>(256)</td>
</tr>
<tr>
<td>Pre-opening</td>
<td>(6)</td>
<td>(8)</td>
<td>(130)</td>
</tr>
<tr>
<td>Development</td>
<td>(12)</td>
<td>(13)</td>
<td>(9)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(1,111)</td>
<td>(1,171)</td>
<td>(1,111)</td>
</tr>
<tr>
<td>Amortization of leasehold interests in land</td>
<td>(35)</td>
<td>(37)</td>
<td>(38)</td>
</tr>
<tr>
<td>Loss on disposal or impairment of assets</td>
<td>(150)</td>
<td>(20)</td>
<td>(79)</td>
</tr>
<tr>
<td>Operating income</td>
<td>3,751</td>
<td>3,464</td>
<td>2,502</td>
</tr>
<tr>
<td><strong>Other Non-Operating Costs and Expenses</strong></td>
<td>$2,951</td>
<td>$3,263</td>
<td>$2,025</td>
</tr>
<tr>
<td>Interest income</td>
<td>59</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Interest expense, net of amounts capitalized</td>
<td>(446)</td>
<td>(327)</td>
<td>(274)</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>26</td>
<td>(94)</td>
<td>31</td>
</tr>
<tr>
<td>Loss on modification or early retirement of debt</td>
<td>(64)</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>Income tax (expense) benefit</td>
<td>(375)</td>
<td>209</td>
<td>(239)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$2,951</td>
<td>$3,263</td>
<td>$2,025</td>
</tr>
</tbody>
</table>

(1) Consolidated adjusted property EBITDA, which is a non-GAAP financial measure, is net income before stock-based compensation expense, corporate expense, pre-opening expense, development expense, depreciation and amortization, amortization of leasehold interests in land, gain or loss on disposal or impairment of assets, interest, other income or expense, gain or loss on modification or early retirement of debt and income taxes. Consolidated adjusted property EBITDA is a supplemental non-GAAP financial measure used by management, as well as industry analysts, to evaluate operations and operating performance. In particular, management utilizes consolidated 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 GAAP financial measures. In order to view the operations of their properties on a more stand-alone basis, Integrated Resort companies, including Las Vegas Sands Corp., have historically excluded certain expenses that do not relate to the management of specific properties, such as pre-opening expense, development expense and corporate expenses.
expense, from their adjusted property EBITDA calculations. Consolidated adjusted property EBITDA should not be interpreted as an alternative to income from operations (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 GAAP. The Company has significant uses of cash flow, including capital expenditures, dividend payments, interest payments, debt principal repayments and income taxes, which are not reflected in consolidated adjusted property EBITDA. Not all companies calculate adjusted property EBITDA in the same manner. As a result, consolidated adjusted property EBITDA as presented by the Company may not be directly comparable to similarly titled measures presented by other companies.

### Capital Expenditures

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Other</td>
<td>$81</td>
<td>$9</td>
<td>$11</td>
</tr>
<tr>
<td>Macao:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>180</td>
<td>153</td>
<td>94</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>131</td>
<td>86</td>
<td>128</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>131</td>
<td>204</td>
<td>925</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>63</td>
<td>22</td>
<td>16</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>29</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>535</td>
<td>479</td>
<td>1,185</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>182</td>
<td>196</td>
<td>83</td>
</tr>
<tr>
<td>United States:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>127</td>
<td>123</td>
<td>92</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>24</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>151</td>
<td>153</td>
<td>119</td>
</tr>
<tr>
<td>Total capital expenditures</td>
<td>$949</td>
<td>$837</td>
<td>$1,398</td>
</tr>
</tbody>
</table>

### Total Assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Other</td>
<td>$1,296</td>
<td>$953</td>
<td>$465</td>
</tr>
<tr>
<td>Macao:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>3,403</td>
<td>2,640</td>
<td>2,642</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>4,295</td>
<td>3,891</td>
<td>4,152</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>2,455</td>
<td>2,496</td>
<td>2,711</td>
</tr>
<tr>
<td>The Plaza Macao and Four Seasons Hotel Macao</td>
<td>883</td>
<td>930</td>
<td>966</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>322</td>
<td>282</td>
<td>316</td>
</tr>
<tr>
<td>Ferry Operations and Other</td>
<td>259</td>
<td>275</td>
<td>281</td>
</tr>
<tr>
<td></td>
<td>11,617</td>
<td>10,514</td>
<td>11,068</td>
</tr>
<tr>
<td>Marina Bay Sands</td>
<td>4,674</td>
<td>5,054</td>
<td>5,031</td>
</tr>
<tr>
<td>United States:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating Properties</td>
<td>4,321</td>
<td>3,530</td>
<td>3,214</td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>639</td>
<td>636</td>
<td>691</td>
</tr>
<tr>
<td></td>
<td>4,960</td>
<td>4,166</td>
<td>3,905</td>
</tr>
<tr>
<td>Total assets</td>
<td>$22,547</td>
<td>$20,687</td>
<td>$20,469</td>
</tr>
</tbody>
</table>
**Total Long-Lived Assets**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Other</td>
<td>$281</td>
<td>$249</td>
<td>$264</td>
</tr>
<tr>
<td><strong>Macao:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>1,750</td>
<td>1,728</td>
<td>1,726</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>3,414</td>
<td>3,516</td>
<td>3,720</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>2,317</td>
<td>2,375</td>
<td>2,572</td>
</tr>
<tr>
<td>The Plaza Macao and</td>
<td>772</td>
<td>853</td>
<td>874</td>
</tr>
<tr>
<td>Four Seasons Hotel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macao</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sands Macao</td>
<td>229</td>
<td>222</td>
<td>245</td>
</tr>
<tr>
<td>Ferry Operations and</td>
<td>130</td>
<td>146</td>
<td>157</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Macao:</strong></td>
<td>8,612</td>
<td>8,840</td>
<td>9,294</td>
</tr>
<tr>
<td><strong>Marina Bay Sands</strong></td>
<td>4,148</td>
<td>4,336</td>
<td>4,192</td>
</tr>
<tr>
<td><strong>United States:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Vegas Operating</td>
<td>2,762</td>
<td>2,779</td>
<td>2,815</td>
</tr>
<tr>
<td>Properties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sands Bethlehem</td>
<td>549</td>
<td>549</td>
<td>548</td>
</tr>
<tr>
<td><strong>United States:</strong></td>
<td>3,311</td>
<td>3,328</td>
<td>3,363</td>
</tr>
<tr>
<td><strong>Total long-lived</strong></td>
<td>$16,352</td>
<td>$16,753</td>
<td>$17,113</td>
</tr>
</tbody>
</table>

(1) Long-lived assets include property and equipment, net of accumulated depreciation and amortization, and leaseholds interests in land, net of accumulated amortization.

**Note 20 — Selected Quarterly Financial Results (Unaudited)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>First (1)</th>
<th>Second</th>
<th>Third</th>
<th>Fourth (1,2)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions, except per share data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>$3,579</td>
<td>$3,303</td>
<td>$3,372</td>
<td>$3,475</td>
<td>$13,729</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,158</td>
<td>797</td>
<td>922</td>
<td>874</td>
<td>3,751</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>1,616</td>
<td>676</td>
<td>699</td>
<td>(40)</td>
<td>2,951</td>
</tr>
<tr>
<td>Net income (loss) attributable to Las Vegas Sands Corp.</td>
<td>1,456</td>
<td>556</td>
<td>571</td>
<td>(170)</td>
<td>2,413</td>
</tr>
<tr>
<td>Basic earnings (loss) per share</td>
<td>1.85</td>
<td>0.70</td>
<td>0.73</td>
<td>(0.22)</td>
<td>3.07</td>
</tr>
<tr>
<td>Diluted earnings (loss) per share</td>
<td>1.84</td>
<td>0.70</td>
<td>0.73</td>
<td>(0.22)</td>
<td>3.07</td>
</tr>
<tr>
<td>2017 (3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>$3,067</td>
<td>$3,109</td>
<td>$3,161</td>
<td>$3,391</td>
<td>$12,728</td>
</tr>
<tr>
<td>Operating income</td>
<td>764</td>
<td>817</td>
<td>855</td>
<td>1,028</td>
<td>3,464</td>
</tr>
<tr>
<td>Net income</td>
<td>579</td>
<td>639</td>
<td>684</td>
<td>1,361</td>
<td>3,263</td>
</tr>
<tr>
<td>Net income attributable to Las Vegas Sands Corp.</td>
<td>481</td>
<td>546</td>
<td>569</td>
<td>1,212</td>
<td>2,808</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>0.61</td>
<td>0.69</td>
<td>0.72</td>
<td>1.53</td>
<td>3.55</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>0.61</td>
<td>0.69</td>
<td>0.72</td>
<td>1.53</td>
<td>3.55</td>
</tr>
</tbody>
</table>

(1) During Q1 2018, the Company recorded a nonrecurring non-cash discrete income tax benefit of $670 million due to the implementation of the Global Intangible Low-Taxed Income ("GILTI") provision of U.S. tax reform.
During Q4 2018, the IRS issued guidance clarifying the implementation of the GILTI and other provisions that would impact the foreign tax credit utilization and required an increase of a valuation allowance related to the Company's historical foreign tax credits. As a result, in Q4 2018, the Company recorded a nonrecurring non-cash discrete income tax expense of $727 million.

(2) During Q4 2017, the Company recorded a nonrecurring non-cash income tax benefit of $526 million due to U.S. tax reform enacted at the end of 2017.

(3) The information for 2017 has been reclassified to conform to the current presentation.

Because earnings per share amounts are calculated using the weighted average number of common and dilutive common equivalent shares outstanding during each quarter, the sum of the per share amounts for the four quarters may not equal the total earnings per share amounts for the respective year.
# SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

LAS VEGAS SANDS CORP. AND SUBSIDIARIES

For the Years Ended December 31, 2018, 2017 and 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance at Beginning of Year</th>
<th>Provision for Doubtful Accounts</th>
<th>Write-offs, Net of Recoveries</th>
<th>Balance at End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allowance for doubtful accounts:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$637</td>
<td>173</td>
<td>(234)</td>
<td>$576</td>
</tr>
<tr>
<td>2017</td>
<td>$576</td>
<td>96</td>
<td>(230)</td>
<td>$442</td>
</tr>
<tr>
<td>2018</td>
<td>$442</td>
<td>5</td>
<td>(123)</td>
<td>$324</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance at Beginning of Year</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance at End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred income tax asset valuation allowance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$3,302</td>
<td>907</td>
<td>(12)</td>
<td>$4,197</td>
</tr>
<tr>
<td>2017</td>
<td>$4,197</td>
<td>510</td>
<td>(17)</td>
<td>$4,690</td>
</tr>
<tr>
<td>2018</td>
<td>$4,690</td>
<td>105</td>
<td>(26)</td>
<td>$4,769</td>
</tr>
</tbody>
</table>
ITEM 9. — CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. — CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and such information is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. The Company's Chief Executive Officer and its Chief Financial Officer have evaluated the disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) of the Company as of December 31, 2018, and have concluded they are effective at the reasonable assurance level.

It should be noted any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the fourth quarter covered by this Annual Report on Form 10-K that had a material effect, or was reasonably likely to have a material effect, on the Company's internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

(2) provide reasonable assurance transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and the Company's receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. In making this assessment, the Company's management used the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control — Integrated Framework (2013)."

Based on this assessment, management concluded, as of December 31, 2018, the Company's internal control over financial reporting is effective based on this framework.
The effectiveness of the Company's internal control over financial reporting as of December 31, 2018, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

ITEM 9B. — OTHER INFORMATION

None.

PART III

ITEM 10. — DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We incorporate by reference the information responsive to this Item appearing in our definitive Proxy Statement for our 2019 Annual Meeting of Stockholders, which we expect to file with the Securities and Exchange Commission on or about April 3, 2019 (the "Proxy Statement"), including under the captions "Board of Directors," "Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Information Regarding the Board of Directors and Board and Other Committees."

We have adopted a Code of Business Conduct and Ethics, which is posted on our website at www.sands.com, along with any amendments or waivers to the Code. Copies of the Code of Business Conduct and Ethics are available without charge by sending a written request to Investor Relations at the following address: Las Vegas Sands Corp., 3355 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

ITEM 11. — EXECUTIVE COMPENSATION

We incorporate by reference the information responsive to this Item appearing in the Proxy Statement, including under the captions "Executive Compensation and Other Information," "Director Compensation," "Information Regarding the Board of Directors and Board and Other Committees" and "Compensation Committee Report" (which report is deemed to be furnished and is not deemed to be filed in any Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934).

ITEM 12. — SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We incorporate by reference the information responsive to this Item appearing in the Proxy Statement, including under the captions "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management."

ITEM 13. — CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We incorporate by reference the information responsive to this Item appearing in the Proxy Statement, including under the captions "Board of Directors," "Information Regarding the Board of Directors and Board and Other Committees" and "Certain Transactions."

ITEM 14. — PRINCIPAL ACCOUNTANT FEES AND SERVICES

We incorporate by reference the information responsive to this Item appearing in the Proxy Statement, under the caption "Fees Paid to Independent Registered Public Accounting Firm."
ITEM 15. — EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of the Annual Report on Form 10-K.

(1) List of Financial Statements

Reports of Independent Registered Public Accounting Firm
Consolidated Balance Sheets
Consolidated Statements of Operations
Consolidated Statements of Comprehensive Income
Consolidated Statements of Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements
(2) List of Financial Statement Schedule

Schedule II — Valuation and Qualifying Accounts

(3) List of Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description of Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Certificate of Amended and Restated Articles of Incorporation of Las Vegas Sands Corp. (incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2018 and filed on July 25, 2018).</td>
</tr>
<tr>
<td>3.2</td>
<td>Amended and Restated By-laws of Las Vegas Sands Corp. (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2018 and filed on July 25, 2018).</td>
</tr>
<tr>
<td>4.1</td>
<td>Form of Specimen Common Stock Certificate of Las Vegas Sands Corp. (incorporated by reference from Exhibit 4.1 to the Company's Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-118827) filed on November 22, 2004).</td>
</tr>
<tr>
<td>4.2</td>
<td>Indenture, dated as of August 9, 2018, between SCL and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-32373) filed on August 10, 2018).</td>
</tr>
<tr>
<td>4.3</td>
<td>Forms of 4.600% Senior Notes due 2023, 5.125% Senior Notes due 2025 and 5.400% Senior Notes due 2028 (incorporated by reference from Exhibit 4.2 (included in Exhibit 4.1) to the Company's Current Report on Form 8-K (File No. 001-32373) filed on August 10, 2018).</td>
</tr>
<tr>
<td>10.1</td>
<td>Amendment and Restatement Agreement dated as of December 19, 2013, to the Amended and Restated Credit and Guaranty Agreement dated as of August 18, 2010 among Las Vegas Sands, LLC, the Guarantors party thereto, the Lenders party thereto and The Bank of Nova Scotia (including as Exhibit A thereto the Second Amended and Restated Credit and Guaranty Agreement dated as of December 19, 2013 among Las Vegas Sands, LLC, the Guarantors party thereto, the lenders party thereto, The Bank of Nova Scotia, Barclays Bank PLC, Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated, BNP Paribas Securities Corp., Goldman Sachs Bank USA, Credit Agricole Corporate &amp; Investment Bank, Morgan Stanley Senior Funding, Inc., The Royal Bank of Scotland plc and Sumitomo Mitsui Banking Corporation (incorporated by reference from Exhibit 10.2 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2013 and filed on February 28, 2014).</td>
</tr>
<tr>
<td>10.2</td>
<td>Second Amended and Restated Security Agreement, dated as of December 19, 2013, between each of the parties named as a grantor therein and The Bank of Nova Scotia, as collateral agent for the secured parties, as defined therein (incorporated by reference from Exhibit 10.3 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2013 and filed on February 28, 2014).</td>
</tr>
<tr>
<td>10.3</td>
<td>First Amendment, dated as of May 2, 2016, to the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 19, 2013, among Las Vegas Sands, LLC, the Guarantors party thereto, the Lenders party thereto and The Bank of Nova Scotia, as administrative agent for the Lenders and as collateral agent (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2016 and filed on August 5, 2016).</td>
</tr>
<tr>
<td>10.4</td>
<td>Second Amendment, dated as of August 12, 2016, to the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 19, 2013, among Las Vegas Sands, LLC, the Guarantors party thereto, the Lenders party thereto and The Bank of Nova Scotia, as administrative agent for the Lenders and as collateral agent (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended September 30, 2016 and filed on November 4, 2016).</td>
</tr>
<tr>
<td>10.5</td>
<td>Third Amendment, dated as of December 27, 2016, to the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 19, 2013, among Las Vegas Sands, LLC, the Guarantors party thereto, the Lenders party thereto and The Bank of Nova Scotia, as administrative agent for the Lenders and as collateral agent (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2016 and filed on February 24, 2017).</td>
</tr>
<tr>
<td>10.6</td>
<td>Fourth Amendment, dated as of March 29, 2017, to the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 19, 2013, among Las Vegas Sands, LLC, the Guarantors party thereto, the Lenders party thereto and The Bank of Nova Scotia, as administrative agent for the Lenders and as collateral agent (incorporated by reference from Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2017 and filed on May 1, 2017).</td>
</tr>
</tbody>
</table>
10.7 Fifth Amendment, dated as of March 27, 2018, to the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 19, 2013, among Las Vegas Sands, LLC, the Guarantors party thereto, the Lenders party thereto and The Bank of Nova Scotia, as administrative agent for the Lenders and as collateral agent (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2017 and filed on May 5, 2017).

10.8 Incremental Assumption Agreement and Sixth Amendment, dated as of June 7, 2018, to the Second Amended and Restated Credit and Guaranty Agreement, dated as of December 19, 2013, among Las Vegas Sands, LLC, the Guarantors party thereto, the Incremental Term Lenders party thereto and The Bank of Nova Scotia, as administrative agent for the Lenders and as collateral agent (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2018 and filed on July 25, 2018).

10.9* Facility Agreement dated November 20, 2018, among Sands China Limited, Bank of China Limited, Macau Branch, as agent, the arrangers listed therein and the original lenders listed therein.

10.10 Facility Agreement, dated as of June 25, 2012, among Marina Bay Sands Pte. Ltd., as borrower, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Malayan Banking Berhad, Singapore Branch, as global coordinators, DBS Bank Ltd., as agent for the finance parties and security trustee for the secured parties and certain other lenders party thereto (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2012 and filed on August 9, 2012).

10.11 Amendment and Restatement Agreement dated as of August 29, 2014, to the Facility Agreement, dated as of June 25, 2012 (as amended by an amendment agreement dated November 20, 2013), among Marina Bay Sands Pte. Ltd., as borrower, various lenders party thereto, DBS Bank Ltd. ("DBS"), Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and Malayan Banking Berhad, Singapore Branch, as global coordinators, DBS, as agent and security trustee, and DBS, Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited, Malayan Banking Berhad, Singapore Branch, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation and CIMB Bank Berhad, Singapore Branch, as mandated lead arrangers (including as Schedule 3 thereto, the Form of Amended and Restated Facility Agreement) (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended September 30, 2014 and filed on November 5, 2014).
<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description of Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.12</td>
<td>Second Amendment and Restatement Agreement dated as of March 19, 2018, to the Facility Agreement, dated as of June 25, 2012 (as amended by an amendment agreement dated November 20, 2013 and further amended and restated by an amendment and restatement agreement dated August 29, 2014), among Marina Bay Sands Pte. Ltd., as borrower, various lenders party thereto and DBS Bank Ltd., as agent and security trustee (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.13</td>
<td>Sands Resort Hotel and Casino Agreement, dated as of February 18, 1997, by and between Clark County and Las Vegas Sands, Inc. (incorporated by reference from Exhibit 10.27 to Amendment No. 1 to Las Vegas Sands, Inc.'s Registration Statement on Form S-4 (File No. 333-42147) dated February 12, 1998).</td>
</tr>
<tr>
<td>10.14</td>
<td>Addendum to Sands Resort Hotel and Casino Agreement, dated as of September 16, 1997, by and between Clark County and Las Vegas Sands, Inc. (incorporated by reference from Exhibit 10.20 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-118827) dated October 25, 2004).</td>
</tr>
<tr>
<td>10.15</td>
<td>Concession Contract for Operating Casino Games of Chance or Games of Other Forms in the Macao Special Administrative Region, June 26, 2002, among the Macao Special Administrative Region and Galaxy Casino Company Limited (incorporated by reference from Exhibit 10.40 to Las Vegas Sands, Inc.'s Form 10-K (File No. 333-42147) for the year ended December 31, 2002 and filed on March 31, 2003).</td>
</tr>
<tr>
<td>10.16*</td>
<td>Amendment to Concession Contract for Operating Casino Games of Chance or Games of Other Forms in the Macau Special Administrative Region, dated as of December 19, 2002, among the Macao Special Administrative Region and Galaxy Casino Company Limited.</td>
</tr>
<tr>
<td>10.17†</td>
<td>Subconcession Contract for Operating Casino Games of Chance or Games of Other Forms in the Macau Special Administrative Region, dated December 19, 2002, between Galaxy Casino Company Limited, as concessionaire, and Venetian Macau S.A., as subconcessionaire (incorporated by reference from Exhibit 10.65 to the Company's Amendment No. 5 to Registration Statement on Form S-1 (File No. 333-118827) dated December 10, 2004).</td>
</tr>
<tr>
<td>10.18</td>
<td>Land Concession Agreement, dated as of December 10, 2003, relating to the Sands Macao between the Macao Special Administrative Region and Venetian Macau Limited (incorporated by reference from Exhibit 10.39 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-118827) dated October 25, 2004).</td>
</tr>
<tr>
<td>10.19</td>
<td>Amendment, published on April 23, 2008, to Land Concession Agreement, dated as of December 10, 2003, relating to the Sands Macao between the Macao Special Administrative Region and Venetian Macau Limited (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2008 and filed on May 9, 2008).</td>
</tr>
<tr>
<td>10.20</td>
<td>Land Concession Agreement, dated as of April 10, 2007, relating to the Venetian Macao, Four Seasons Macao and Site 3 among the Macau Special Administrative Region, Venetian Cotai Limited and Venetian Macau Limited (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2007 and filed on May 10, 2007).</td>
</tr>
<tr>
<td>10.21</td>
<td>Amendment published on October 29, 2008, to Land Concession Agreement between Macau Special Administrative Region and Venetian Cotai Limited (incorporated by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended September 30, 2008 and filed on November 10, 2008).</td>
</tr>
<tr>
<td>10.22*</td>
<td>Amendment, published on June 5, 2013, to Land Concession Agreement between Macau Special Administrative Region and Venetian Cotai Limited.</td>
</tr>
<tr>
<td>10.23*</td>
<td>Amendment, published on October 22, 2014, to Land Concession Agreement between Macau Special Administrative Region and Venetian Cotai Limited.</td>
</tr>
<tr>
<td>10.25</td>
<td>Development Agreement, dated August 23, 2006, between the Singapore Tourism Board and Marina Bay Sands Pte. Ltd. (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended September 30, 2006 and filed on November 9, 2006).</td>
</tr>
<tr>
<td>Exhibit No.</td>
<td>Description of Document</td>
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<tr>
<td>10.26</td>
<td>Supplement to Development Agreement, dated December 11, 2009, by and between Singapore Tourism Board and Marina Bay Sands PTE. LTD (incorporated by reference from Exhibit 10.76 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2009 and filed on March 1, 2010).</td>
</tr>
<tr>
<td>10.27</td>
<td>Energy Services Agreement, dated as of May 1, 1997, by and between Atlantic Pacific Las Vegas, LLC and Venetian Casino Resort, LLC (incorporated by reference from Exhibit 10.3 to Amendment No. 2 to Las Vegas Sands, Inc.’s Registration Statement on Form S-4 (File No. 333-42147) dated March 27, 1998).</td>
</tr>
<tr>
<td>10.28</td>
<td>Energy Services Agreement Amendment No. 1, dated as of July 1, 1999, by and between Atlantic Pacific Las Vegas, LLC and Venetian Casino Resort, LLC (incorporated by reference from Exhibit 10.8 to Las Vegas Sands, Inc.’s Annual Report on Form 10-K (File No. 333-42147) for the year ended December 31, 1999 and filed on March 30, 2000).</td>
</tr>
<tr>
<td>10.29</td>
<td>Energy Services Agreement Amendment No. 2, dated as of July 1, 2006, by and between Atlantic Pacific Las Vegas, LLC and Venetian Casino Resort, LLC (incorporated by reference from Exhibit 10.77 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2006 and filed on February 28, 2007).</td>
</tr>
<tr>
<td>10.32</td>
<td>Energy Services Agreement Amendment No. 1, dated as of July 1, 1999, by and between Atlantic-Pacific Las Vegas, LLC and Interface Group-Nevada, Inc. (incorporated by reference from Exhibit 10.9 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-118827) dated October 25, 2004).</td>
</tr>
<tr>
<td>10.36+</td>
<td>Las Vegas Sands Corp. 2004 Equity Award Plan (Amended and Restated) (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2014 and filed on August 7, 2014).</td>
</tr>
<tr>
<td>10.37+</td>
<td>Form of Director Restricted Stock Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2014 and filed on August 7, 2014).</td>
</tr>
<tr>
<td>10.38+</td>
<td>Form of Director Restricted Stock Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>Exhibit No.</td>
<td>Description of Document</td>
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<tr>
<td>10.39+</td>
<td>Form of Restricted Stock Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.48 to the Company's Annual Report on Form 10-K (File No. 001-32373) for year ended December 31, 2010 and filed on March 1, 2011).</td>
</tr>
<tr>
<td>10.40+</td>
<td>Form of Restricted Stock Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.82 to the Company's Annual Report on Form 10-K (File No. 001-32373) for year ended December 31, 2010 and filed on March 1, 2011).</td>
</tr>
<tr>
<td>10.41+</td>
<td>Form of Restricted Stock award agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.86 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2011 and filed on February 28, 2012).</td>
</tr>
<tr>
<td>10.42+</td>
<td>Form of Restricted Stock Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2014).</td>
</tr>
<tr>
<td>10.43+</td>
<td>Form of Restricted Stock Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.44+</td>
<td>Form of Nonqualified Stock Option Agreement under the Company's 2004 Equity Award Plan (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2009 and filed August 7, 2009).</td>
</tr>
<tr>
<td>10.45+</td>
<td>Form of Nonqualified Stock Option Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.51 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2010 and filed on March 1, 2011).</td>
</tr>
<tr>
<td>10.46+</td>
<td>Form of Nonqualified Stock Option Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.47+</td>
<td>Form of Director Nonqualified Stock Option Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.48+</td>
<td>Form of Director Restricted Stock Units Award Agreement under the Company's 2004 Equity Award Plan (incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2014 and filed on August 7, 2014).</td>
</tr>
<tr>
<td>10.49+</td>
<td>Form of Director Restricted Stock Units Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.50+</td>
<td>Form of Director Restricted Stock Units Award Agreement (with deferred settlement) under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2014 and filed on August 7, 2014).</td>
</tr>
<tr>
<td>10.51+</td>
<td>Form of Director Restricted Stock Units Award Agreement under the 2004 Equity Award Plan (with deferred settlement) (incorporated by reference from Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.52+</td>
<td>Form of Restricted Stock Units Award agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.87 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2010 and filed on March 1, 2011).</td>
</tr>
<tr>
<td>10.53+</td>
<td>Form of Restricted Stock Units Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2014 and filed on August 7, 2014).</td>
</tr>
<tr>
<td>10.54+</td>
<td>Form of Restricted Stock Units Award Agreement under the 2004 Equity Award Plan (incorporated by reference from Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2018 and filed on April 27, 2018).</td>
</tr>
<tr>
<td>10.55+</td>
<td>Las Vegas Sands Corp. Amended and Restated Executive Cash Incentive Plan (incorporated by reference from Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended June 30, 2018 and filed on July 25, 2018).</td>
</tr>
<tr>
<td>Exhibit No.</td>
<td>Description of Document</td>
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</tr>
<tr>
<td>10.56</td>
<td>Settlement Agreement, date as of June 24, 2011, by and among Venetian Casino Resort, LLC, Phase II Mall Holding, LLC, GGP Limited Partnership, The Shoppes at the Palazzo, LLC (f/k/a Phase II Mall Subsidiary, LLC) and Grand Canal Shoppes II, LLC (incorporated by reference from Exhibit 10.63 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2011 and filed on February 28, 2012).</td>
</tr>
<tr>
<td>10.59</td>
<td>Assignment and Assumption of Agreement and First Amendment to Agreement, dated September 30, 2004, made by Lido Casino Resort, LLC, as assignor, to Phase II Mall Holding, LLC, as assignee, and to GGP Limited Partnership, as buyer (incorporated by reference from Exhibit 10.60 to the Company's Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-118827) dated October 25, 2004).</td>
</tr>
<tr>
<td>10.60</td>
<td>Second Amendment, dated as of January 31, 2008, to Agreement dated as of April 12, 2004 and amended as of September 30, 2004, by and among Venetian Casino Resort, LLC, as successor-by-merger to Lido Casino Resort, LLC, Phase II Mall Holding, LLC, as successor-in-interest to Lido Casino Resort, LLC, and GGP Limited Partnership (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2008 and filed on May 9, 2008).</td>
</tr>
<tr>
<td>10.61</td>
<td>Second Amended and Restated Registration Rights Agreement, dated as of November 14, 2008, by and among Las Vegas Sands Corp., Dr. Miriam Adelson and the other Adelson Holders (as defined therein) that are party to the agreement from time to time (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-32373) filed on November 14, 2008).</td>
</tr>
<tr>
<td>10.62</td>
<td>Investor Rights Agreement, dated as of September 30, 2008, by and between Las Vegas Sands Corp. and the Investor named therein (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended September 30, 2008 and filed on November 10, 2008).</td>
</tr>
<tr>
<td>10.64</td>
<td>Venetian Hotel Service Agreement, dated as of June 28, 2001, by and between Venetian Casino Resort, LLC and Interface Group-Nevada, Inc. d/b/a Sands Expo and Convention Center (incorporated by reference from Exhibit 10.49 to the Company's Amendment No. 2 to Registration Statement on Form S-1 (File No. 333-118827) dated November 22, 2004).</td>
</tr>
<tr>
<td>10.65</td>
<td>First Amendment to Venetian Hotel Service Agreement, dated as of June 28, 2004, by and between Venetian Casino Resort, LLC and Interface Group-Nevada, Inc. d/b/a Sands Expo and Convention Center (incorporated by reference from Exhibit 10.50 to the Company's Registration Statement on Form S-1 (File No. 333-118827) dated September 3, 2004).</td>
</tr>
<tr>
<td>10.66+</td>
<td>Las Vegas Sands Corp. Non-Employee Director Deferred Compensation Plan (incorporated by reference from Exhibit 10.88 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2011 and filed on February 28, 2012).</td>
</tr>
<tr>
<td>10.68+</td>
<td>Terms of Continued Employment, dated December 9, 2014, among Las Vegas Sands Corp., Las Vegas Sands, LLC and Robert G. Goldstein (incorporated by reference from Exhibit 10.81 to the Company's Annual Report on Form 10-K (File No. 001-32373) for the year ended December 31, 2014 and filed on February 27, 2015).</td>
</tr>
<tr>
<td>Exhibit No.</td>
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<tr>
<td>10.69+</td>
<td>First Amendment to Letter Agreement, dated November 20, 2018 between Robert G. Goldstein and Las Vegas Sands Corp. and Las Vegas Sands, LLC (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-32373) filed on November 20, 2018).</td>
</tr>
<tr>
<td>10.70+</td>
<td>Terms of Continued Employment, dated March 28, 2016, among Las Vegas Sands Corp., Las Vegas Sands, LLC and Patrick Dumont (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q (File No. 001-32373) for the quarter ended March 31, 2016 and filed on May 6, 2016).</td>
</tr>
<tr>
<td>10.72+</td>
<td>First Amendment to Letter Agreement, dated October 9, 2018 between Lawrence A. Jacobs and Las Vegas Sands Corp. and Las Vegas Sands, LLC (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-32373) filed on October 10, 2018).</td>
</tr>
<tr>
<td>21.1*</td>
<td>Subsidiaries of Las Vegas Sands Corp.</td>
</tr>
<tr>
<td>23.1*</td>
<td>Consent of Deloitte &amp; Touche LLP.</td>
</tr>
<tr>
<td>31.1*</td>
<td>Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</td>
</tr>
<tr>
<td>31.2*</td>
<td>Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</td>
</tr>
<tr>
<td>32.1++</td>
<td>Certification of Chief Executive Officer of Las Vegas Sands Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</td>
</tr>
<tr>
<td>32.2++</td>
<td>Certification of Chief Financial Officer of Las Vegas Sands Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</td>
</tr>
</tbody>
</table>

* Filed herewith.
† Confidential treatment has been requested and granted with respect to portions of this exhibit, and such confidential portions have been deleted and replaced with “***” and filed separately with the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933.
+ Denotes a management contract or compensatory plan or arrangement.
++ This exhibit will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

**ITEM 16. — FORM 10-K SUMMARY**

None.
SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned thereunto duly authorized.

LAS VEGAS SANDS CORP.

February 22, 2019

/ S / S HELDON G. A DELSON
Sheldon G. Adelson, Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/ S / S HELDON G. A DELSON</td>
<td>Chairman of the Board, Chief Executive Officer and Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Sheldon G. Adelson</td>
<td></td>
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</tr>
<tr>
<td>/ S / R OBERT G. G OLDSTEIN</td>
<td>President, Chief Operating Officer and Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Robert G. Goldstein</td>
<td></td>
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</tr>
<tr>
<td>/ S / P ATRICK D UMONTE</td>
<td>Executive Vice President, Chief Financial Officer and Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Patrick Dumont</td>
<td></td>
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<tr>
<td>/ S / IRWIN C HAFETZ</td>
<td>Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Irwin Chafetz</td>
<td></td>
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<tr>
<td>/ S / M ICHELINE C HAU</td>
<td>Director</td>
<td>February 22, 2019</td>
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<tr>
<td>Micheline Chau</td>
<td></td>
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<tr>
<td>/ S / C HARLES D. FORMAN</td>
<td>Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Charles D. Forman</td>
<td></td>
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<tr>
<td>/ S / STEVEN L. G ERARD</td>
<td>Director</td>
<td>February 22, 2019</td>
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<tr>
<td>Steven L. Gerard</td>
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<tr>
<td>/ S / GEORGE J AMIESON</td>
<td>Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>George Jamieson</td>
<td></td>
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<tr>
<td>/ S / C HARLES A. K OPPELMAN</td>
<td>Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Charles A. Koppelman</td>
<td></td>
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<tr>
<td>/ S / L EWIS K RAMER</td>
<td>Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>Lewis Kramer</td>
<td></td>
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<tr>
<td>/ S / DAVID F. L EVI</td>
<td>Director</td>
<td>February 22, 2019</td>
</tr>
<tr>
<td>David F. Levi</td>
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<td>/ S / RANDY HYZAK</td>
<td>Senior Vice President and Chief Accounting Officer</td>
<td>February 22, 2019</td>
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<td>Randy Hyzak</td>
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138
US$2,000,000,000 FACILITY AGREEMENT

dated 20 November 2018

for

SANDS CHINA LTD.
as the Company

arranged by

THE ENTITIES LISTED IN PART 1 OF SCHEDULE 1
as Global Coordinators and/or Joint Lead Arrangers

with

BANK OF CHINA LIMITED, MACAU BRANCH
acting as Agent
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THIS AGREEMENT is dated 20 November 2018 and made between:

(1) SANDS CHINA LTD., an exempted company incorporated in the Cayman Islands with limited liability with registration number 228336 and its registered address at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005 as borrower (the “Company”);

(2) THE ENTITIES listed in Part I of Schedule 1 (The Original Parties) as global coordinators and joint lead arrangers and THE ENTITIES listed in Part I of Schedule 1 (The Original Parties) as joint lead arrangers (each an “Arranger” and together, the “Arrangers”);

(3) THE FINANCIAL INSTITUTIONS listed in Part II of Schedule 1 (The Original Parties) as lenders (the “Original Lenders”); and

(4) BANK OF CHINA LIMITED, MACAU BRANCH as agent of the Finance Parties (other than itself) (the “Agent”).

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“Acceptable Bank” means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB or higher by S&P or Fitch or Baa2 or higher by Moody’s or a comparable rating from an internationally recognised credit rating agency.

“Additional Commitment Lender” has the meaning assigned to such term in Clause 8.2 (Election to Extend).

“Administrative Party” means each of the Agent and each Arranger.

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“Agent’s Spot Rate of Exchange” means:

(a) the Agent’s spot rate of exchange; or

(b) (if the Agent does not have an available spot rate of exchange) any publicly available spot rate of exchange selected by the Agent (acting reasonably),

for the purchase of the relevant currency with the Base Currency in the Hong Kong foreign exchange market at or about 11 a.m. on a particular day.
“Anti-Money Laundering Laws” has the meaning given to that term in Clause 18.18 (Anti-Money Laundering Laws and Sanctions).

“APLMA” means the Asia Pacific Loan Market Association Limited.

“Assignment Agreement” means an agreement substantially in the form set out in Schedule 5 (Form of Assignment Agreement) or any other form agreed between the relevant assignor, assignee and the Agent.

“Authorisation” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration.

“Availability Period” means the period from and including the date of this Agreement to and including the Termination Date.

“Available Commitment” means, in respect of a Lender, that Lender’s Available HKD Commitment and/or Available USD Commitment.

“Available Facility” means the aggregate amount for the time being of:

(a) the Available USD Facility; and

(b) the Base Currency Amount of the Available HKD Facility.

“Available HKD Commitment” means, in respect of a Lender, that Lender’s HKD Commitment minus:

(a) the amount of its participation in any outstanding HIBOR Loans and HKD Swing Line Loans; and

(b) in relation to any proposed HIBOR Loan or HKD Swing Line Loan, the amount of its participation in any other HIBOR Loans and HKD Swing Line Loans that are due to be made on or before the proposed Utilisation Date, but adding back that Lender’s participation in any HIBOR Loans and HKD Swing Line Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

“Available HKD Facility” means the aggregate for the time being of each Lender’s Available HKD Commitment.

“Available Swing Line Facility” means the Base Currency Amount of the Swing Line Lender’s Available Commitment.

“Available USD Commitment” means, in respect of a Lender, that Lender’s USD Commitment minus:

(a) the amount of its participation in any outstanding LIBOR Loans and USD Swing Line Loans; and
(b) in relation to any proposed LIBOR Loan or USD Swing Line Loan, the amount of its participation in any other LIBOR Loans and USD Swing Line Loans that are due to be made on or before the proposed Utilisation Date,

but adding back that Lender’s participation in any LIBOR Loans and USD Swing Line Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

“Available USD Facility” means the aggregate for the time being of each Lender’s Available USD Commitment.

“Bail-In Action” means the exercise of any Write-down and Conversion Powers.

“Bail-In Legislation” means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and

(b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

“Bank Levy” means any amount payable by any Finance Party or any of their respective Affiliates on the basis of or in relation to its balance sheet or capital base or any part of it or its liabilities or minimum regulatory capital or any combination thereof including, without limitation, the United Kingdom bank levy as set out in the Finance Act 2011.

“Base Currency” means US dollars.

“Base Currency Amount” means:

(a) with respect to any amount denominated in the Base Currency, such amount; and

(b) with respect to any amount denominated in Hong Kong dollars, the amount in the Base Currency determined using the HKD / USD Exchange Rate.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act and the terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Break Costs” means the amount (if any) by which:

(a) the interest (excluding any Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a LIBOR Loan, HIBOR Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount of that Loan or Unpaid Sum received been paid on the last day of that Interest Period; exceeds:
(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount of that Loan or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong, New York, Macau, Singapore and, with respect to all notices, determinations, Interest Periods, fundings and payments in connection with any LIBOR Loan, HIBOR Loan or USD Swing Line Loan, London.

“Change of Control” means the occurrence of any of the following:

(a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Group, taken as a whole, to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act), other than to Las Vegas Sands, either of the Principals and/or any of his or her Related Parties;

(b) the adoption of a plan relating to the liquidation or dissolution of the Company or any successor thereto; or

(c) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as defined in paragraph (a) above), other than Las Vegas Sands, either of the Principals and/or any of his or her Related Parties, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares.

Notwithstanding the foregoing, a Change of Control shall not be deemed to have occurred if (i) the Company becomes a direct or indirect wholly-owned Subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no “person” (as defined in paragraph (a) above), other than a holding company satisfying the requirements of this sentence and/or Las Vegas Sands, either of the Principals and/or any of his or her Related Parties, is the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company (measured by voting power rather than number of shares).

Notwithstanding the foregoing or any provision of the Exchange Act, a “person” (as defined in paragraph (a) above) shall not be deemed to beneficially own Voting Stock subject to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting, support, option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement.

“Commitment” means, in relation to a Lender, its HKD Commitment and/or its USD Commitment.

“Compliance Certificate” means a certificate substantially in the form set out in Schedule 6 (Form of Compliance Certificate) or in such other form satisfactory to the Agent (acting reasonably).

“Confidential Information” means all information relating to the Company, the Group, the Principals, the Related Parties, Las Vegas Sands, the Finance Documents or the Facility (including any Utilisation and any quarterly financial statements provided by the Company pursuant to the terms of this Agreement) of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group, the Principals, the Related Parties, Las Vegas Sands, or any of their respective advisers; or
(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group, the Principals, the Related Parties, Las Vegas Sands, or any of their respective advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 34 (Confidential Information);
(B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraph (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group, the Principals, the Related Parties and Las Vegas Sands, and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate.
“Confidentiality Undertaking” means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Company and the Agent.

“Cotai” means the area of reclaimed land between the islands of Taipa and Coloane in Macau SAR.

“Cotai Plan” means the plan for the development of the Cotai Strip submitted to Macau SAR, the form of which as at the date of this Agreement is set forth in the diagram set out in Schedule 11 (Cotai Plan) showing the approximate placement of the land parcels along the Cotai Strip as designated by Macau SAR, as such plan may be modified in a non-material manner from time to time upon notice of any such modification to the Agent.

“Cotai Strip” means the land located at Cotai in Macau SAR.

“Cotai Subsidiary” means Venetian Cotai Limited.

“Default” means an Event of Default or any event or circumstance specified in Clause 22 (Events of Default) which would (with the expiry of a grace period, the giving of notice or any combination of any of the foregoing) be an Event of Default.

“Defaulting Lender” means any Lender:

(a) which has failed to make its participation in a Loan available or has notified the Agent or the Company (which has notified the Agent) that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with Clause 5.5 (Loan amount and Lenders’ participation);

(b) which has otherwise rescinded or repudiated a Finance Document;

(c) with respect to which an Insolvency Event has occurred and is continuing; or

(d) whose Commitments are subject to any Bail-in Action,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error(s); or
(B) one or more Disruption Events; and

payment is made within three Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.
“Deposit Account” means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organisation, other than an account evidenced by a negotiable certificate of deposit.

“Disruption Event” means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“Disqualified Financial Institution” means any of the following:

(a) banks, financial institutions or other institutional lenders or entities separately identified in writing by the Company to the Agent prior to the date of this Agreement;

(b) at any time when an Event of Default is continuing, any person that owns or operates a casino or other gaming operation located in Singapore, Macau SAR, the United Kingdom or the states of Nevada, New Jersey, Pennsylvania or Michigan in the United States or any other jurisdiction in which the Company or any of its Subsidiaries has obtained or applied for a gaming licence (provided that, for the purposes of this paragraph (b), the holding of a passive investment instrument constituting less than 10 per cent. of the common stock of any such casino or other gaming operation shall not constitute ownership thereof);

(c) at any time when an Event of Default is continuing, any person that owns or operates a trade show, convention, exhibition or conference centre in Singapore, Macau SAR, the United Kingdom, or Las Vegas or Clark County in the state of Nevada in the United States, or the states of New Jersey, Pennsylvania or Michigan in the United States, or any other jurisdiction in which the Company or any of its Subsidiaries owns, operates or is developing a convention, trade show, conference centre or exhibition facility (provided that, for the purposes of this paragraph (c), the holding of a passive investment instrument constituting less than 10 per cent. of the common stock of any such casino or trade show, convention, exhibition and conference centre facility shall not constitute ownership thereof);
(d) at any time when an Event of Default is continuing, any union pension fund (provided that, for the purposes of this paragraph (d), any intermingled fund or managed account which has, as part of its assets under management, the assets of a union pension fund shall not be a Disqualified Financial Institution so long as the manager of such fund is not controlled by a union pension fund or a union pension fund does not own 10 per cent. or more of the assets of such fund);

(e) notwithstanding paragraphs (a) to (d) above, any competitors of any member of the Group to the extent identified to the Agent in writing from time to time; and

(f) any Affiliates of the persons referred to in paragraphs (a) to (e) above to the extent identified by the Company to the Agent in writing from time to time or clearly identifiable by name,

in each case, determined at the time of the relevant assignment, transfer, novation or sub-participation.

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“Employee Benefit Plan” means any “employee benefit plan” as defined in Section 3(3) of ERISA which is maintained or contributed to by the Company or any of its Subsidiaries or any of their respective ERISA Affiliates.

“Environmental Claim” means any claim, proceeding or investigation by any person in respect of any Environmental Law.

“Environmental Law” means any applicable law in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

“Environmental Permits” means any Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

“ERISA Affiliate” means, as applied to any person:

(a) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which that person is a member;
(b) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which that person is a member; and

(c) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which that person, any corporation described in clause (a) above or any trade or business described in paragraph (b) above is a member.

Any former ERISA Affiliate of the Company or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of the Company or such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of the Company or such Subsidiary and with respect to liabilities arising after such period for which Company or such Subsidiary could be liable under the Code or ERISA.

“ERISA Event” means:

(a) a “reportable event” within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation);

(b) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Code) or the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan;

(c) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA;

(d) the withdrawal by the Company or any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability pursuant to Section 4063 or 4064 of ERISA;

(e) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan;

(f) the imposition of liability on the Company or any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA;
the withdrawal of the Company or any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by the Company or any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA;

(h) the occurrence of an act or omission which could give rise to the imposition on the Company or any of its Subsidiaries or any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Benefit Plan;

(i) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against the Company or any of its Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan;

(j) receipt from the PBGC of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Code; or

(k) the conditions for imposition of a Lien (as defined in Schedule 9 (Additional covenants)) pursuant to Section 430(k) of the Code or Section 303(k) of ERISA with respect to any Pension Plan.

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“Event of Default” means any event or circumstance specified as such in Clause 22 (Events of Default).


“Facility” means the revolving loan facility made available under this Agreement as described in Clause 2 (The Facility).

“Facility Office” means the office (or branch) or offices (or branches) notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office (or branch) or offices (or branches) through which it will perform its obligations under this Agreement.

“FATCA” means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

(a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2019; or

(c) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) or (b) above, 1 January 2019, or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Federal Funds Effective Rate” means, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by the Agent.

“Fee Letter” means any letter or letters referring to this Agreement or the Facility between one or more Finance Parties and the Company setting out any of the fees referred to in Clause 12 (Fees).

“Finance Document” means this Agreement, any Fee Letter, any Utilisation Request and any other document designated as such by the Agent and the Company.

“Finance Party” means the Agent, each Arranger or a Lender.
“Financial Indebtedness” means, without double counting, any indebtedness for or in respect of:

(a) moneys borrowed;
(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with IFRS in force as at the date of this Agreement, have been treated as an operating lease);
(e) receivables sold or discounted (but only to the extent of any recourse);
(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, but only to the extent such counter-indemnity obligation is called and is outstanding; and
(i) the amount of any liability in respect of any guarantee or indemnity supporting Financial Indebtedness of a third party of a type described in paragraphs (a) to (h) above.

“Financial Quarter” means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

“Fitch” means Fitch, Inc., or any successor thereto, and if such person shall for any reason no longer perform the function of a securities rating agency, Fitch shall be deemed to refer to any other rating agency designated by the Company with the written consent of the Agent (such consent not to be unreasonably withheld or delayed).

“Four Seasons Macau Casino” means the operation and maintenance by VML of gaming areas located within the Four Seasons Macau Resort Project and the purchase of associated gaming machines, utensils and equipment.
“Four Seasons Macau Mall” means the ownership, operation and maintenance by the Cotai Subsidiary of a retail complex as part of the Four Seasons Macau Resort Project.

“Four Seasons Macau Overall Project” means the Four Seasons Macau Casino, the Four Seasons Macau Resort Project, and the Four Seasons Macau Mall; other than any such component that has been sold.

“Four Seasons Macau Resort Project” means the ownership, operation and maintenance by the Cotai Subsidiary (other than any gaming areas therein which shall be operated by VML) of a luxury hotel complex operated and maintained by Four Seasons Hotels and Resorts, Inc. or an Affiliate thereof (or another comparable hotel management company reasonably satisfactory to the Agent) located on Site 2, which Site 2 is leased to the Cotai Subsidiary (except, to the extent the lease of Unit D (as defined in the Venetian Macau Land Concession Contract) has not been transferred back to the Cotai Subsidiary or another member of the Group, for Unit D (as defined in the Venetian Macau Land Concession Contract)) pursuant to the Venetian Macau Land Concession Contract.

“Funding Rate” means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 11.4 (Cost of funds).

“Gaming Authority” means any agency, authority, board, bureau, commission, department, office or instrumentality of any nature whatsoever of any national or foreign government, any state, province or city or other political subdivision or otherwise, including the government of Macau SAR and any other applicable gaming regulatory authority or agency, in each case, with authority to regulate the sale or distribution of liquor or any gaming operation (or proposed gaming operation) owned, managed or operated by the Company or any of its Affiliates.

“Gaming Law” means the gaming laws, rules, regulations or ordinances of any jurisdiction or jurisdictions to which Las Vegas Sands, the Company or any of their respective Affiliates is, or may be, at any time subject.

“Governmental Agency” means any government or any governmental agency, semi-governmental or judicial entity or authority (including any stock exchange or any self-regulatory organisation established under statute).

“Group” means the Company and its Subsidiaries from time to time.

“Hedging Agreements” means (a) currency exchange or interest rate swap agreements, currency exchange or interest rate cap agreements and currency exchange or interest rate collar agreements, (b) other agreements or arrangements designed to protect against fluctuations in currency exchange or interest rates and (c) any agreement or arrangements designed to protect against fluctuations in the price of fuel (including fuel consumed by ferries and other watercraft).

“HIBOR” means, in relation to any Loan denominated in Hong Kong dollars:

(a) the applicable Screen Rate as of the Specified Time for Hong Kong dollars and for a period equal in length to the Interest Period of that Loan (or, for the purposes of calculating the HKD Swing Line Rate, an Interest Period of three months); or
(b) as otherwise determined pursuant to Clause 11.1 (Unavailability of Screen Rate),

and if, in either case, that rate is less than zero, HIBOR shall be deemed to be zero.

“HIBOR Loan” means a Loan (other than a HKD Swing Line Loan) denominated in Hong Kong dollars.

“HKD Commitment” means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading “HKD Commitment” in Part II of Schedule 1 (The Original Parties) and the amount of any other HKD Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount of any HKD Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

“HKD Prime Rate” means the rate that the Agent announces from its Macau office (or, following consultation with the Company, such other office of the Agent) from time to time as its Hong Kong dollars prime lending rate.

“HKD Swing Line Rate” means, at any time, the highest of:

(a) the HKD Prime Rate; and

(b) the aggregate of 3 Month HIBOR and 1.00%,

and if, in either case, that rate is less than zero, the HKD Swing Line Rate shall be deemed to be zero.

“HKD / USD Exchange Rate” means an exchange rate of HK$1.00 to US$ (1 / 7.8312).

“HKD Swing Line Loan” means a Swing Line Loan denominated in Hong Kong dollars.

“Holding Company” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.
“**Indemnified Person**” means any Finance Party, any Affiliate of a Finance Party and any of their respective directors, officers, employees, trustees or agents.

“**Indenture**” means the indenture dated as of 9 August 2018 between the Company as issuer and U.S. Bank National Association as trustee in connection with US$1,800,000,000 aggregate principal amount of 4.600% senior notes due 2023, US$1,800,000,000 aggregate principal amount of 5.125% senior notes due 2025 and US$1,900,000,000 aggregate principal amount of 5.400% senior notes due 2028.

“**Impaired Agent**” means the Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) the Agent otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent is also a Lender) it is a Defaulting Lender; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

“**Indirect Tax**” means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

“**Insolvency Event**” in relation to an entity means that the entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

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(c) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

(h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or

(j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“Interest Period” means, in relation to a Loan, each period determined in accordance with Clause 10 (“Interest Periods”) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (“Default interest”).

“Interpolated Screen Rate” means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan.


“Las Vegas Sands” means Las Vegas Sands Corp., a Nevada corporation, or any successor thereto.

“Legal Reservations” means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
(b) the time barring of claims under the Limitation Ordinance (Cap 347), the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defences of set-off or counterclaim;
(c) similar principles, rights and defences under the laws of any relevant jurisdiction; and
(d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to the Lenders in relation to the Finance Documents.

“Lender” means:

(a) any Original Lender; and
(b) any bank, financial institution, trust, fund or other entity which has become a Party as a “Lender” in accordance with Clause 23 (Changes to the Lenders),

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

“LIBOR” means, in relation to any Loan denominated in US dollars:

(a) the applicable Screen Rate as of the Specified Time for US dollars and for a period equal in length to the Interest Period of that Loan (or, for the purposes of calculating the USD Swing Line Rate, an Interest Period of three months); or
(b) as otherwise determined pursuant to Clause 11.1 (Unavailability of Screen Rate),

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.
“LIBOR Loan” means a Loan (other than a USD Swing Line Loan) denominated in US dollars that bears interest at a rate that is calculated by reference to LIBOR.

“LMA” means the Loan Market Association.

“Loan” means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

“London Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

“Macau SAR” means the Macau Special Administrative Region of the People’s Republic of China.

“Majority Lenders” means a Lender or Lenders whose USD Commitments and HKD Commitments (converted into the Base Currency at the HKD/USD Exchange Rate) aggregate more than 50% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 50% of the Total Commitments immediately prior to the reduction).

“Margin” means:

(a) prior to receipt by the Agent of the first Compliance Certificate:
   (i) with respect to LIBOR Loans, 2% per annum;
   (ii) with respect to HIBOR Loans, 2% per annum; and
   (iii) with respect to Swing Line Loans, 1% per annum; and

(b) following receipt by the Agent of the first Compliance Certificate, the rate determined by reference to the table below based on the Consolidated Leverage Ratio specified in the most recent Compliance Certificate received by the Agent:

<table>
<thead>
<tr>
<th>Consolidated Leverage Ratio</th>
<th>Margin (% per annum) for Swing Line Loans</th>
<th>Margin (% per annum) for LIBOR Loans</th>
<th>Margin (% per annum) for HIBOR Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than or equal to 2.75x</td>
<td>1.500%</td>
<td>2.500%</td>
<td>2.500%</td>
</tr>
<tr>
<td>Greater than or equal to 2.50x but less than 2.75x</td>
<td>1.375%</td>
<td>2.375%</td>
<td>2.375%</td>
</tr>
<tr>
<td>Greater than or equal to 2.25x but less than 2.50x</td>
<td>1.250%</td>
<td>2.250%</td>
<td>2.250%</td>
</tr>
<tr>
<td>Greater than or equal to 2.00x but less than 2.25x</td>
<td>1.125%</td>
<td>2.125%</td>
<td>2.125%</td>
</tr>
<tr>
<td>Greater than or equal to 1.75x but less than 2.00x</td>
<td>1.000%</td>
<td>2.000%</td>
<td>2.000%</td>
</tr>
<tr>
<td>Greater than or equal to 1.50x but less than 1.75x</td>
<td>0.875%</td>
<td>1.875%</td>
<td>1.875%</td>
</tr>
<tr>
<td>Greater than or equal to 1.25x but less than 1.50x</td>
<td>0.750%</td>
<td>1.750%</td>
<td>1.750%</td>
</tr>
<tr>
<td>Greater than or equal to 1.00x but less than 1.25x</td>
<td>0.625%</td>
<td>1.625%</td>
<td>1.625%</td>
</tr>
<tr>
<td>Less than 1.00x</td>
<td>0.500%</td>
<td>1.500%</td>
<td>1.500%</td>
</tr>
</tbody>
</table>
Any Margin adjustment required for a Loan shall take effect on the first Business Day falling after the day on which the Agent has received the relevant Compliance Certificate.

“Material Adverse Effect” means a material adverse effect on:

(a) the financial condition, business, properties or results of operations of the Group taken as a whole; or

(b) the ability of the Company to perform its payment obligations under the Finance Documents.

“Month” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.
“Moody’s” means Moody’s Investor Service, Inc., or any successor thereto, and if such person shall for any reason no longer perform the function of a securities rating agency, Moody’s shall be deemed to refer to any other rating agency designated by the Company with the written consent of the Agent (such consent not to be unreasonably withheld or delayed).

“Multiemployer Plan” means any Employee Benefit Plan which is a “multiemployer plan” as defined in Section 3(37) of ERISA.

“New Lender” has the meaning given to that term in Clause 23 (Changes to the Lenders).

“Official Bulletin” means the official bulletin of the government of Macau SAR.

“Original Financial Statements” means the audited consolidated financial statements of the Group for the financial year ended 31 December 2017.

“Parisian Casino” means the operation and maintenance by VML of the gaming areas located within the Parisian Macau Resort Project and the purchase of associated gaming machines, utensils and equipment.

“Parisian Macau Resort Project” means the Parisian Casino and the hotel resort, parking, entertainment, retail and restaurants areas developed on Site 3 owned, operated and maintained (other than any gaming areas therein which shall be operated by VML) by VML pursuant to the Venetian Macau Land Concession Contract.

“Party” means a party to this Agreement.

“Pension Plan” means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Code or Section 302 of ERISA.

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto.

“Principals” means Sheldon G. Adelson and Dr. Miriam Adelson.

“Qualified Financial Institution” means:
(a) any Lender, Affiliate of a Lender or Related Fund of a Lender; and
(b) any bank, financial institution, savings and loan association, institutional investor or mutual fund that regularly engages in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, other than any Disqualified Financial Institution, natural person and/or Defaulting Lender.

“Quarter Date” means each of March 31, June 30, September 30 and December 31.
“Quotation Day” means:

(a) in relation to any period for which an interest rate is to be determined in respect of a LIBOR Loan, two London Business Days before the first day of that period (unless market practice differs in the Relevant Market for that currency in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days));

(b) in relation to any period for which an interest rate is to be determined in respect of USD Swing Line Loan, one London Business Day before the first day of that period unless market practice differs in the Relevant Market for that currency in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days));

(c) in relation to any period for which an interest rate is to be determined in respect of a HIBOR Loan or an HKD Swing Line Loan, the first day of that period (unless market practice differs in the Relevant Market for that currency in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)); or

(d) in relation to any Interest Period the duration of which is selected by the Agent pursuant to Clause 9.3 (Default interest), such date as may be determined by the Agent (acting reasonably).

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:

(a) in relation to LIBOR:

(i) if:

(A) the Reference Bank is a contributor to the applicable Screen Rate; and

(B) it consists of a single figure,

the rate (applied to the relevant Reference Bank and the relevant currency and period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator; or

(ii) in any other case, the rate at which the relevant Reference Bank could fund itself in the relevant currency for the relevant period with reference to the unsecured wholesale funding market; or
(b) in relation to HIBOR:

(i) (other than where paragraph (ii) below applies) the rate at which the relevant Reference Bank could borrow funds in the Hong Kong interbank market in Hong Kong dollars and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period; or

(ii) if different, the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the applicable Screen Rate are asked to submit to the relevant administrator.

“Reference Banks” means, in relation to LIBOR, the principal London offices of Bank of China Limited and Industrial and Commercial Bank of China Limited and, in relation to HIBOR, the principal Hong Kong offices of Bank of China Limited and Industrial and Commercial Bank of China Limited or, in each case, such other entities as may be agreed between the Agent and the Company.

“Related Fund”, in relation to a fund (the “first fund”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“Related Party” means:

(a) any immediate family member or former spouse (in the case of an individual) of either of the Principals; or

(b) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or persons beneficially holding a greater than 50% interest of which consist of either or both of the Principals and/or such other persons referred to in the immediately preceding paragraph (a) or this paragraph (b).

“Relevant Market” means:

(a) in relation to Hong Kong dollars, the Hong Kong interbank market;

(b) in relation to US dollars, the London interbank market.

“Repeating Representations” means each of the representations set out in Clauses 18.1 (Status), 18.2 (Binding obligations), 18.3 (Non-conflict with other obligations), 18.4 (Power and authority), 18.5 (Authorisations), 18.7(b) (Subsidiaries), 18.9 (Good title to assets), 18.12 (No misleading information), 18.20 (Investment Company Act) and 18.21 (Margin Regulations).

“Representative” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers.
“**Restricted Party**” means a person that is:

(a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List;

(b) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is, or whose government is, the target of country-wide or territory-wide Sanctions, including, as of the date of this Agreement, Cuba, Iran, the Crimea, North Korea and Syria;

(c) otherwise a target of Sanctions ("**target of Sanctions**" signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities).

“**Revolving Loan**” means a HIBOR Loan and a LIBOR Loan advanced to the Company in accordance with Clause 5.5 (Loan amount and Lenders’ participation).

“**Revolving Loan Amount**” has the meaning given to it in Clause 5.3(b)(i) (Completion of a Utilisation Request).

“**Rollover Loan**” means one or more Loans:

(a) made or to be made on the same day that a maturing Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Loan;

(c) in the same currency as the maturing Loan; and

(d) made or to be made for the purpose of refinancing that maturing Loan.

“**S&P**” means S&P Global Ratings, a division of S&P Global Inc., or any successor thereto, and if such person shall for any reason no longer perform the function of a securities rating agency, S&P shall be deemed to refer to any other rating agency designated by the Company with the written consent of the Agent (such consent not to be unreasonably withheld or delayed).

“**Sanctions**” means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

“**Sanctions Authority**” means each or any of:

(a) the United Nations;

(b) the European Union;

(c) the United States government, including the United States Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) and the United States Department of State;
(d) the Macau SAR government, including the Macau Monetary Authority, the Financial Intelligence Office and the Gaming Inspection and Coordination Bureau;
(e) HM Treasury of the United Kingdom;
(f) the Hong Kong Monetary Authority;
(g) the Monetary Authority of Singapore;
(h) the Ministry of Economy, Trade and Industry of Japan;
(i) the Department of Foreign Affairs and Trade of Australia;
(j) the Reserve Bank of Australia; and
(k) the Department of Foreign Affairs, Trade and Development of Canada.

“Sanctions List” means the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC, or any other sanctions list maintained by, or public announcement of Sanctions designation made by, any Sanctions Authority.

“Sands Macau Casino” means the operation and maintenance by VML of the gaming areas located within the Sands Macau Project.

“Sands Macau Land Concession Contract” means the land concession contract, as published in the Official Bulletin on December 10, 2003, between Macau SAR and VML, and as amended as published in the Official Bulletin on April 23, 2008 (as amended, supplemented or otherwise modified) pursuant to which Macau SAR has leased certain land in Macau SAR to VML, and on which the Sands Macau Project is located.

“Sands Macau Project” means the ownership, operation and maintenance by VML of the Sands Macau Casino, and the hotel, parking, entertainment, retail and restaurant areas located on the Sands Macau Site, pursuant to the Sands Macau Land Concession Contract.

“Sands Macau Site” means the real property designated as such located on the land near the Macau Hong Kong Ferry Terminal on which the Sands Macau Project has been developed and which is leased to VML pursuant to the Sands Macau Land Concession Contract.

“Screen Rate” means:

(a) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for US dollars and the relevant period (equivalent to the relevant Interest Period) displayed (before any correction, recalculation or republication by the administrator) on page LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); and
(b) in relation to HIBOR, the Hong Kong interbank offered rate administered by the Treasury Markets Association (or any other person which takes over the administration of that rate) for Hong Kong dollars for the relevant period (equivalent to the relevant Interest Period) displayed (before any correction, recalculation or republication by the administrator) on page HKABHIBOR of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate),

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

“Securities” means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

“Security” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Separate Loan” has the meaning given to that term in Clause 6.1 (Repayment of Loans).

“Significant Subsidiaries” has the meaning given to that term in Section 1 of Schedule 9 (Additional covenants).

“Site” means any of Site 1, Site 2, Site 3, Site 5 & 6, or the Sands Macau Site, as any such Site may be modified in a non-material manner in accordance with the Cotai Plan.

“Site 1” means the real property designated as such on the Cotai Plan, on which the Venetian Macau Overall Project has been developed.

“Site 2” means the real property designated as such on the Cotai Plan, on which the Four Seasons Overall Project has been developed.

“Site 3” means the real property designated as such on the Cotai Plan, on which the Parisian Macau Resort Project has been and continues to be developed.

“Site 5 & 6” means the real property designated as such on the Cotai Plan, on which the VOL Casino Hotel Resort Project has been and continues to be developed.

“Specified Time” means a day or time determined in accordance with Schedule 7 (Timetables).
“Subsidiary” has the meaning given to that term in Section 1 of Schedule 9 (Additional covenants).

“Swing Line Lender” means Bank of China Limited, Macau Branch or such other Lender who has assumed the rights and obligations of the “Swing Line Lender” in accordance with Clause 23 (Changes to the Lenders).

“Swing Line Loan” means a Loan advanced to the Company by the Swing Line Lender (in its capacity as Swing Line Lender) in accordance with Clause 5.5(a)(ii) (Loan amount and Lenders’ participation).

“Swing Line Loan Amount” has the meaning given to it in Clause 5.3(b)(ii) (Completion of a Utilisation Request).

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Tax Deduction” has the meaning given to such term in Clause 13.1 (Tax definitions).

“Termination Date” means 31 July 2023, or as otherwise extended pursuant to Clause 8 (Extension).

“Total Commitments” means the aggregate of:

(a) the Base Currency Amount of the Total HKD Commitments; and

(b) the Total USD Commitments,

(being US$2,000,000,000 at the date of this Agreement).

“Total HKD Commitments” means the aggregate of the HKD Commitments.

“Total USD Commitments” means the aggregate of the USD Commitments.

“Transfer Certificate” means a certificate substantially in the form set out in Schedule 4 (Form of Transfer Certificate) or any other form agreed between the Agent and the Company.

“Transfer Date” means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“Unpaid Sum” means any sum due and payable but unpaid by the Company under the Finance Documents.

“US” or “United States” means the United States of America.

“USA PATRIOT Act” means the USA Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto.

“USD Commitment” means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading “USD Commitment” in Part II of Schedule 1 (The Original Parties) and the amount of any other USD Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount of any USD Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

“USD Prime Rate” means the rate that the Agent announces from its Macau office (or, following consultation with the Company, such other office of the Agent) from time to time as its US dollars prime lending rate.

“USD Swing Line Rate” means, at any time, the highest of:

(a) the USD Prime Rate;

(b) the aggregate of the Federal Funds Effective Rate and 0.5%; and

(c) the aggregate of 3 Month LIBOR and 1.00%,

and if, the applicable rate is less than zero, the USD Swing Line Rate shall be deemed to be zero.

“USD / HKD Exchange Rate” means an exchange rate of US$1.00 to HK$7.8312.

“USD Swing Line Loan” means a Swing Line Loan denominated in US dollars.

“Utilisation” means a utilisation of the Facility.

“Utilisation Date” means the date of a Utilisation, being the date on which the relevant Loan is to be made.

“Utilisation Request” means a notice substantially in the form set out in Schedule 3 (Requests).

“Venetian Macau Casino” means the ownership of the casino and the operation and maintenance by VML of the casino and gaming areas, located within the Venetian Macau Resort Project, and the purchase of associated gaming machines, utensils and equipment.
“Venetian Macau Convention Center” means the ownership, operation and maintenance by the Cotai Subsidiary of a convention centre located on land leased under the Venetian Macau Land Concession Contract and adjacent to the Venetian Macau Resort Project.

“Venetian Macau Land Concession Contract” means the land concession contract, as published in the Official Bulletin on April 18, 2007, as amended as published in the Official Bulletin on October 29, 2008, on June 5, 2013 and on October 22, 2014, entered into between Macau SAR, the Cotai Subsidiary, Cotai Strip Lot 2 Apart Hotel (Macau) Limited and the Company pursuant to which Macau SAR has leased Sites 1, 2 and 3 to the Cotai Subsidiary and the Cotai Subsidiary has transferred, by way of a deed, the Casino unit (as defined therein) to VML, and, to the extent not otherwise transferred back to the Cotai Subsidiary or other member of the Group, Unit D (as defined therein) to Cotai Strip Lot 2 Apart Hotel (Macau) Limited, and the total areas of Sites 1, 2 and 3 were changed and a certain area has reverted to the public domain of the Macau SAR, through Dispatches of the Secretary for Transport and Public Works, and on which the Venetian Macau Overall Project and the Four Seasons Macau Overall Project have been built and on which the Parisian Macau Resort Project has been and continues to be built.

“Venetian Macau Mall” means the ownership, operation and maintenance of a retail complex as part of the Venetian Macau Resort Project by the Cotai Subsidiary.

“Venetian Macau Overall Project” means the Venetian Macau Casino, the Venetian Macau Resort Project, the Venetian Macau Convention Center and the Venetian Macau Mall and related parts of the Venetian Macau complex, including the energy centre and the area generally referred to as the arena.

“Venetian Macau Resort Project” means the ownership, operation and maintenance by the Cotai Subsidiary of an approximately 3,000 suite luxury hotel resort located on Site 1, which is leased to the Cotai Subsidiary pursuant to the Venetian Macau Land Concession Contract.

“VML” means Venetian Macau Limited.

“VML Credit Facility” means the Second Amended and Restated Credit Agreement dated as of August 31, 2016, by and among VML US Finance LLC, as borrower, VML, as the company, the lenders listed therein, Bank of China, Macau Branch, as administrative agent for the lenders listed therein and the other arrangers, agents and parties listed therein.

“VOL” means Venetian Orient Limited.

“VOL Casino” means the ownership by VOL and the operation and maintenance by VML of the gaming areas located within the VOL Casino Hotel Resort Project, and the purchase of associated gaming machines, utensils and equipment.

“VOL Casino Hotel Resort Project” means the VOL Casino, hotel resorts, parking, entertainment and restaurants areas, and retail complexes developed on Site 5 & 6 owned, operated and maintained (other than any gaming areas therein which shall be operated by VML) by VOL pursuant to the VOL Land Concession Contract.

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“VOL Land Concession Contract” means the land concession contract, as published in the Official Bulletin on May 12, 2010, entered into between Macau SAR, VOL and VML pursuant to which Macau SAR has leased Site 5 & 6 and Tropical Garden to VOL and VML has been commissioned with the operation of the VOL Casino.

“Voting Stock” of an entity as of any date means the corporate stock of such entity that is at the time entitled to vote in the election of the Board of Directors (as defined in Schedule 9 (Additional covenants) of such entity.

“Write-down and Conversion Powers” means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and

(b) in relation to any other applicable Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation.

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) any “Administrative Party”, the “Agent”, any “Arranger”, the “Company”, any “Finance Party”, any “Lender” or any “Party” shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;

(ii) “assets” includes present and future properties, revenues and rights of every description;

(iii) a “Finance Document” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(iv) “including” shall be construed as “including without limitation” (and cognate expressions shall be construed similarly);

(v) a “group of Lenders” includes all the Lenders;
(vi) “indebtedness” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent other than any obligation of the Company incurred in the ordinary course of business in respect of casino chips or similar instruments;

(vii) a Lender’s “participation” in a Loan or Unpaid Sum includes an amount (in the currency of such Loan or Unpaid Sum) representing the fraction or portion (attributable to such Lender by virtue of the provisions of this Agreement) of the total amount of such Loan or Unpaid Sum and the Lender’s rights under this Agreement in respect thereof;

(viii) a “person” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(ix) a “regulation” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law, but if not having the force of law being one with which it is the practice of the relevant person to comply) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(xi) a provision of law is a reference to that provision as amended or re-enacted; and

(b) The determination of the extent to which a rate is “for a period equal in length” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) Section, Clause and Schedule headings are for ease of reference only.

(d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(e) A Default or an Event of Default is “continuing” if it has not been remedied or waived.

(f) Where this Agreement specifies an amount in a given currency (the “specified currency”) “or its equivalent”, the “equivalent” is a reference to the amount of any other currency which, when converted into the specified currency utilising the Agent’s Spot Rate of Exchange for the purchase of the specified currency with that other currency at or about 11 a.m. on the relevant date, is equal to the relevant amount in the specified currency.

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1.3 Currency symbols and definitions

(a) “HK$” and “Hong Kong dollars” denote the lawful currency of Hong Kong.

(b) “US$” and “US dollars” denote the lawful currency of the US.

(c) “Patacas” denote the lawful currency of Macau SAR.

(d) “Japanese Yen” denote the lawful currency of Japan.

(e) “Singapore dollars” denote the lawful currency of Singapore.

1.4 Third party rights

(a) A person who is not a Party (other than an Indemnified Person) has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) (the “Third Parties Ordinance”) to enforce or to enjoy the benefit of any term of this Agreement.

(b) Subject to Clause 33.3 (Other exceptions) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Company a multicurrency revolving loan facility in an aggregate amount equal to the Total Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Company is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by the Company which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by the Company.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

3. PURPOSE

3.1 Purpose

Subject to Clause 21.13 (Use of Proceeds), the Company shall apply all amounts borrowed by it under the Facility towards the Group’s general corporate and working capital requirements (which includes, without limitation, the financing of intercompany loans (and the repayment thereof), the repayment of existing Financial Indebtedness, including any amounts outstanding under the VML Credit Facility, acquisitions and the payment of dividends).

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.
4. **CONDITIONS OF UTILISATION**

4.1 **Initial conditions precedent**

(a) The Lenders shall only be obliged to comply with Clause 5.5 (Loan amount and Lenders’ Participation) in relation to any Loan if on or before the Utilisation Date for the initial Loan the Agent has received (or waived the requirement to receive) all of the documents and other evidence listed in Schedule 2 (Conditions Precedent) in form and substance satisfactory to the Agent (acting reasonably). The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

(b) Other than to the extent the Majority Lenders notify the Agent in writing to the contrary prior to the Agent providing the notification described in paragraph (a) above, the Lenders authorise the Agent to give the notification referred to in paragraph (a) above. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 **Further conditions precedent**

Subject to Clause 6.2 (Swing Line Loans), the Lenders will only be obliged to comply with Clause 5.5 (Loan amount and Lenders’ participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan; and

(b) in the case of any Loan other than a Rollover Loan:

   (i) no Default is continuing or would result from the proposed Loan; and

   (ii) the Repeating Representations (which are not qualified by a Material Adverse Effect or any other materiality threshold) are true in all material respects; and

   (iii) the Repeating Representations (which are qualified by a Material Adverse Effect or any other materiality threshold) are true in all respects.

4.3 **Maximum number of Loans**

(a) The Company may not deliver a Utilisation Request if as a result of the proposed Utilisation more than 40 Swing Line Loans, LIBOR Loans and HIBOR Loans would be outstanding.

(b) Any Separate Loan or any Revolving Loan to be made available pursuant to Clause 6.2 (Swing Line Loans) shall not be taken into account in this Clause 4.3.
5. UTILISATION

5.1 Drawdowns
The Company may utilise the Facility by way of Revolving Loans and/or Swing Line Loans.

5.2 Delivery of a Utilisation Request
The Company may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than:

(a) with respect to a Revolving Loan, 11:00 am on the day that is three Business Days prior to the proposed Utilisation Date of the Loans comprising such Revolving Loan; and

(b) with respect to a Swing Line Loan, 11:00 am on the day that is one Business Day prior to the proposed Utilisation Date of such Swing Line Loan.

5.3 Completion of a Utilisation Request
Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(a) the Utilisation Request specifies whether the proposed Utilisation is by way of a Revolving Loan or a Swing Line Loan;

(b) the Utilisation Request specifies:

(i) with respect to a proposed Revolving Loan, the proposed aggregate amount (in the Base Currency) of the Loans to be provided in connection with such Revolving Loan (the “Revolving Loan Amount”); and

(ii) with respect to a proposed Swing Line Loan, the proposed amount and currency of such Swing Line Loan (the “Swing Line Loan Amount”);

(c) the proposed Utilisation Date is a Business Day within the Availability Period;

(d) the currency and amount of the Utilisation comply with Clause 5.4 (Currency and amount); and

(e) the proposed Interest Period complies with Clause 10 (Interest Periods).

5.4 Currency and amount

(a) The currency specified in a Utilisation Request must be:

(i) in relation to a Revolving Loan, the Base Currency; and
in relation to a Swing Line Loan, the Base Currency or Hong Kong dollars.

(b) With respect to a proposed Revolving Loan, the aggregate amount (in the Base Currency) of the proposed Loans specified in the Utilisation Request must be a minimum of US$10,000,000 or, if less, the Available Facility.

(c) With respect to a proposed Swing Line Loan, the amount of such Swing Line Loan must be:

(i) a minimum of US$1,000,000 (if the proposed Swing Line Loan is a USD Swing Line Loan) or HK$5,000,000 (if the proposed Swing Line Loan is an HKD Swing Line Loan) or, if less, the Available Swing Line Facility (converted into HK$ at the USD / HKD Exchange Rate if the proposed Swing Line Loan is an HKD Swing Line Loan); and

(ii) when aggregated with (1) the Base Currency Amount of all outstanding Swing Line Loans and (2) the Base Currency Amount of all other Swing Line Loans that are due to be made on or before the proposed Utilisation Date of the relevant Swing Line Loan less the Base Currency Amount of all Swing Line Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date of the proposed Swing Line Loan, less than or equal to US$400,000,000.

5.5 Loan amount and Lenders’ participation

(a) Subject to Clause 6.2 (Swing Line Loans), if the conditions set out in Clause 4 (Conditions of Utilisation) and Clauses 5.1 (Drawdowns) to 5.4 (Currency and amount) have been met, then:

(i) with respect to a proposed Revolving Loan, the Lenders shall advance to the Company:

(A) a HIBOR Loan in an amount equal to the following:

\[ \frac{\text{Available HKD Facility}}{\text{Available Facility converted into Hong Kong dollars at the USD / HKD Exchange Rate}} \times \text{proposed Revolving Loan Amount converted into Hong Kong dollars at the USD / HKD Exchange Rate} \]

AND

(B) a LIBOR Loan in an amount equal to the following:

\[ \frac{\text{Available USD Facility}}{\text{Available Facility}} \times \text{proposed Revolving Loan Amount} \]

(ii) with respect to a proposed Swing Line Loan, the Swing Line Lender shall make available to the Company a Swing Line Loan in an amount equal to the proposed Swing Line Loan Amount; and
(iii) each Lender shall make its participation in each such Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender’s participation in each Revolving Loan will be equal to:

(i) with respect to the HIBOR Loan component of such Revolving Loan, the proportion borne by its Available HKD Commitment to the Available HKD Facility; and

(ii) with respect to the LIBOR Loan component of such Revolving Loan, the proportion borne by its Available USD Commitment to the Available USD Facility.

(c) The Agent shall:

(i) notify the Company and each Lender of the amount and currency of each Revolving Loan;

(ii) notify the Company and the Swing Line Lender of the amount and currency of each Swing Line Loan; and

(iii) notify each Lender of the amount of its participation in each Revolving Loan and, if different, the amount of that participation to be made available in accordance with Clause 27.1 (Payments to the Agent),

in each case by the Specified Time.

5.6 Cancellation of Available Facility

The Commitments which, at that time, are unutilised shall be immediately cancelled at 5 p.m. on the last day of the Availability Period.
SECTION 4
REPAYMENT, PREPAYMENT, CANCELLATION AND EXTENSION

6. REPAYMENT

6.1 Repayment of Loans

(a) The Company shall repay each Loan (other than a Swing Line Loan) on the last day of its Interest Period.

(b) Without prejudice to the Company’s obligation under paragraph (a) above, if:

(i) one or more Loans (other than a Swing Line Loan) are to be made available to the Company:

(A) on the same day that a maturing Loan (other than a Swing Line Loan) is due to be repaid by the Company;

(B) in the same currency as the maturing Loan; and

(C) in whole or in part for the purpose of refinancing the maturing Loan; and

(ii) the proportion borne by each Lender’s participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender’s participation in the new Loans to the aggregate amount of those new Loans,

then the aggregate amount of the new Loans shall, unless the Company notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

(A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:

(1) the Company will only be required to make a payment under Clause 27.1 (Payments to the Agent) in an amount in the relevant currency equal to that excess; and

(2) each Lender’s participation in the new Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender’s participation in the maturing Loan and that Lender will not be required to make a payment under Clause 27.1 (Payments to the Agent) in respect of its participation in the new Loans; and
(B) If the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

(1) The Company will not be required to make a payment under Clause 27.1 (Payments to the Agent); and

(2) Each Lender will be required to make a payment under Clause 27.1 (Payments to the Agent) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender’s participation in the maturing Loan and the remainder of that Lender’s participation in the new Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender’s participation in the maturing Loan.

(c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Loans then outstanding will be automatically extended to the Termination Date and will be treated as separate Loans (the “Separate Loans”) denominated in the currency in which the relevant participations are outstanding.

(d) The Company may prepay an outstanding Separate Loan by giving not less than 5 Business Days’ prior notice to the Agent. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (c) to the Defaulting Lender concerned as soon as practicable on receipt.

(e) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Company by the time and date specified by the Agent (acting reasonably) and will be payable by the Company to the Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Loan.

(f) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

6.2 Swing Line Loans

(a) In this Clause 6.2, a “Refunded Swing Line Loan” means any Swing Line Loan in respect of which a request to refund is made by the Swing Line Lender or the Agent (as the case may be) in accordance with paragraphs (b) or (c) below.
(b) With respect to any outstanding Swing Line Loan, the Swing Line Lender may deliver to the Agent (with a copy to the Company) a notice requesting that each Lender makes it participation available in a Revolving Loan having an Interest Period with the same duration as the Interest Period selected in the Utilisation Request of such Swing Line Loan and for an aggregate amount equal to the Base Currency amount of such outstanding Swing Line Loan in accordance with Clause 5.5 (Loan amount and Lenders’ participation) (for the avoidance of doubt, in accordance with Clause 6.2(e), each Lender’s obligation to make its participation available in such Revolving Loan shall be absolute and unconditional, notwithstanding, without limitation, any failure by the Company to satisfy any condition set out in Clause 4 (Conditions of Utilisation) and Clauses 5.1 (Drawdowns) to 5.4 (Currency and amount)). Such notice by the Swing Line Lender shall be deemed to be a Utilisation Request given by the Company and (1) the Utilisation Date of the relevant Revolving Loan thereunder shall be the day that is three Business Days after the day on which such notice is given by the Agent and (2) the Interest Period for the relevant Revolving Loan shall commence on the Utilisation Date of such Revolving Loan.

(c) If the Swing Line Lender has not delivered a notice pursuant to paragraph (a) above in respect of an outstanding Swing Line Loan and:

(i) such Swing Line Loan is outstanding for more than four Business Days; or

(ii) any Default or Event of Default has occurred and is continuing on a date such Swing Line Loan is outstanding,

the Agent shall notify the Company and each Lender thereof and request that each Lender makes it participation available in a Revolving Loan having an Interest Period with the same duration as the Interest Period selected in the Utilisation Request of such Swing Line Loan and for an aggregate amount equal to the Base Currency Amount of such outstanding Swing Line Loan in accordance with Clause 5.5 (Loan amount and Lenders’ participation) (for the avoidance of doubt, in accordance with Clause 6.2(e), each Lender’s obligation to make its participation available in such Revolving Loan shall be absolute and unconditional, notwithstanding, without limitation, any failure by the Company to satisfy any condition set out in Clause 4 (Conditions of Utilisation) and Clauses 5.1 (Drawdowns) to 5.4 (Currency and amount)). The Utilisation Date of such Revolving Loan shall be the third Business Day after the day on which the Agent notifies the Company and the Lenders of the occurrence of any event set out in subparagraphs (i) or (ii) above and (2) the Interest Period for such Revolving Loan shall commence on the Utilisation Date of such Revolving Loan.

(d) Notwithstanding anything contained in this Agreement to the contrary:

(i) each of the Lenders shall make its participation in any Revolving Loan requested under this Clause 6.2 available in accordance with Clause 5.5 (Loan amount and Lenders’ participation) and Clause 27.1 (Payments to the Agent) (for the avoidance of doubt, in accordance with Clause 6.2(e), each Lender’s obligation to make its participation available in such Revolving Loan shall be absolute and unconditional, notwithstanding, without limitation, any failure by the Company to satisfy any condition set out in Clause 4 (Conditions of Utilisation) and Clauses 5.1 (Drawdowns) to 5.4 (Currency and amount)) and, subject to paragraph (ii) below, the Agent shall immediately apply the proceeds of such Revolving Loan in repayment of the relevant Refunded Swing Line Loan;
(ii) to the extent the proceeds of any such Revolving Loan are denominated in a currency other than the currency of the relevant Refunded Swing Line Loan, the proceeds of such Revolving Loan shall be converted by the Agent at the Agent’s Spot Rate of Exchange into the currency of the relevant Refunded Swing Line Loan before being delivered by the Agent to the Swing Line Lender for application in repayment of the Refunded Swing Line Loans in accordance with paragraph (i) above;

(iii) if, following the application of the proceeds of such Revolving Loan in repayment of the relevant Refunded Swing Line Loans in accordance with paragraphs (i) and (ii) above, there are surplus proceeds, the Agent shall pay such surplus proceeds (in their original currency) as directed by the Company; and

(iv) if, following the application of the proceeds of such Revolving Loan in repayment of the relevant Refunded Swing Line Loan in accordance with paragraphs (i) and (ii) above, there remains an amount outstanding under such relevant Refunded Swing Line Loan (such amount being the “Shortfall Amount”), then the Company hereby authorizes the Agent and the Swing Line Lender to debit any account held by Company with the Agent and the Swing Line Lender (up to the amount available in each such account) by an aggregate amount equal to the Shortfall Amount and such amount shall be deemed to have been paid by the Company to the Swing Line Lender in repayment of the relevant Refunded Swing Line Loan (and such Refunded Swing Line Loan shall no longer be outstanding). If any portion of any such amount paid (or deemed to be paid) to the Swing Line Lender pursuant to this paragraph (iv) should be recovered by or on behalf of the Company from the Swing Line Lender in bankruptcy, by assignment for the benefit of creditors or otherwise, the loss of the amount so recovered shall be rateably shared among all Lenders.

(e) Notwithstanding anything contained in this Agreement to the contrary:

(i) each Lender’s obligation to make its participation available in any Revolving Loan for the purpose of repaying any Refunded Swing Line Loan in accordance with this Clause 6.2 shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation:

(A) any set off, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Company, any other member of the Group or any other person for any reason whatsoever;
the occurrence of a Default or Event of Default which is continuing;

any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Company or any other member of the Group;

any breach of this Agreement or any other Finance Document by any party thereto;

any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; or

failure of the Company to satisfy any of the conditions set out in Clause 4 (Conditions of Utilisation) and Clauses 5.1 (Drawdowns) to 5.4 (Currency and amount); and

(ii) the Swing Line Lender shall not be required to make any Swing Line Loans available at a time when any Lender is a Defaulting Lender unless the Swing Line Lender has entered into arrangements satisfactory to it and the Company to eliminate the Swing Line Lender’s risk with respect to such Defaulting Lender, including by cash collateralizing such Defaulting Lender’s deemed pro rata share in any Swing Line Loan.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If in any applicable jurisdiction, it becomes unlawful for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Company, the Available Commitment of that Lender will be immediately cancelled; and

(c) to the extent that the Lender’s participation has not been transferred pursuant to paragraph (a) of Clause 33.4 (Replacement of a Lender), the Company shall repay that Lender’s participation in the Loans made to the Company on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender’s corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.
7.2 Change of Control

If a Change of Control occurs:

(a) the Company shall promptly notify the Agent upon becoming aware of that event;
(b) a Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan); and
(c) if a Lender so requires and notifies the Agent within 10 Business Days of the Company notifying the Agent of the event, the Agent shall, by not less than 30 days’ notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents in relation to that Lender’s participation(s) immediately due and payable, whereupon the Commitment of that Lender will be cancelled and all such outstanding Loans and amounts will become immediately due and payable.

7.3 Voluntary cancellation

(a) The Company may, if it gives the Agent not less than 5 Business Days’ (or such shorter period as the Agent may agree) prior notice cancel the whole or any part (being a minimum amount of US$1,000,000) of the Available Facility (the Base Currency Amount of such proposed cancellation being the “Cancellation Amount”).

(b) Any cancellation under this Clause 7.3 shall reduce:

(i) the USD Commitment of each Lender by an amount equal to:

(USD Commitment of that Lender / Total Commitments) * Cancellation Amount; and

(ii) the HKD Commitment of each Lender by an amount equal to:

(HKD Commitment of that Lender / Total Commitments converted into HKD at the USD / HKD Exchange Rate) * Cancellation Amount converted into HKD at the USD / HKD Exchange Rate.

7.4 Voluntary prepayment

(a) The Company may:

(i) if it gives the Agent not less than 5 Business Days’ (or such shorter period as the Agent may agree) prior notice, prepay the whole or any part of any Revolving Loan (but if in part, being an amount that reduces the Base Currency Amount of that Revolving Loan by a minimum amount of US$1,000,000) (the Base Currency Amount of such proposed prepayment being the “Prepayment Amount”); and

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(ii) if it gives the Agent not less than one Business Day (or such shorter period as the Agent may agree) prior notice, prepay the whole or any part of a Swing Line Loan (but if in part, being an amount that reduces the amount of that Swing Line Loan by a minimum amount of US$1,000,000 (if denominated in US$) or HK$5,000,000 (if denominated in HK$)), provided that the Company did not receive any notice pursuant to paragraphs (b) and (c) of Clause 6.2 (Swing Line Loans).

(b) Any prepayment of a Revolving Loan under Clause 7.4(a)(i) above shall be applied:

(i) in prepayment of the LIBOR Loan component of such Revolving Loan in an amount equal to:

\[
\frac{\text{amount of the LIBOR Loan}}{\text{the aggregate Base Currency Amount of the Revolving Loan}} \times \text{Prepayment Amount}
\]

and

(ii) in prepayment of the HIBOR Loan component of such Revolving Loan in an amount equal to:

\[
\frac{\text{amount of the HIBOR Loan}}{\text{the aggregate amount of the Revolving Loan converted into HKD at the USD / HKD Exchange Rate}} \times \text{Prepayment Amount converted into HKD at the USD / HKD Exchange Rate.}
\]

7.5 Right of prepayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by the Company is required to be increased under paragraph (a) of Clause 13.2 (Tax gross-up); or

(ii) any Lender claims indemnification from the Company under Clause 13.3 (Tax indemnity) or Clause 14.1 (Increased costs),

the Company may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the prepayment of that Lender’s participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with Clause 33.4 (Replacement of a Lender).

(b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment(s) of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Company has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), the Company to which a Loan is outstanding shall prepay that Lender’s participation in that Loan.
7.6 Right of cancellation in relation to a Defaulting Lender
(a) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 5 Business Days’ notice of cancellation of each Available Commitment of that Lender.
(b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
(c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

7.7 Restrictions
(a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
(c) Unless a contrary indication appears in this Agreement, any part of the Facility which is repaid or prepaid may be reborrowed in accordance with the terms of this Agreement.
(d) No amount of a Commitment cancelled under this Agreement may be subsequently reinstated.
(e) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.
(f) If all or part of any Lender’s participation in a Loan under the Facility is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (Further conditions precedent)), an amount of that Lender’s USD Commitment or HKD Commitment (as applicable) (equal to the amount of the participation which is repaid or prepaid) in respect of the Facility will be deemed to be cancelled on the date of repayment or prepayment.

7.8 Application of prepayments
Subject to Clauses 7.1 (Illegality), 7.2 (Change of Control), 7.5 (Right of prepayment and cancellation in relation to a single Lender), 7.6 (Right of cancellation in relation to a Defaulting Lender), 33.4 (Replacement of a Lender) or as otherwise specifically provided for in this Agreement, any prepayment of a Loan shall be applied pro rata to each Lender’s participation in that Loan.
8. EXTENSION

8.1 Request for extension

(a) The Company may, upon written request to the Agent not less than 45 Business Days prior to the Termination Date (the “Extension Request”), request that the Agreement be amended to extend the Termination Date for all or a portion of the Total Commitments (the “Extension”). The Extension Request shall set out the proposed terms of the Extension which shall include:

(i) the amount (in Hong Kong dollars) of the Total HKD Commitments the Company proposes to extend (the “Extended HKD Commitments”);

(ii) the amount (in the Base Currency) of the Total USD Commitments the Company proposes to extend (the “Extended USD Commitments”);

(iii) the amount (in the Base Currency) of the Commitment of the Swing Line Lender the Company proposes to extend (the “Extended Swing Line Commitment” and together with the Extended USD Commitments and the Extended HKD Commitments, the “Extended Commitments”);

(iv) the termination date of the proposed Extension;

(v) the changes, if any, to the Margin to be applied (following the original Termination Date) in determining the interest payable on the Loans of any Lenders that participate in the Extended Commitments;

(vi) any other amendments or modifications to the terms of the Extended Commitments; and

(vii) the date by which the Lenders must respond to the Extension Request (such date not to be less than 30 days after the date of receipt by the Agent of the Extension Request, or such other date as agreed by the Agent and the Company) (such date being the “Extension Request Deadline”).

(b) Promptly following receipt of an Extension Request, the Agent shall provide a copy of such request to each Lender.

(c) Notwithstanding any other provision in this Agreement, the Company may withdraw any Extension Request at any time.

8.2 Election to extend

(a) Following receipt of an Extension Request, any Lender wishing to participate in the Extension (each, an “Extending Lender”) set out in such Extension Request shall notify the Agent on or prior to the Extension Request Deadline specified in such Extension Request of the amount of its Commitments it has elected to be extended (subject to any minimum denomination requirements imposed by the Agent, with the consent of the Company).
(b) No Lender shall have any obligation to agree to participate in an Extension. Any Lender not responding on or prior to the Extension Request Deadline specified in an Extension Request shall be deemed to have declined such Extension Request (each such Lender and any Lender which has responded to the Agent on or prior to the relevant Extension Request Deadline that it shall not extend any part of its Commitments in accordance with such Extension Request, being a “Non-Extending Lender”).

(c) The Agent shall notify the Company and each Lender of the responses to an Extension Request.

(d) If the aggregate principal amount of existing HKD Commitments that the Extending Lenders have elected to extend pursuant to an Extension Request exceeds the amount of the Extended HKD Commitments requested by the Company in such Extension Request, then the principal amount of Extended HKD Commitments requested by the Company shall be allocated to each Extending Lender electing to extend its HKD Commitments in such manner and in such amounts as may be agreed by Agent and the Company, in their sole discretion.

(e) If the aggregate principal amount of existing USD Commitments that the Extending Lenders have elected to extend pursuant to an Extension Request exceeds the amount of the Extended USD Commitments requested by the Company in such Extension Request, then, subject to paragraph (g) below, the principal amount of Extended USD Commitments requested by the Company shall be allocated to each Extending Lender electing to extend its USD Commitments in such manner and in such amounts as may be agreed by Agent and the Company, in their sole discretion.

(f) If (1) the amount of the Extended HKD Commitments requested by the Company in an Extension Request exceeds the aggregate principal amount of existing HKD Commitments that the Extending Lenders have elected to extend pursuant to such Extension Request, (2) the amount of the Extended USD Commitments requested by the Company in an Extension Request exceeds the aggregate principal amount of existing USD Commitments that the Extending Lenders have elected to extend pursuant to such Extension Request or (3) the Base Currency Amount of the Extended Swing Line Commitment requested by the Company in an Extension Request exceeds the Base Currency Amount of the existing Commitment of the Swing Line Lender that the Swing Line Lender has elected to extend pursuant to such Extension Request (the “Offered Swing Line Extension Amount”), then the Company shall have the right on the last day of any Interest Period following the Extension Request Deadline or on the Termination Date to:

(i) replace any Non-Extending Lender with, and add as “Lenders” or “Swing Line Lender” (as applicable) under this Agreement in place thereof, one or more persons (which (a) may be another Lender, if such Lender so agrees, or (b) may be any other person to whom an assignment would be permitted under this Agreement) (each, an “Additional Commitment Lender”) pursuant to Clause 33.4 (Replacement of a Lender); and / or
add as “Lenders” or “Swing Line Lenders” (as applicable) under this Agreement one or more Additional Commitment Lenders, provided that (A) the aggregate Total HKD Commitments of the Extending Lenders (including, for the avoidance of doubt, the Swing Line Lender in its capacity as Swing Line Lender) and such Additional Commitment Lenders does not exceed the amount of the Extended HKD Commitments requested by the Company in the relevant Extension Request and (B) the aggregate Total USD Commitments of the Extending Lenders (including, for the avoidance of doubt, the Swing Line Lender in its capacity as Swing Line Lender) and such Additional Commitment Lenders does not exceed the amount of the Extended USD Commitments requested by the Company in the relevant Extension Request.

(g) Notwithstanding paragraphs (d) to (f) above, if the Swing Line Lender (in its capacity as Swing Line Lender) elects to extend its Commitment pursuant to an Extension Request, then the Company may allocate to the Swing Line Lender an amount of the Extended USD Commitments and/or the Extended HKD Commitments in aggregate up to a maximum Base Currency Amount equal to the Offered Swing Line Extension Amount.

8.3 Extension amendment

(a) The Extended Commitments (and the terms thereof) shall be established pursuant to an amendment to this Agreement (the “Extension Amendment”) agreed and entered into between the Company, the Agent, each Extending Lender and (if applicable) each Additional Commitment Lender (but shall not require the agreement or consent of any other Lender), which shall become effective as at the Termination Date.

(b) Notwithstanding any other provision in this Agreement or any other Finance Document, there shall be no condition to any Extension at any time or from time to time other than notice to the Agent of such Extension and the terms of the Extended Commitments (in each case, as set out in the Extension Request) and the execution of the Extension Amendment.

(c) The Agent shall promptly notify each Extending Lender and (if applicable) each Additional Commitment Lender as to the effectiveness of the Extension Amendment and the matters specified therein.

(d) Each Party hereby agrees that this Agreement and each other Finance Document may be amended pursuant to an Extension Amendment, without the consent of any Lender, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Commitments and the Extended Swing Line Commitments incurred pursuant thereto, and (ii) effect such other amendments to this Agreement and the other Finance Documents as may be necessary or appropriate, in the reasonable opinion of the Agent and the Company, to effect the provisions of this Clause 8 and the Lenders hereby expressly authorize the Agent to enter into any such Extension Amendment.
9. **INTEREST**

9.1 **Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin; and

(b) in relation to:

(i) any LIBOR Loan, LIBOR;

(ii) any USD Swing Line Loan, the USD Swing Line Rate;

(iii) any HIBOR Loan, HIBOR; and

(iv) any HKD Swing Line Loan, the HKD Swing Line Rate.

9.2 **Payment of interest**

The Company shall pay accrued interest on:

(a) each Loan (other than a Swing Line Loan) on the last day of each Interest Period for that Loan (and, if any Interest Period is longer than three Months, on the dates falling at three-monthly intervals after the first day of that Interest Period); and

(b) each Swing Line Loan on the date such Loan is prepaid or otherwise refunded in accordance with Clause 6.2 (Swing Line Loans).

9.3 **Default interest**

(a) If the Company fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is, subject to paragraph (b) below, 2 per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 9.3 shall be immediately payable by the Company on demand by the Agent.

(b) If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
(ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be 2 per cent. per annum higher than the rate which would have applied if the Unpaid Sum had not become due.

(c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

9.4 Notification of rates of interest

(a) The Agent shall promptly notify the relevant Lenders and the Company of the determination of a rate of interest under this Agreement.

(b) The Agent shall promptly notify the Company of each Funding Rate relating to a Loan.

10. INTEREST PERIODS

10.1 Selection of Interest Periods

(a) Subject to Clause 6.2(b) and (c), the Company may select an Interest Period for a Loan in the Utilisation Request for that Loan.

(b) Subject to this Clause 10, the Company may select an Interest Period of 1, 2, 3 or 6 Months or any other period agreed between the Company, the Agent and all the Lenders.

(c) An Interest Period for a Loan shall not extend beyond the Termination Date.

(d) A Loan has one Interest Period only.

(e) The Interest Period for each HIBOR Loan and LIBOR Loan comprising a Revolving Loan shall be of the same duration.

10.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11. CHANGES TO THE CALCULATION OF INTEREST

11.1 Unavailability of Screen Rate

(a) Interpolated Screen Rate: If no Screen Rate is available for LIBOR or, if applicable, HIBOR for the Interest Period of a Loan, the applicable LIBOR or HIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.
(b) Reference Bank Rate: If no Screen Rate is available for LIBOR or, if applicable, HIBOR for:
(i) the currency of a Loan; or
(ii) the interest period of a Loan and it is not possible to calculate the Interpolated Screen Rate,
the applicable LIBOR or HIBOR shall be the Reference Bank Rate as of the Specified Time for the currency of that Loan and for a period equal in length to the Interest Period of that Loan.

(c) Cost of funds: If paragraph (b) above applies but no Reference Bank Rate is available for the relevant currency or Interest Period there shall be no LIBOR or, as applicable, HIBOR for that Loan and Clause 11.4 (Cost of funds) shall apply to that Loan for that Interest Period.

11.2 Calculation of Reference Bank Rate

(a) Subject to paragraph (b) below, if LIBOR or HIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at the relevant Specified Time, none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

11.3 Market disruption

If before 5 p.m. in Hong Kong on the Business Day immediately following the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it of funding its participation in that Loan from the wholesale market for the relevant currency would be in excess of LIBOR or, if applicable, HIBOR then Clause 11.4 (Cost of funds) shall apply to that Loan for the relevant Interest Period.

11.4 Cost of funds

(a) If this Clause 11.4 applies, the rate of interest on each Lender's share of the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
(i) the Margin; and
(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event within 5 Business Days of the first day of that Interest Period, to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in that Loan from whatever source it may reasonably select.

(b) If this Clause 11.4 applies and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
(c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of the Majority Lenders and the Company, be binding on all Parties.

11.5 Notification to Company

If Clause 11.4 (Cost of funds) applies the Agent shall, as soon as is practicable, notify the Company.

11.6 Break Costs

(a) The Company shall, within five Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a LIBOR Loan, HIBOR Loan or Unpaid Sum being paid by the Company on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

12. FEES

12.1 Commitment fee

(a) Subject to paragraph (c) below, the Company shall pay to the Agent (for the account of each Lender):

(i) a fee in the Base Currency computed at the rate of 0.60 per cent. per annum on that Lender’s Available USD Commitment for the Availability Period; and

(ii) a fee in Hong Kong dollars computed at the rate of 0.60 per cent. per annum on that Lender’s Available HKD Commitment for the Availability Period.

(b) The accrued commitment fee is payable:

(i) on the last day of each successive period of three Months which ends during the Availability Period;

(ii) on the last day of the relevant Availability Period; and

(iii) if a Lender’s Commitment is cancelled in full, on the cancelled amount of the relevant Lender’s Commitment at the time the cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.
12.2 **Upfront fee**

The Company shall pay an upfront fee to the Agent in the amount and at the times agreed in a Fee Letter (for account of each Finance Party specified in that Fee Letter).

12.3 **Agency fee**

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.
13. TAX GROSS-UP AND INDEMNITIES

13.1 Tax definitions

In this Clause 13:

“Tax Credit” means a credit against, relief or remission for, or repayment of any Tax.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“Tax Payment” means an increased payment made by the Company to a Finance Party under Clause 13.2 (Tax gross-up) or a payment under Clause 13.3 (Tax indemnity).

Unless a contrary indication appears, in this Clause 13 a reference to “determines” or “determined” means a determination made in the discretion of the person making the determination (acting reasonably).

13.2 Tax gross-up

(a) All payments to be made by the Company to any Finance Party under the Finance Documents shall be made free and clear of and without any Tax Deduction unless the Company is required to make a Tax Deduction, in which case the sum payable by the Company (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that such Finance Party receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.

(b) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company.

(c) If the Company is required to make a Tax Deduction, the Company shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Company shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
(c) Each Finance Party entitled to payment under an applicable Finance Document which is eligible for an exemption or reduction of the amount of Tax to be withheld on such payment shall, upon the request of the Company, use its reasonable endeavours to co-operate with the Company in completing any procedural formalities necessary for the Company to obtain authorisation to make that payment without a Tax Deduction.

(f) Paragraph (e) above does not in any way limit the obligations of the Company under the Finance Documents.

13.3 Tax indemnity

(a) If any Finance Party is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under the Finance Documents (including any sum deemed for the purposes of Tax to be received or receivable by such Finance Party whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against any Finance Party, the Company shall, within five Business Days of demand of the Agent, promptly indemnify the Finance Party which suffers a loss or liability as a result against such payment or liability, together with any interest, penalties, costs and expenses payable or incurred in connection therewith, provided that this Clause 13.3 shall not apply:

(i) to any Tax imposed on and calculated by reference to the net income actually received or receivable by such Finance Party (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by such Finance Party but not actually receivable) by the jurisdiction in which such Finance Party is incorporated;

(ii) to any Tax imposed on and calculated by reference to the net income of the Facility Office or other permanent establishment of such Finance Party actually received or receivable by such Finance Party (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by such Finance Party but not actually receivable) by the jurisdiction in which its Facility Office or permanent establishment is located;

(iii) to a FATCA Deduction required to be made by a Party;

(iv) to a Bank Levy; or

(v) to the extent that any loss, liability or cost is compensated for by an increased payment, reimbursement or indemnity under Clause 13.2(a) (Tax gross-up), 13.5 (Stamp taxes) or 13.6 (Indirect tax).

(b) A Finance Party intending to make a claim under paragraph (a) above shall notify the Agent of the event giving rise to the claim, whereupon the Agent shall notify the Company thereof.

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13.4 Tax credit

(a) If the Company makes a Tax Payment and the relevant Finance Party determines that:

(i) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required (the “Relevant Tax Credit”) and that Finance Party shall use its reasonable endeavours to co-operate with the Company to obtain the Relevant Tax Credit from the relevant tax authority; and

(ii) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Company which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Company.

(b) Paragraph (a) above does not in any way limit the obligations of the Company under the Finance Documents.

13.5 Stamp taxes

The Company shall:

(a) pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document; and

(b) within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document,

in each case, other than any stamp duty, registration or other similar Tax arising in connection with an assignment, transfer or sub-participation by any Finance Party of any of its rights and/or obligations under any Finance Document.

13.6 Indirect tax

(a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.
Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

13.7 **FATCA information**

(a) Subject to paragraph (c) below, each Party shall, within 10 Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

   (A) a FATCA Exempt Party; or
   
   (B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party’s compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party’s compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
13.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Company and the Agent and the Agent shall notify the other Finance Parties.

14. INCREASED COSTS

14.1 Increased costs

(a) Subject to Clause 14.3 (Exceptions) the Company shall, within five Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation after the date it became a party to this Agreement or (ii) compliance with any law or regulation made after the date it became a party to this Agreement. The terms “law” and “regulation” in this paragraph (a) shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

(b) In this Agreement:


(ii) “Basel III” means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

(iii) “Increased Costs” means:

(A) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to the undertaking, funding or performance by such Finance Party of any of its obligations under any Finance Document or any participation of such Finance Party in any Loan or Unpaid Sum.

14.2 Increased cost claims

(a) A Finance Party (other than the Agent) intending to make a claim pursuant to Clause 14.1 ( Increased costs ) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.

(b) Each Finance Party (other than the Agent) shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

14.3 Exceptions

Clause 14.1 ( Increased costs ) does not apply:

(a) to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by the Company;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 13.3 ( Tax indemnity ) (or would have been compensated for under Clause 13.3 ( Tax indemnity ) but was not so compensated solely because any of the exclusions in paragraph (a) of Clause 13.3 ( Tax indemnity ) applied);

(iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation;
attributable to the implementation or application of, or compliance with Basel II (but excluding any amendment arising out of Basel III)
or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government,
regulator, Finance Party or any of its Affiliates), but only to the extent that such law or regulation has been implemented prior to the
date of this Agreement (or prior to the date on which the relevant Finance Party became a party to this Agreement, if later);

attributable to an assignment or transfer of rights and/or obligations under a Finance Document by or to such Finance Party or its
Affiliate, to the extent such Finance Party or its Affiliate knew or ought reasonably to have known at the time that the assignment or
transfer would result in the Increased Cost; or

suffered more than 150 days before the relevant Finance Party notifies the Company of the relevant event giving rise to the claim or, if
the relevant claim has arisen due to a change in law that is retrospective, suffered more than 150 days before the relevant Finance Party
notifies the Company of the implementation of such change in law; or

(b) if the relevant Finance Party does not generally require clients that are comparable in nature and business to the Company to indemnify such
Finance Party for comparable Increased Costs.

15. MITIGATION BY THE LENDERS

15.1 Mitigation

(a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which
would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (Illegality), Clause 13 (Tax
Gross-up and Indemnities) or Clause 14 (Increased Costs), including:

(i) providing such information as the Company may reasonably request in order to permit the Company to determine its entitlement to
claim any exemption or other relief (whether pursuant to a double taxation treaty or otherwise) from any obligation to make a Tax
Deduction; and

(ii) in relation to any circumstances which arise following the date of this Agreement, transferring its rights and obligations under the
Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of the Company under the Finance Documents.
15.2 Limitation of liability

(a) The Company shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (Mitigation).

(b) A Finance Party is not obliged to take any steps under Clause 15.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

15.3 Conduct of business by the Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

16. OTHER INDEMNITIES

16.1 Currency indemnity

(a) If any sum due from the Company under the Finance Documents (a “Sum”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “First Currency”) in which that Sum is payable into another currency (the “Second Currency”) for the purpose of:

(i) making or filing a claim or proof against the Company; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Company shall as an independent obligation, within five Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

Subject to Clause 16.4 (Limitation of liability of the Company) below, the Company shall, within five Business Days of demand, indemnify each Indemnified Person against, and hold each Indemnified Person harmless from, any cost, loss, claim or liability, damages and related reasonable expenses (including reasonable and documented legal fees) incurred by that Indemnified Person as a result of:
(a) the occurrence of any Event of Default;

(b) any legal action, legal proceeding, enquiry, investigation, subpoena (or similar order) or litigation with respect to the Company or with respect to the transactions contemplated or financed under this Agreement;

(c) a failure by the Company to pay any amount due under a Finance Document on its due date or in the relevant currency, including any cost, loss or liability arising as a result of Clause 26 (Sharing among the Finance Parties);

(d) funding, or making arrangements to fund, its participation in a Loan requested by the Company in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Indemnified Person alone); or

(e) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company.

16.3 Indemnity to the Agent

Subject to Clause 16.4 (Limitation of liability of the Company) below, the Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

(a) investigating any event which it reasonably believes is a Default, provided that if after doing so it is established that the event or matter is not a Default, such cost, loss or liability of investigation shall be for the account of the Lenders;

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(c) instructing lawyers, accountants, tax advisers or other professional advisers or experts as permitted under this Agreement.

16.4 Limitation of liability of the Company

Notwithstanding any other provision of any Finance Document, the Company will not be liable (and shall not indemnify any Indemnified Person) for:

(a) any cost, loss or liability incurred or suffered by any Indemnified Person that:

   (i) is determined by a court of competent jurisdiction by a final, non-appealable judgment to have resulted from the gross negligence, bad faith or wilful misconduct of such Indemnified Person (or any of its Affiliates or any of their respective directors, officers, employers, trustees, agents or advisers);
(ii) has arisen as a result of a claim brought by the Company against such Indemnified Person for material breach of such Indemnified Person’s obligations under the Finance Documents if the Company has obtained a final and non-appealable judgment in its favour or such claim as determined by a court of competent jurisdiction; or

(iii) has arisen as a result of a proceeding that does not involve an act or omission by the Company or any of its subsidiaries and that is brought by an Indemnified Person against any other Indemnified Person (other than any proceeding brought against any Administrative Party or any other agent acting on behalf of the Finance Parties in their respective capacities as such); or

(b) any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages incurred or suffered by any Indemnified Person.

17. COSTS AND EXPENSES

17.1 Transaction expenses

The Company shall, within five Business Days of demand, pay the Administrative Parties:

(a) the amount of all reasonable costs and expenses (limited, with respect to legal fees, to the reasonable and documented fees, charges and disbursements of lead counsels acting for the Agent, Arrangers and Lenders) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of this Agreement and any other documents referred to in this Agreement, including subscription services for communication purposes between the Company, Agent, Arrangers and Lenders, in each case entered into on or prior to the date of this Agreement, in the amount agreed between the Company and the Administrative Parties prior to the date of this Agreement; and

(b) the amount of all reasonable costs and expenses (limited, with respect to legal fees, to the reasonable and documented legal fees of lead counsels acting for the Agent, Arrangers and Lenders) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution of any other Finance Documents executed after the date of this Agreement, including subscription services for communication purposes between the Company, Agent, Arrangers and Lenders.

17.2 Amendment costs

If the Company requests an amendment, waiver or consent, the Company shall, within five Business Days of demand, reimburse the Agent for the amount of all reasonable costs and expenses (limited, with respect to legal fees, to the reasonable and documented legal fees of lead counsels acting for the Agent, Arrangers and Lenders) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement, including subscription services for communication purposes between the Company, Agent, Arrangers and Lenders.
17.3 Enforcement costs

The Company shall, within five Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including reasonable and documented legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.
18. REPRESENTATIONS

The Company makes the representations and warranties set out in this Clause 18 to each Finance Party on the date of this Agreement.

18.1 Status and good standing

(a) It is an exempted company, duly incorporated, validly existing and in good standing under the law of its jurisdiction of incorporation.

(b) It and each other member of the Group has the power to own its assets and carry on its business as it is being conducted except to the extent where failure to do so does not have, or would not reasonably be expected to have, a Material Adverse Effect.

18.2 Binding obligations

Subject to the Legal Reservations, the obligations expressed to be assumed by it in each Finance Document are legal, valid, binding and enforceable obligations.

18.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not:

(a) conflict with any law (including Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System) or regulation applicable to it to an extent which has, or would reasonably be expected to have, a Material Adverse Effect;

(b) conflict with its constitutional documents; or

(c) breach any agreement or instrument binding upon it or any of its assets, in each case to an extent which has, or would reasonably be expected to have, a Material Adverse Effect.

18.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

18.5 Authorisations

Subject to the Legal Reservations, all Authorisations required:

(a) to enable it lawfully to enter into, exercise its rights and comply with its material obligations in the Finance Documents to which it is a party;
to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

18.6 **Tax**

It and each other member of the Group has paid and discharged all Taxes imposed upon it or its assets, in each case, within the time period allowed without incurring penalties, except to the extent (1) the payment of such Taxes is being contested in good faith and, to the extent required by IFRS, adequate reserves have been allocated for the payment of such Taxes, or (2) where failure to pay such Taxes does not have, or would not reasonably be expected to have a Material Adverse Effect.

18.7 **Subsidiaries**

(a) As at the date of this Agreement, all of the Subsidiaries of the Company are identified in Schedule 8 (**Subsidiaries**).

(b) Each Significant Subsidiary is duly incorporated and validly existing under the law of its jurisdiction of incorporation.

18.8 **No event of default**

(a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.

(b) No other event or circumstance is outstanding which constitutes an event of default under any other agreement or instrument which is binding on it or any other member of the Group or to which its assets or the assets of any other member of the Group are subject, in each case, which has, or would reasonably be expected to have, a Material Adverse Effect.

18.9 **Good title to assets**

It and each other member of the Group has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the properties and assets necessary to carry on its business as presently conducted to the extent where failure to have such Authorisation, lease or licence would have, or would reasonably be expected to have a Material Adverse Effect.

18.10 **Liens**

Each member of the Group is in compliance with the covenants set out in Section 2 (**Limitation on Liens**) of Schedule 9 (**Additional Covenants**).

18.11 **No breach of law**

Each member of the Group is in compliance with all laws and regulations applicable to it in its jurisdiction of incorporation and any jurisdiction in which it operates, in each case, except to the extent where non-compliance does not have, or would not reasonably be excepted to have, a Material Adverse Effect.
18.12 No misleading information

All written factual information supplied by it or on its behalf to a Finance Party under or in connection with the Finance Documents was true, complete and accurate in all material respects as at the date it was given and was not misleading in any material respect as at such date.

18.13 Financial statements

(a) Its Original Financial Statements were prepared in all material respects in accordance with IFRS consistently applied save to the extent expressly disclosed in such financial statements.

(b) Its Original Financial Statements fairly present in all material respects its financial condition and operations for the period to which they relate, save to the extent expressly disclosed in such financial statements.

(c) There has been no material adverse change in its business or financial condition since the date of its Original Financial Statements.

18.14 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

18.15 No proceedings

(a) So far as it is aware, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started or threatened against it or any other member of the Group which are reasonably likely to be determined adversely to the Company or such other member of the Group and which, if so determined against the Company or such other member of the Group, would have, or would reasonably be expected to have, a Material Adverse Effect.

(b) No judgment or order of a court, arbitral body or agency, which might reasonably be expected to have a Material Adverse Effect, has (so far as it is aware) been made against it or any other member of the Group.

18.16 Insolvency

No:

(a) corporate action, legal proceeding or other formal procedure or formal step described in paragraph (a) of Clause 22.7 (Insolvency proceedings); or

(b) creditors’ process described in Clause 22.8 (Creditors’ process),

has been taken or, to the knowledge of the Company, threatened against the Company and none of the circumstances described in Clause 22.6 (Insolvency) applies to the Company.
18.17 Environmental

(a) The Company is in compliance with Clause 21.5 (Environmental Compliance) and no circumstances have occurred which would prevent that performance or observation.

(b) So far as it is aware, no Environmental Claim has been started or threatened against it or any other member of the Group, which is reasonably likely to be determined adversely to the Company or such other member of the Group and which, if so determined against the Company or such other member of the Group, would have, or would reasonably be expected to have, a Material Adverse Effect.

18.18 Anti-Money Laundering Laws and Sanctions

(a) The operations of any member of the Group are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Agency having jurisdiction over any member of the Group (collectively, the “Anti-Money Laundering Laws”) and no action, suit or proceeding by or before any court or Governmental Agency, authority or body or any arbitrator involving any member of the Group with respect to any Anti-Money Laundering Laws is, to the best knowledge of the Company, pending or threatened.

(b) No member of the Group nor any of their respective directors, officers, employees or, so far as the Company is aware, their agents, advisors or affiliates:

   (i) is a Restricted Party; or
   
   (ii) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.

18.19 USA PATRIOT Act

To the extent applicable, the Company is in compliance, in all material respects, with the USA PATRIOT Act.

18.20 Investment Company Act

The Company is not an Investment Company (as defined in the Investment Company Act of 1940).

18.21 Margin Regulations

No member of the Group is engaged principally in, or has as one of its important activities, the business of extending credit for the purpose of buying or carrying margin stock.
18.22 Pensions

(a) The Company, each of its Subsidiaries and each of their respective ERISA Affiliates are in material compliance with all applicable provisions and requirements of ERISA and the regulations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, in each case where failure to do so has, or would reasonably be excepted to have, a Material Adverse Effect.

(b) Each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Code is so qualified.

(c) No ERISA Event has occurred or is reasonably expected to occur which has resulted or would be reasonably likely to result in a Material Adverse Effect.

(d) Except to the extent required under Section 4980B of the Code, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Company, any of its Subsidiaries or any of their respective ERISA Affiliates that could reasonably be expected to result in a Material Adverse Effect.

(e) As of the most recent valuation date for any Pension Plan, the amount of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities), does not exceed US$50,000,000.

(f) As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of the Company, its Subsidiaries and their respective ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA, does not exceed US$50,000,000.

18.23 Repetition

The Repeating Representations are deemed to be made by the Company by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.

19. INFORMATION UNDERTAKINGS

The undertakings in this Clause 19 remain in force from the date of this Agreement for so long as any Commitment is in force.
19.1 **Financial statements**

(a) Subject to paragraph (b) below, the Company shall supply to the Agent in sufficient copies for all the Lenders:

(i) as soon as the same become available, but in any event within 90 days after the end of each of its financial years, its audited consolidated financial statements for that financial year; and

(ii) as soon as the same become available, but in any event within 50 days after the end of each Financial Quarter, its unaudited financial statements (in substantially the form set out in Schedule 10, or such other form as agreed between the Agent and the Company) for that Financial Quarter.

(b) If the financial statements referred to in paragraph (a) above are publicly available on the Company’s, Hong Kong Stock Exchange’s or Securities and Exchange Commission’s website within the time periods specified in paragraph (a) above, then the Company’s obligations set out in paragraph (a) above shall be deemed to be satisfied.

19.2 **Compliance Certificate**

The Company shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (a)(i) or (a)(ii) of Clause 19.1 (Financial statements) or at the same time such financial statements are made publicly available as provided for in paragraph (b) of Clause 19.1 (Financial statements), a Compliance Certificate, signed by at least one director, the chief financial officer, the chief executive officer, or a senior vice president – finance or similar authorised officer, in each case, of the Company, setting out (in reasonable detail) computations as to compliance with Clause 20 (Financial Covenants) as at the date as at which those financial statements were drawn up.

19.3 **Requirements as to financial statements**

(a) Each set of financial statements delivered by the Company pursuant to Clause 19.1(a) (Financial statements) shall be certified by at least one director, the chief financial officer, the chief executive officer or a senior vice president – finance or similar authorised officer, in each case, of the Company, without personal liability, as fairly representing in all material respects its financial condition as at the date as at which those financial statements were drawn up.

(b) The Company shall procure that each set of financial statements delivered pursuant to Clause 19.1(a) (Financial statements) is prepared using IFRS in all material respects, save to the extent expressly disclosed in such financial statements.

19.4 **Environmental Claims**

The Company shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of any Environmental Claim which has been commenced or is threatened (in writing) against any member of the Group, in each case where such Environmental Claim is reasonably likely to be adversely determined and, if so adversely determined, might reasonably be expected to have a Material Adverse Effect.
19.5 Information: miscellaneous

The Company shall supply to the Agent (unless in respect of paragraphs (a), (d), and (f) below such information is otherwise publicly available on the Company’s, Hong Kong Stock Exchange’s or Securities and Exchange Commission’s website):

(a) all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened (in writing) or pending against any member of the Group, and which might reasonably be expected to have a Material Adverse Effect;

(c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group, and which might reasonably be expected to have a Material Adverse Effect;

(d) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request;

(e) promptly, notice of any change in authorised signatories of the Company, such notice to be signed by a director or company secretary of the Company and to be accompanied by specimen signatures of any new authorised signatories; and

(f) promptly upon written request by a Finance Party (acting through the Agent), all information to that Finance Party which that Finance Party may reasonably require in respect of any member of the Group in order to manage its money-laundering and terrorist-financing risks or to comply with any applicable Anti-Money Laundering Laws,

in each case, except to the extent prohibited by any law applicable to or binding on the Company or any of its assets.

19.6 USA PATRIOT Act

(a) The Agent and each Lender hereby notify the Company, that pursuant to the requirements of the USA PATRIOT Act, it and each Lender is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow each Lender or the Agent, as applicable, to identify the Company in accordance with the USA PATRIOT Act.
(b) The Company shall supply to the Agent (unless such information is otherwise publicly available on the Company’s Hong Kong Stock Exchange’s or Securities and Exchange Commission’s website) promptly upon written request by the Agent or a Lender (acting through the Agent), such information regarding the identity of the Company that is required by the Agent or that Lender in order for it to comply with the requirements of the USA PATRIOT Act.

19.7 Notification of default

(a) The Company shall notify the Agent of any Event of Default (and the steps, if any, being taken to remedy it) and any Event of Default (as defined in the Indenture) promptly upon becoming aware of its occurrence.

(b) Promptly upon a request by the Agent, if it has reasonable grounds for believing there is a continuing Event of Default, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Event of Default is continuing (or if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

19.8 Use of websites

(a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the “Website Lenders”) who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the “Designated Website”) if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a “Paper Form Lender”) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.

(c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;
any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

19.9 “Know your customer” checks

(a) The Company shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender (including for any Lender on behalf of any prospective new Lender)) in order for the Agent, such Lender or any prospective new Lender to conduct all “know your customer” and other similar procedures that it is required (or it reasonably deems desirable) to conduct.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to conduct all “know your customer” and other similar procedures that it is required (or it reasonably deems desirable) to conduct.

(c) Each Lender shall promptly upon the request of the Company (and at the Company’s expense) supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Company (for itself or for the Group) in order for the Company to conduct all due diligence, compliance and other similar procedures that it is required (or it reasonably deems desirable) to conduct.

20. FINANCIAL COVENANTS

20.1 Definitions

In this Clause 20:

“Asset Sale” means the sale by any member of the Group to any person (other than another member of the Group) of (a) any of the shares of any of such person’s direct Subsidiaries, (b) substantially all of the assets of any division or line of business of any member of the Group, or (c) any other assets (whether tangible or intangible) of any member of the Group (other than (i) inventory or goods sold in the ordinary course of business; (ii) sales, transfers or other dispossession of obsolete, worn out or surplus assets or assets no longer used or useful to the business of the Group; or (iii) any other assets to the extent that the aggregate fair market value of such assets sold by all members of the Group during any Financial Year is less than or equal to US$5,000,000).
“Capital Lease” as applied to any person, means any lease of any property (whether real, personal or mixed) by that person as lessee that, in conformity with IFRS, is accounted for as a capital lease on the balance sheet of that person. For purposes of this Agreement and each other Finance Document, the amount of a person’s obligation under a Capital Lease shall be the capitalized amount thereof, determined in accordance with IFRS, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a premium or a penalty; provided that any obligations of a person under a lease (whether existing now or entered into in the future) that is not (or would not be) required to be classified and accounted for as a capital lease on a balance sheet of such person under IFRS as in effect on the date hereof shall not be treated as Capital Lease as a result of (x) the adoption of changes in IFRS after such date or (y) changes in the application of IFRS after such date.

“Cash” means money, currency or a credit balance (in each case denominated in US dollars, Hong Kong dollars, Patacas, Japanese Yen or Singapore dollars) in a Deposit Account.

“Cash Equivalents” mean:

(a)

(i) direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) or obligations fully guaranteed by the United States;

(ii) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any other agency or instrumentality of the United States;

(iii) interest-bearing demand or time deposits (which may be represented by certificates of deposit) issued by banks having general obligations rated (on the date of acquisition thereof) at least “A” or the equivalent with a “stable” outlook by S&P, Moody’s or Fitch (together with their respective successors and with any other nationally recognized credit rating agency if neither of such corporations is then currently rating the pertinent obligations, a “Rating Agency”) or, if not so rated, secured at all times over assets, described in paragraphs (a)(i) or (a)(ii) of this definition, of a market value of no less than the amount of monies so invested;

(iv) commercial paper rated (on the date of acquisition thereof) at least “A-1” or “P-1” or the equivalent with a “stable” outlook by any Rating Agency issued by any person;
(v) repurchase obligations for underlying securities of the types described in paragraphs (a)(i) or (a)(ii) above, entered into with any commercial bank or any other financial institution having long-term unsecured debt securities rated (on the date of acquisition thereof) at least “A” or “A2” or the equivalent with a “stable” outlook by any Rating Agency in connection with which such underlying securities are held in trust or by a third-party custodian;

(vi) guaranteed investment contracts of any financial institution which has a long-term debt rated (on the date of acquisition thereof) at least “A” or “A2” or the equivalent with a “stable” outlook by any Rating Agency;

(vii) obligations (including both taxable and non-taxable municipal securities) issued or guaranteed by, and any other obligations the interest on which is excluded from income for Federal income tax purposes issued by, any state of the United States or District of Columbia or the Commonwealth of Puerto Rico or any political subdivision, agency, authority or instrumentality thereof, which issuer or guarantor has:

(A) a short-term debt rated (on the date of acquisition thereof) at least “A-1” or “P-1” or the equivalent with a “stable” outlook by any Rating Agency; and

(B) a long-term debt rated (on the date of acquisition thereof) at least “A” or “A2” or the equivalent with a “stable” outlook by any Rating Agency;

(viii) investment contracts of any financial institution either:

(A) fully secured by (1) direct obligations of the United States, (2) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States or (3) securities or receipts evidencing ownership interest in obligations or special portions thereof described in paragraphs (A)(1) or (A)(2), in each case guaranteed as full faith and credit obligations of the United States, having a market value at least equal to 102% of the amount deposited thereunder, or

(B) with long-term debt rated (on the date of acquisition thereof) at least “A” or “A2” or the equivalent with, as of the January 31 or June 30 next preceding any date of determination, a “stable” outlook by any Rating Agency and short-term debt rated (on the date of acquisition thereof) at least “A-1” or “P-1” or the equivalent with a “stable” outlook by any Rating Agency;
(ix) a contract or investment agreement with a provider or guarantor:

(A) which provider or guarantor is rated (on the date of acquisition thereof) at least “A” or “A2” or the equivalent with a “stable” outlook by any Rating Agency (provided that if a guarantor is a party to the rating, the guarantee must be unconditional and must be confirmed in writing prior to any assignment by the provider to any subsidiary of such guarantor);

(B) providing that monies invested shall be payable to the Agent without condition (other than notice) and without brokerage fee or other penalty; and

(C) stating that such contract or agreement is unconditional, expressly disclaiming any right of setoff and providing for immediate termination in the event of insolvency of the provider and termination upon demand of the Agent (which demand shall only be made at the direction of the Company) after any payment or other covenant default by the provider; or

(x) any debt instruments of any person which instruments are rated (on the date of acquisition thereof) at least “A,” “A2,” “A-1” or “P-1” or the equivalent with a “stable” outlook by any Rating Agency,

provided that in each case of paragraphs (i) through (x) above, such investments are denominated in US dollars, Hong Kong dollars, Patacas, Japanese Yen or Singapore dollars, as applicable, and maturing not more than 13 months from the date of acquisition thereof;

(b) investments in any money market fund which is rated (on the date of acquisition thereof) at least “A” or “A2” or the equivalent with a “stable” outlook by any Rating Agency;

(c) investments in mutual funds sponsored by any securities broker-dealer of recognized national standing having an investment policy that requires substantially all the invested assets of such fund to be invested in investments described in any one or more of the foregoing paragraphs and having a rating (on the date of acquisition thereof) of at least “A” or “A2” or the equivalent with a “stable” outlook by any Rating Agency;

(d) demand or time deposits or money market mutual funds issued by any (1) bank or other financial institution listed in Schedule 12 (List of financial institutions) or any Affiliate thereof, or (2) Acceptable Bank;

(e) instruments equivalent to those referred to in paragraphs (b), (c) and (d) above denominated in US dollars, Hong Kong dollars, Patacas, Japanese Yen or Singapore dollars comparable in credit quality and customarily used by multinational companies with operations in Macau and Hong Kong for cash management purposes;

(f) short-term investments denominated in US dollars Hong Kong dollars, Patacas, Japanese Yen or Singapore dollars, approved by the Agent in its reasonable discretion; or
demand or time deposits or money market mutual funds issued by any bank or other institution that is reasonably acceptable to the Agent.

“Consolidated Adjusted EBITDA” means, for any period, the sum of the amounts (without duplication) for such period of:

(a) Consolidated Net Income;
(b) Consolidated Interest Expense;
(c) capitalized interest and non-cash interest to the extent deducted in calculating Consolidated Net Income;
(d) provision for federal, state, local and foreign income or complementary tax, franchise tax and state and similar taxes imposed in lieu of income taxes, in each case, to the extent deducted in calculating Consolidated Net Income;
(e) total depreciation expense, to the extent deducted in calculating Consolidated Net Income;
(f) total amortization expense (including amortization of the land premium paid pursuant to a Land Concession Contract or any other land concession contract held by the Company or any of its Subsidiaries), to the extent deducted in calculating Consolidated Net Income;
(g) non-recurring charges and expenses taken in such period, of up to US$15,000,000 in the aggregate in any financial year, with unused amounts within such cap being usable in succeeding periods;
(h) corporate expense incurred in such period of up to US$20,000,000 in the aggregate in any financial year;
(i) non-recurring expenses of up to US$10,000,000 in the aggregate in any financial year in connection with the financing transactions contemplated herein;
(j) total pre-opening and development expenses, to the extent deducted in calculating Consolidated Net Income consistent with the reported line item on the Company’s financial statements;
(k) other non-cash items (including non-cash corporate expenses) reducing Consolidated Net Income; and
(l) the amount of any impairment loss (gain) on property and equipment,

less other non-cash items increasing Consolidated Net Income, all of the foregoing as determined on a consolidated basis for the Company in conformity with IFRS.

“Consolidated Interest Coverage Ratio” means, as at any Quarter Date, the ratio computed for the period consisting of the Financial Quarter as to which such Quarter Date relates and each of the three immediately preceding full Financial Quarters of (a) Consolidated Adjusted EBITDA (for all such Financial Quarters) to (b) the sum (for all such Financial Quarters) of, without duplication, (i) Consolidated Net Interest Expense and (ii) capitalized interest to the extent paid in cash during such period.

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“Consolidated Interest Expense” means, for any period, total interest expense (including that portion attributable to Capital Leases in accordance with IFRS but excluding (a) capitalized interest, (b) payment-in-kind interest, (c) non-cash expense related to finance lease liabilities on leasehold interest in land and (d) additional amounts payable by the Company pursuant to Clause 14 (Increased Costs) of the Company on a consolidated basis with respect to all outstanding Financial Indebtedness of the Company, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Hedging Agreements, but excluding, however, amortization of debt issuance costs and deferred financing fees, and any fees and expenses payable to the Agents or Lenders in connection with this Agreement. For purposes of the foregoing, interest expense of the Company shall be determined after giving effect to any net payments made (including any financing costs calculated in accordance with IFRS) or received by the Company with respect to Hedging Agreements, including the effect of any interest rate cap obtained by the Company.

“Consolidated Interest Income” means, in any period, total interest income of the Company on a consolidated basis on any Cash, Cash Equivalents or other investments.

“Consolidated Leverage Ratio” means, as of any date, the ratio of (a) Consolidated Total Debt outstanding on such date to (b) Consolidated Adjusted EBITDA computed for the period consisting of the Financial Quarter ending on such date and each of the three immediately preceding Financial Quarters.

“Consolidated Net Income” means, for any period, the net income (or loss) of the Company and each other member of the Group on a consolidated basis for such period taken as a single accounting period determined in conformity with IFRS and before any reduction in respect of preferred stock dividends; provided that there shall be excluded, without duplication:

(a) the income (or loss) of any person (other than a member of the Group), except to the extent of the amount of dividends or other distributions actually paid to the Company by such person during such period (but net of any applicable taxes payable in connection therewith);

(b) the income (or loss) of any person accrued prior to the date it is merged into or consolidated with the Company or any other member of the Group or that person’s assets are acquired by the Company or any other member of the Group;

(c) any after-tax gains or losses attributable to:

(i) Asset Sales;

(ii) returned surplus assets of any Pension Plan; or
(iii) the disposition of any Securities or the extinguishment of any Financial Indebtedness of any member of the Group;

(d) the effect of non-cash accounting adjustments resulting from a change in the tax status of a flow-through tax entity to a “C-corporation” or other entity taxed similarly;

(e) any net extraordinary gains or net extraordinary losses;

(f) amortization or charges associated with any refinancing;

(g) any premiums, costs, amortization and charges associated with (x) the incurrence of the Facility and (y) any amendments, modifications or supplements to any agreement relating to Financial Indebtedness (including the Finance Documents), including any costs or expenses paid to any Finance Party or their respective Affiliates pursuant to the terms hereof;

(h) additional amounts payable by the Company pursuant to Clause 14 ( Increased Costs ); and

(i) any compensation charge or expenses realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights; provided, further, that no effect shall be given to any non-cash minority interest in any member of the Group permitted hereunder for purposes of computing Consolidated Net Income.

“ Consolidated Net Interest Expense ” means, for any period, Consolidated Interest Expense after deducting any Consolidated Interest Income for such period

“ Consolidated Total Debt” means, as at any date of determination, the aggregate stated balance sheet amount of all Financial Indebtedness of the Company and each member of the Group (other than (1) paragraph (g) and (unless called and outstanding) paragraph (i) of the definition of Financial Indebtedness and (2) any Financial Indebtedness owed by a member of the Group to another member of the Group), determined on a consolidated basis in accordance with IFRS.

20.2 Financial condition

The Company must ensure that:

(a) the Consolidated Leverage Ratio as at the last day of any Financial Quarter shall not exceed 4.00 to 1.00; and

(b) the Consolidated Interest Coverage Ratio as at the last day of any Financial Quarter is greater than 2.50 to 1.00.

20.3 Financial testing

The financial covenants set out in Clause 20.2 ( Financial condition ) shall be calculated in accordance with IFRS and tested by reference to each of the financial statements delivered pursuant to paragraph (a)(i) or (a)(ii) of Clause 19.1 ( Financial statements ) or made publicly available as provided for in paragraph (b) of Clause 19.1 ( Financial statements ) and each Compliance Certificate delivered pursuant to Clause 19.2 ( Compliance Certificate ).
21. GENERAL UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any Commitment is in force.

21.1 Authorisations

The Company shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required to:

(a) enable it to perform its material obligations under the Finance Documents; and
(b) subject to the Legal Reservations, to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

21.2 Compliance with laws

Each member of the Group shall comply in all respects with all laws (including any anti-money laundering, anti-bribery and corruption laws and regulations and Sanctions) to which it may be subject, if failure so to comply would have, or would reasonably be expected to have, a Material Adverse Effect.

21.3 Pari passu ranking

The Company shall ensure that its payment obligations under the Finance Documents rank and continue to rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

21.4 Change of business

The Company shall ensure that:

(a) no substantial change is made to the general nature of the business of Group from that carried on at the date of this Agreement (except that this paragraph (a) shall not restrict any member of the Group from entering into or carrying out any business that is ancillary, beneficial or otherwise reasonably related to the business of the Group carried on at the date of this Agreement); and
(b) the shares of the Company are listed on the Stock Exchange of Hong Kong Limited.

21.5 Environmental compliance

The Company shall (and the Company shall ensure that each member of the Group will) comply with all Environmental Law and obtain and maintain any Environmental Permits, in each case, where failure to do so would have, or would reasonably be expected to have, a Material Adverse Effect.
21.6 Tax

The Company shall (and the Company shall ensure that each member of the Group will) duly and punctually pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties, in each case, except to the extent (1) the payment of such Taxes is being contested in good faith and, to the extent required by IFRS, adequate reserves have been allocated for payment of such Taxes, or (2) where failure to do so would not have, or would not reasonably be expected to have a Material Adverse Effect.

21.7 Maintenance and preservation of assets

The Company shall (and the Company shall ensure that each member of the Group will) maintain (or otherwise replace) and preserve, in good working order and condition (fair wear and tear excepted) all of its assets required for the operation of its business to the extent that failure to do so would have, or would reasonably be expected to have a Material Adverse Effect.

21.8 Insurance

(a) The Company shall (and the Company shall ensure that each member of the Group will) maintain insurances (which may include self-insurance) on and in relation to its business and material assets against all material risks to the extent (1) as is usual for companies carrying on the same or substantially similar business and (2) where failure to do so would have, or would reasonably be expected to have a Material Adverse Effect.

(b) All insurances (other than self-insurance) must be with reputable independent insurance companies or underwriters that the Company believes (in good faith, at the time the insurance is procured) are financially sound and responsible.

21.9 Anti-Money Laundering Laws and Sanctions

(a) The Company shall (1) ensure that each member of the Group and each of their respective officers, directors and employees and (2) use reasonable endeavours to ensure that the agents, advisors and affiliates of each member of the Group, in each case, conduct their businesses in compliance in all material respects with applicable anti-corruption and anti-bribery laws and regulations to the extent where failure to do so has, or would reasonably be expected to have, a Material Adverse Effect.

(b) Without prejudice to the generality of paragraph (a) above, the Company shall not use, directly or indirectly, any part of the proceeds of the Loans for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the USA Foreign Corrupt Practices Act.
(c) The Company shall ensure that it and each member of the Group complies with all Anti-Money Laundering Laws to which it may be subject to the extent where failure to do so has, or would reasonably be expected to have, a Material Adverse Effect.

(d) No portion of the proceeds of any Loan shall be used by the Company or any of its Subsidiaries (or, to the actual knowledge of the Company or any of its Subsidiaries, any of their Affiliates) for business activities:

(i) involving any person falling within the scope of paragraph (a) of the definition of Restricted Party;

(ii) relating to any country or territory falling within the scope of paragraph (b) of the definition of Restricted Party; or

(iii) prohibited by, or otherwise in breach of, Sanctions.

21.10 Access

If an Event of Default has occurred and is continuing, the Company shall, subject to any confidentiality or secrecy obligations under the law of any jurisdiction the Group operates in, permit the Agent and/or its professional advisors to access (at reasonable times and on reasonable notice) to inspect the books, accounts and records of the Company provided that in exercising such right, the Agent and/or its professional advisors shall have regard for the need to keep disruption to the business to a minimum.

21.11 Financial year

The Company shall not change its financial year end from 31 December.

21.12 Margin Regulations

No portion of the proceeds of any Loan shall be used by the Company or any Significant Subsidiary in any manner that would cause the borrowing or the application of such proceeds to violate Regulation U, Regulation T or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of the Board of Governors of the Federal Reserve System.

21.13 Use of Proceeds

The Company shall not apply any proceeds of any Loan directly towards financing the equipping or fitting out of casinos, including, without limitation, the purchase of any gaming equipment and utensils.

21.14 Additional covenants

In addition to the covenants contained in this Clause 21, the Company shall comply with the covenants set out in Schedule 9 (Additional covenants).
22. EVENTS OF DEFAULT

Each of the events or circumstances set out in the following sub-clauses of this Clause 22 (other than Clause 22.15 (Acceleration)) is an Event of Default.

22.1 Non-payment

The Company does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) in the case of interest, payment is made within 10 days of its due date;
(b) in the case of costs, fees and expenses, payment is made within 5 days of its due date; or
(c) without prejudice to paragraphs (a) and (b) above, its failure to pay is caused by:
   (i) administrative or technical error(s); or
   (ii) a Disruption Event; and

payment is made within 3 Business Days of its due date.

22.2 Financial covenants and other obligations

Any requirement of Clause 20.2 (Financial condition) is not satisfied or the Company does not comply with the provisions of Clause 3.1 (Purpose) or 21.13 (Use of Proceeds).

22.3 Other obligations

(a) The Company does not comply with any provision of the Finance Documents (other than those referred to in Clause 22.1 (Non-payment) and Clause 22.2 (Financial covenants and other obligations)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 30 days of the earlier of (A) the Agent giving notice to the Company and (B) the Company becoming aware of the failure to comply.

22.4 Misrepresentation

Any representation or statement made or deemed to be made by the Company in the Finance Documents or any other document delivered by or on behalf of the Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the circumstances giving rise to that misrepresentation are capable of remedy and are remedied within 30 days of the earlier of (A) the Agent giving notice to the Company and (B) the Company becoming aware of the misrepresentation.
22.5 Cross payment default and cross acceleration

(a) Any Financial Indebtedness of the Company or any of its Significant Subsidiaries is not paid when due.

(b) Any Financial Indebtedness of the Company or any of its Significant Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) No Event of Default will occur under this Clause 22.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraph (a) and (b) above is less than US$250,000,000 (or its equivalent in any other currency or currencies).

22.6 Insolvency

(a) The Company or any of its Significant Subsidiaries is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) A moratorium is declared in respect of any indebtedness of the Company or any of its Significant Subsidiaries.

22.7 Insolvency proceedings

Any corporate action, legal proceedings or other formal procedure or formal step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any of its Significant Subsidiaries;

(b) a composition or arrangement with any creditor of the Company or any of its Significant Subsidiaries, or an assignment for the benefit of creditors generally of the Company or any of its Significant Subsidiaries or a class of such creditors;

(c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of any of the Company or any of its Significant Subsidiaries or any of their material assets; or

(d) enforcement of any Security over any material assets of the Company or any of its Significant Subsidiaries, or any analogous procedure or step is taken in any jurisdiction.
Paragraphs (a) to (d) above shall not apply to any winding-up petition which is (A) being contested in good faith or (B) is discharged, stayed or dismissed within 60 days of commencement.

22.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company or any of its Significant Subsidiaries having an aggregate value of not less than US$250,000,000 (or its equivalent in any other currency or currencies) unless such process is (A) contested in good faith or (B) is discharged, stayed or dismissed within 60 days of commencement.

22.9 Material Judgement

It or any of its Significant Subsidiaries fails to pay final non-appealable judgments (not paid or covered by insurance as to which the relevant insurance company has not denied responsibility) rendered against the Company or any Significant Subsidiary which (1) in aggregate exceed US$250,000,000 (or its equivalent in any other currency or currencies) and (2) are not paid, bonded, discharged or stayed within 60 days of the making of such final non-appealable judgement.

22.10 Unlawfulness

It is or becomes unlawful for the Company to perform any of its material obligations under the Finance Documents.

22.11 Repudiation

The Company repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

22.12 ERISA Events

There shall occur one or more ERISA Events which individually or in the aggregate results in or might reasonably be expected to result in a Material Adverse Effect.

22.13 Gaming triggering event

The Group no longer owns or manages casino or gaming areas or operates casino games of fortune and chance in Macau SAR in substantially the same manner as the Group owns or manages casino or gaming areas or operates casino games as at the date of this Agreement, for a period of thirty consecutive days or more, and such event:

(a) arises due to any change in Gaming Law or any action by a Gaming Authority; and

(b) results in a Material Adverse Effect.
22.14 Loss of Land Concession Contract

Macau SAR takes any formal measure seeking forfeiture, termination or rescission of any Land Concession Contract, provided that

(a) if the Company or other member of the Group that holds such Land Concession Contract appeals such formal measure taken by Macau SAR, then the Majority Lenders shall, based on a reasonable assessment of the merits of such appeal and its likelihood of success in suspending or curing such formal measure taken by Macau SAR, waive such Event of Default for a period of time determined in the reasonable discretion of the Majority Lenders (but, for the avoidance of doubt, in the event that the Majority Lenders, based on a reasonable assessment of the merits of such appeal, do not conclude that such appeal is likely to succeed in suspending or curing such formal measure taken by Macau SAR, then the Majority Lenders shall not be obligated to waive such Event of Default for any period of time); and

(b) to the extent a formal measure is comprised of a notice from Macau SAR to a member of the Group that specifically provides for a cure or grace period in connection therewith, or if the Company or other relevant member of the Group is entitled to a grace or cure period by contract or operation of law, no Event of Default shall be deemed to have occurred (A) until such cure or grace period has expired (if and for so long as (i) the relevant circumstance, event or action is reasonably susceptible to cure by the Company or the relevant member of the Group within the designated cure or grace period, (ii) the Company or the relevant member of the Group provides prompt notice to the Agent that it intends to cure such event or action and provides reasonably detailed information regarding the specific nature of such intended cure, and (iii) the Company or the relevant member of the Group is actively pursuing such cure) and (B) if, following the expiry of such period, such Event of Default is no longer continuing.

22.15 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

(a) without prejudice to the participations of any Lender in any Loans then outstanding:

(i) cancel the Commitments (and reduce them to zero), whereupon they shall immediately be cancelled (and reduced to zero); or

(ii) cancel any part of any Commitment (and reduce such Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Commitment shall be immediately reduced accordingly); and/or
(b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.
23. CHANGES TO THE LENDERS

23.1 Assignments and transfers by the Lenders

Subject to this Clause 23, a Lender (the “Existing Lender”) may:

(a) assign any of its rights;
(b) transfer by novation any of its rights and obligations,
under the Finance Documents to a Qualified Financial Institution (the “New Lender”).

23.2 Conditions of assignment, sub-participation or transfer

(a) The consent of the Company (not to be unreasonably withheld or delayed) is required for any assignment or transfer by a Lender pursuant to this Clause 23 unless:

(i) an Event of Default as described in Clauses 22.1 (Non-payment), 22.6 (Insolvency), 22.7 (Insolvency proceedings) or 22.8 (Creditors’ process) is continuing; or
(ii) the assignment or transfer is to:

(A) another Lender or an Affiliate of a Lender (provided such Affiliate is not a Disqualified Financial Institution); or
(B) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender (provided such Related Fund is not a Disqualified Financial Institution).

(b) A transfer will be effective only if the procedure set out in Clause 23.5 (Procedure for transfer) is complied with.

(c) An assignment will be effective only if the procedure and conditions set out in Clause 23.6 (Procedure for assignment) are complied with.

(d) A Lender may only sub-participate its Commitments under the Finance Documents to a Qualified Financial Institution. The consent of the Company is not required for such sub-participation.

(e) If:

(i) a Lender assigns, sub-participates or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
(ii) as a result of circumstances existing at the date the assignment, sub-participation, transfer or change occurs, the Company would be obliged to make a payment to the New Lender, the Lender for the benefit of a sub-participant or the Lender acting through its new Facility Office under or by operation of Clauses 13.2 (Tax gross-up), 13.3 (Tax indemnity) or 14 (Increased Costs), then the New Lender or Lender is only entitled to receive payment under that Clause to the same extent as the Existing Lender or the Lender would have been if the assignment, sub-participation transfer or change had not occurred.

(f) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

(g) Any Existing Lender that sub-participates any of its Commitments under the Finance Documents pursuant to this Clause 23 must retain all discretions and control over its voting rights afforded to it under the Finance Documents with respect to such Commitments, to the exclusion of the sub-participant, other than in relation to those matters set out in Clause 33.2 (All-Lender matters).

23.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US$2,000.

23.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any member of the Group;

(iii) the performance and observance by the Company of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document, and any representations or warranties implied by law are excluded.
Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Company and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of the Company and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 23; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Company of its obligations under the Finance Documents or otherwise.

### 23.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 23.2 (Conditions of assignment, sub-participation or transfer), a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall not be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender unless it is satisfied that it has completed all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct in relation to the transfer to such New Lender.

(c) Subject to Clause 23.12 (Pro rata interest settlement), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents the Company and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “Discharged Rights and Obligations”).

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the Company and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Company and the New Lender have assumed and/or acquired the same in place of the Company and the Existing Lender;

the Agent, the Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

the New Lender shall become a Party as a “Lender”.

(d) The procedure set out in this Clause 23.5 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of transfer of such right or obligation or prohibit or restrict any transfer of such right or obligation, unless such prohibition or restriction shall not be applicable to the relevant transfer or each condition of any applicable restriction shall have been satisfied.

23.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 23.2 (Conditions of assignment, sub-participation or transfer), an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall not be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender unless it is satisfied that it has completed all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct in relation to the assignment to such New Lender.

(c) Subject to Clause 23.12 (Pro rata interest settlement), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released by the Company and the other Finance Parties from the obligations owed by it (the “Relevant Obligations”) and expressed to be the subject of the release in the Assignment Agreement; and
(iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 23.6 to assign their rights under the Finance Documents (but not, without the consent of the Company or unless in accordance with Clause 23.5 (Procedure for transfer), to obtain a release by the Company from the obligations owed to the Company by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they comply with the conditions set out in Clause 23.2 (Conditions of assignment, sub-participation or transfer).

(e) The procedure set out in this Clause 23.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.

23.7 Sub-participation by Lenders

Without prejudice to Clause 23.2 (Conditions of assignment, sub-participation or transfer), if requested in writing by the Company, each Lender shall within 10 Business Days of such request, provide the Company with confirmation of whether it has sub-participated any of its Commitments.

23.8 Copy of Transfer Certificate or Assignment Agreement to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Company a copy of that Transfer Certificate or Assignment Agreement.

23.9 Existing consents and waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the relevant Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender.

23.10 Exclusion of Agent’s liability

In relation to any assignment or transfer pursuant to this Clause 23, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.
23.11 Security over Lenders’ rights

(a) In addition to the other rights provided to Lenders under this Clause 23, each Lender may without consulting with or obtaining consent from the Company, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including:

(i) any charge, assignment or other Security to secure obligations to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) including, without limitation, any transfer or assignment of rights to a special purpose vehicle where Security over securities issued by such special purpose vehicle is to be created in favour of and to secure obligations to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank); and

(ii) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or

(B) require any payments to be made by the Company other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

(b) The limitations on assignments or transfers by a Lender set out in any Finance Document, in particular in Clause 23.1 (Assignments and transfers by the Lenders), Clause 23.2 (Conditions of assignment, sub-participation or transfer) and Clause 23.3 (Assignment or transfer fee), shall not apply to the creation of Security pursuant to paragraph (a) above.

(c) The limitations and provisions referred to in paragraph (b) above shall further not apply to any assignment or transfer of rights under the Finance Documents or of the securities issued by the special purpose vehicle, made by a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to a third party in connection with the enforcement of Security created pursuant to paragraph (a) above.

(d) The Parties agree that any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to whom Confidential Information has been disclosed pursuant to Clause 34 (Confidential Information) may disclose such Confidential Information to a third party to whom it assigns or transfers (or may potentially assign or transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security, provided that no Confidential Information may be disclosed as result of such assignment, transfer or enforcement to any Disqualified Financial Institution.
23.12 Pro rata interest settlement

(a) If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 23.5 (Procedure for transfer) or any assignment pursuant to Clause 23.6 (Procedure for assignment) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“Accrued Amounts”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than three Months, on the next of the dates which falls at three-monthly intervals after the first day of that Interest Period); and

(ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender;

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 23.12, have been payable to it on that date, but after deduction of the Accrued Amounts; and

(C) any amendment or waiver that has the effect of changing or which relates to the Accrued Amounts or the date of payment of the Accrued Amounts shall not be made without the prior consent of the Existing Lender.

(b) In this Clause 23.12, references to “Interest Period” shall be construed to include a reference to any other period for accrual of fees.

(c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 23.12 but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.
23.13 **Register**

(a) The Agent shall maintain a copy of each Assignment Agreement and Transfer Certificate delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of each Lender, from time to time (the “**Register**”).

(b) The entries in the Register shall be conclusive absent manifest error, and the Company, the Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

24. **ASSIGNMENTS AND TRANSFERS BY THE COMPANY**

The Company may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents, except with the prior written consent of all the Lenders.
SECTION 9
THE FINANCE PARTIES

25. ROLE OF THE ADMINISTRATIVE PARTIES AND OTHERS

25.1 Appointment of the Agent

(a) Each of the Arrangers and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arrangers and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

25.2 Instructions

(a) The Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all-Lender decision; and

(B) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
In the absence of instructions, the Agent may (subject to the terms of the Finance Documents) act (or refrain from acting) as it considers to be in the best interest of the Lenders.

The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender’s consent) in any legal or arbitration proceedings relating to any Finance Document.

25.3 Duties of the Agent

(a) The Agent’s duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to Clause 23.8 (Copy of Transfer Certificate or Assignment Agreement to Company), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than to any Administrative Party) under this Agreement, it shall promptly notify the other Finance Parties.

(g) The Agent shall promptly upon the request of a Lender circulate to that Lender an overview of each Disqualified Financial Institution notified to the Agent by the Company in accordance with paragraphs (a), (e) and (f) of the definition of Disqualified Financial Institution.

(h) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

25.4 Role of the Arrangers

Except as specifically provided in the Finance Documents, the Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.
25.5 No fiduciary duties

(a) Nothing in any Finance Document constitutes any Administrative Party as a trustee or fiduciary of any other person.

(b) No Administrative Party shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

(c) Without prejudice to the generality of paragraphs (a) and (b) above, any Administrative Party, any Lender and any of their respective Affiliates (collectively, the “Relevant Parties”), may have economic interests that conflict with the Company, any other member of the Group, their stockholders and/or their affiliates. The Company agrees that nothing in the Finance Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Relevant Party, on the one hand, and the Company, any other member of the Group, their stockholders or their affiliates, on the other. The Company acknowledges and agrees that (i) the transactions contemplated by the Finance Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Relevant Parties, on the one hand, and the Company, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Relevant Party has assumed an advisory or fiduciary responsibility in favour of the Company, any other member of the Group, their stockholders or their affiliates with respect to the transactions contemplated by the Finance Documents (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Relevant Party has advised, is currently advising or will advise the Company, any other member of the Group, their stockholders or their affiliates on other matters) or any other obligation to the Company except the obligations expressly set forth in the Finance Documents and (y) each Relevant Party is acting solely as principal and not as the agent or fiduciary of the Company, its management, stockholders, creditors or any other person. The Company acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Company agrees that it will not claim that any Relevant Party has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

25.6 Business with the Group

Any Administrative Party may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

25.7 Rights and discretions of the Agent

(a) The Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
(ii) assume that:
(A) any instructions received by it from the Majority Lenders, any Lender or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
(B) unless it has received notice of revocation, those instructions have not been revoked; and

(iii) rely on a certificate from any person:
(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,
as sufficient evidence that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 22.1 (Non-payment)); and
(ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised.

(c) The Agent may engage, and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.

(e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Agent may act in relation to the Finance Documents through its officers, employees and agents.

(g) Unless a Finance Document expressly provides otherwise, the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
Without prejudice to the generality of paragraph (g) above, the Agent shall, as soon as reasonably practicable, disclose the identity of any Defaulting Lender or Non-Consenting Lender to the Company and to the other Finance Parties.

Notwithstanding any other provision of any Finance Document to the contrary, no Administrative Party is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

25.8 Responsibility for documentation

No Administrative Party is responsible for:

(a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Administrative Party, the Company or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or

(c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

25.9 No duty to monitor

The Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.
25.10 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of:

   (A) any act, event or circumstance not reasonably within its control; or

   (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

   including (in each case) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 25 subject to Clause 1.4 (Third party rights) and the provisions of the Third Parties Ordinance.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
Nothing in this Agreement shall oblige any Administrative Party to conduct:

(i) any “know your customer” or other procedures in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender, on behalf of any Lender and each Lender confirms to each Administrative Party that it is solely responsible for any such procedures or check it is required to conduct and that it shall not rely on any statement in relation to such procedures or check made by any Administrative Party.

Without prejudice to any provision of any Finance Document excluding or limiting the Agent’s liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

25.11 Lenders’ indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent’s gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 27.10 (Disruption to payment systems etc.), notwithstanding the Agent’s negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by the Company pursuant to a Finance Document).

25.12 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates acting through an office in Macau or Hong Kong as successor by giving notice to the other Finance Parties and the Company.
Alternatively, the Agent may resign by giving 30 days’ notice to the other Finance Parties and the Company, in which case the Majority Lenders (with the consent of the Company) may appoint a successor Agent.

If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the retiring Agent (with the consent of the Company) may appoint a successor Agent.

The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

The Agent’s resignation notice shall only take effect upon the appointment of a successor.

Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (d) above) but shall remain entitled to the benefit of Clause 16.3 (Indemnity to the Agent) and this Clause 25 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations among themselves as they would have had if such successor had been an original Party.

The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents:

(i) the Agent fails to respond to a request under Clause 13.7 (FATCA information) and the Company or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 13.7 (FATCA information) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Company or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Company or that Lender, by notice to the Agent, requires it to resign.
25.13 Replacement of the Agent

(a) Subject to paragraph (b) below, the Majority Lenders (with the consent of the Company) may, by giving 30 days’ notice to the Agent replace the Agent by appointing a successor Agent, provided that the successor Agent and the Swing Line Lender are able to advance a Swing Line Loan to the Company within the time period outlined in Clause 5 (Utilisation).

(b) Notwithstanding any other provision of this Agreement, if, at any time, the Agent becomes an Impaired Agent, the Majority Lenders (with the consent of the Company) may, by giving 30 days’ notice to the Agent (or such shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.

(c) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(d) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (c) above) but shall remain entitled to the benefit of Clause 25.11 (Lenders’ indemnity to the Agent) and this Clause 25 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

25.14 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Company or any Affiliates of the Company on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.
25.15 Relationship with the Lenders

(a) Subject to Clause 23.12 (Pro rata interest settlement), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent’s principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days’ prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or dispatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 29.6 (Electronic communication)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 29.2 (Addresses) and paragraph (a)(ii) of Clause 29.6 (Electronic communication) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

25.16 Credit appraisal by the Lenders

Without affecting the responsibility of the Company for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to each Administrative Party that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

25.17 Agent’s management time

Any amount payable to the Agent under Clause 16.3 (Indemnity to the Agent), Clause 17 (Costs and Expenses) and Clause 25.11 (Lenders’ indemnity to the Agent) shall include the cost of utilising the Agent’s management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 12 (Fees).

25.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

25.19 Role of Reference Banks

No Reference Bank is under any obligation to provide a quotation or any other information to the Agent.

26. SHARING AMONG THE FINANCE PARTIES

26.1 Payments to Finance Parties

If a Finance Party (a “Recovering Finance Party”) receives or recovers (whether by set-off or otherwise) any amount from the Company other than in accordance with Clause 27 (Payment Mechanics) (a “Recovered Amount”) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 27 (Payment Mechanics), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “Sharing Payment”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 27.6 (Partial payments).

26.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the Company and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “Sharing Finance Parties”) in accordance with Clause 27.6 (Partial payments) towards the obligations of the Company to the Sharing Finance Parties.

26.3 Recovering Finance Party’s rights

(a) On a distribution by the Agent under Clause 26.2 (Redistribution of payments) of a payment received by a Recovering Finance Party from the Company, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by the Company.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the Company shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

26.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “Redistributed Amount”); and

(b) an amount equal to the relevant Redistributed Amount will be treated as not having been paid by the Company.

26.5 Exceptions

(a) This Clause 26 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 26, have a valid and enforceable claim against the Company.

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A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and
(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.
27. PAYMENT MECHANICS

27.1 Payments to the Agent

(a) On each date on which the Company or a Lender is required to make a payment under a Finance Document, the Company or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

27.2 Distributions by the Agent

(a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 27.3 (Distributions to the Company) and Clause 27.4 (Clawback and pre-funding), be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days’ notice with a bank specified by that Party in the principal financial centre of the country of that currency.

(b) The Agent shall distribute payments received by it in relation to all or any part of a Loan to the Lender indicated in the records of the Agent as being so entitled on that date provided that the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 23 (Changes to the Lenders) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

27.3 Distributions to the Company

The Agent may (with the consent of the Company or in accordance with Clause 28 (Set-off)) apply any amount received by it for the Company in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Company under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

27.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

If the Agent has notified the Lenders that it is willing to make available amounts for the account of the Company before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Company:

(i) the Agent shall notify the Company of that Lender’s identity and the Company shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Company shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

27.5 Impaired Agent

(a) If, at any time, the Agent becomes an Impaired Agent, the Company or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 27.1 (Payments to the Agent) may instead either:

(i) pay that amount direct to the required recipient(s); or

(ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Company or the Lender making the payment (the “Paying Party”) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the “Recipient Party” or “Recipient Parties”).

In each case such payments must be made on the due date for payment under the Finance Documents.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 27.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
(d) Promptly upon the appointment of a successor Agent in accordance with Clause 25.13 (Replacement of the Agent), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 27.2 (Distributions by the Agent).

(c) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:

(i) that it has not given an instruction pursuant to paragraph (d) above; and

(ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

27.6 Partial payments

(a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by the Company under those Finance Documents, the Agent shall apply that payment (the Base Currency Amount of such partial payment being the “Partial Payment Amount”) towards the obligations of the Company under those Finance Documents in the following order:

(i) first, in or towards payment pro rata of any unpaid amount owing to any Administrative Party under the Finance Documents;

(ii) secondly, in or towards payment pro rata of any accrued interest, fee (other than as provided in paragraph (i) above) or commission due but unpaid under the Finance Documents;

(iii) thirdly, in or towards payment of the principal of any Swing Line Loan due but unpaid under this Agreement;

(iv) fourthly, in or towards payment of any principal of any Revolving Loan due but unpaid under this Agreement as follows:

(A) towards payment of the principal then due and outstanding under the LIBOR Loan component of such Revolving Loan in an amount equal to:

\[
\frac{\text{aggregate amount of the LIBOR Loans due but unpaid}}{\text{the aggregate Base Currency Amount of the Revolving Loans due but unpaid}} \times \text{Partial Payment Amount}
\]

and

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(B) towards payment of the principal then due and outstanding under the HIBOR Loan component of such Revolving Loan in an amount equal to:

\[
\frac{\text{aggregate amount of the HIBOR Loans due but unpaid}}{\text{aggregate amount of the Revolving Loans due but unpaid converted into HKD at the USD / HKD Exchange Rate}} \times \text{Partial Payment Amount converted into HKD at the USD / HKD Exchange Rate},
\]

and pro rata between the Lenders participating in such Revolving Loans; and

(v) **fifthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(v) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by the Company.

27.7 **No set-off by the Company**

All payments to be made by the Company under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

27.8 **Business Days**

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

27.9 **Currency of account**

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from the Company under any Finance Document.

(b) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

27.10 **Disruption to payment systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 33 (**Amendments and Waivers**);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 27.10; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

27.11 **Contractual recognition of bail-in**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):
28. SET-OFF

A Finance Party may set off any matured obligation due from the Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

29. NOTICES

29.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or other electronic communication.

29.2 Addresses

The address, electronic mail and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Company, that identified with its name below;
(b) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
(c) in the case of the Agent, that identified with its name below,
or any substitute address, electronic mail, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days’ notice.
29.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will be effective:

(i) if by way of fax or electronic mail, only when received in legible form; or

(ii) if by way of letter, only when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 29.2 (Addresses), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent’s signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to the Company shall be sent through the Agent.

(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5 p.m. in the place of receipt shall be deemed only to become effective on the following day.

29.4 Notification of address and fax number

Promptly upon changing its address, email address or fax number, the Agent shall notify the other Parties.

29.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

29.6 Electronic communication

(a) Any communication to be made between any two Partiesunder or in connection with the Finance Documents may be made by electronic mail or other electronic means (including by way of posting to a secure website) if those two Parties:
(i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days’ notice.

(b) Any such electronic communication as specified in paragraph (a) above to be made between the Company and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

(c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

(d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 29.6.

29.7 **English language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

30. **CALCULATIONS AND CERTIFICATES**

30.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

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30.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

30.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and:

(a) with respect to a LIBOR Loan, a year of 360 days;
(b) with respect to a HIBOR Loan, a year of 365 days;
(c) with respect to a USD Swing Line Loan, a year of 360 days;
(d) with respect to an HKD Swing Line Loan, a year of 365 days;
(e) with respect to the calculation of any commission or fee payable in US dollars, 360 days;
(f) with respect to the calculation of any commission or fee payable in Hong Kong dollars, 365 days; or
(g) in any case where the practice in the Relevant Market differs, in accordance with that market practice.

31. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

32. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.
33. AMENDMENTS AND WAIVERS

33.1 Required consents

(a) Subject to Clause 8 (Extension), Clause 33.2 (All-Lender matters) and Clause 33.3 (Other exceptions), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 33.

(c) Paragraph (c) of Clause 23.12 (Pro rata interest settlement) shall apply to this Clause 33.

33.2 All-Lender matters

(a) An amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:
   (i) the definition of “Majority Lenders” in Clause 1.1 (Definitions);
   (ii) any provision which expressly requires the consent of all the Lenders;
   (iii) Clause 2.2 (Finance Parties’ rights and obligations), Clause 5.2(a) (Delivery of a Utilisation Request), Clause 7.1 (Illegality), Clause 23 (Changes to the Lenders), Clause 26 (Sharing among the Finance Parties), this Clause 33, Clause 37 (Governing Law) and Clause 38.1 (Jurisdiction of Hong Kong courts),

shall not be made without the prior consent of all the Lenders.

(b) An amendment to any term of any Finance Document that has the effect of changing or which relates to Clause 7.2 (Change of Control) shall not be made without the prior consent of all the Lenders.

33.3 Other exceptions

(a) An amendment or waiver which relates to the rights or obligations of the Agent, the Arrangers or the Swing Line Lender (each in their capacity as such) may not be effected without the consent of the Agent, the Arrangers and/or the Swing Line Lender, as the case may be.

(b) An amendment or waiver of any term of any Finance Document which relates to the provision of a Swing Line Loan or the rights or obligations of the Swing Line Lender in its capacity as Swing Line Lender shall only require the consent of the Swing Line Lender and the Company.
(c) The consent of a New Lender (as defined in Clause 23.1 (Assignments and transfers by the Lenders)) shall only be required for an amendment or waiver that relates to:

(i) an extension to the date of payment of any amount due to that New Lender under the Finance Documents;

(ii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable to that New Lender under the Finance Documents; or

(iii) subject to Clause 8 (Extension), an increase in any Commitment of that New Lender.

(d) An amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

(i) an extension to the date of payment of any amount due to a Lender under the Finance Documents;

(ii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission, in each case, payable to a Lender;

(iii) a change in currency of payment of any amount due to a Lender under the Finance Documents; or

(iv) subject to Clause 8 (Extension), any variation in any Commitment of a Lender, an extension of the Availability Period for or any requirement that a cancellation of Commitments reduces the Commitments of a Lender,

shall not be made without the prior written consent of the affected Lender.

e) This Agreement may be amended by the Agent (without any further instruction from any Lender) and the Company without the consent of any other Party to cure defects, typographical errors, resolve ambiguities or reflect changes, in each case, of a minor technical or administrative nature.

33.4 Replacement of Screen Rate

(a) In this Clause 33.4:

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“Replacement Benchmark” means a benchmark rate which is:

(i) formally designated, nominated or recommended as the replacement for a Screen Rate by:
(A) the administrator of that Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Screen Rate); or

(B) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Benchmark” will be the replacement under paragraph (B) above;

(ii) in the opinion of the Majority Lenders and the Company, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Screen Rate; or

(ii) in the opinion of the Majority Lenders and the Company, an appropriate successor to a Screen Rate.

“Screen Rate Replacement Event” means, in relation to a Screen Rate:

(i) the methodology, formula or other means of determining that Screen Rate has, in the opinion of the Majority Lenders and the Company, materially changed;

(ii) (A)

   (1) the administrator of that Screen Rate or its supervisor publicly announces that such administrator is insolvent; or

   (2) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Screen Rate is insolvent,

       provided that, in each case, at that time, there is no successor administrator to continue to provide that Screen Rate;

(B) the administrator of that Screen Rate publicly announces that it has ceased or will cease, to provide that Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Screen Rate;

(C) the supervisor of the administrator of that Screen Rate publicly announces that such Screen Rate has been or will be permanently or indefinitely discontinued; or
(D) the administrator of that Screen Rate or its supervisor announces that that Screen Rate may no longer be used; or

(iii) the administrator of that Screen Rate determines that that Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:

(A) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Company) temporary; or

(B) that Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than 30 days; or

(iv) in the opinion of the Majority Lenders and the Company, that Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

(b) Subject to paragraph (a) of Clause 33.3 (Other exceptions), if a Screen Rate Replacement Event has occurred in relation to any Screen Rate for a currency which can be selected for a Loan, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Benchmark in relation to that currency in place of that Screen Rate; and

(ii)

(A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;

(B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Benchmark;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or

(E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Company.
33.5 Replacement of a Lender

(a) If at any time any Lender becomes a:

(i) Non-Consenting Lender;

(ii) Defaulting Lender;

(iii) Non-Extending Lender; or

(iv) Increased Costs Lender,

then the Company may, on not less than five Business Days’ prior notice to the Agent and that Lender:

(A) replace that Lender by causing it to (and that Lender shall) transfer all or any party of its rights and obligations under the Finance Documents (including that Lender’s Available Commitment) to one or more Lenders or other persons selected by the Company (in each case which confirms its willingness to assume the relevant rights and obligations) (a “Replacement Lender”) for a purchase price equal to the outstanding principal amount of such Lender’s participation in the outstanding Loans to be transferred and all accrued interest and fees and other amounts payable to it under the Finance Documents in respect of such participation (the “Replacement Amount”); and/or

(B) prepay (or procure that another member of the Group prepays) all or any part of that Lender’s participation in the outstanding Loans and all accrued interest and fees and other amounts payable to it under the Finance Documents in respect of such participation; and/or

(C) cancel all or any Commitments of that Lender.

Any notice delivered under this paragraph (a) exercising any rights under (A) above shall be accompanied by a Transfer Certificate complying with Clause 23.5 (Procedure for transfer), which Transfer Certificate shall be immediately executed by the relevant Non-Consenting Lender, Defaulting Lender, Non-Extending Lender or, as the case may be, Increased Costs Lender and returned to the Company. Notwithstanding the requirements of Clause 23 (Change to the Lenders) or any other provisions of the Finance Documents, if a Lender does not execute and/or return a duly executed Transfer Certificate as required by this paragraph (a) within five Business Days of delivery by the Company, the relevant transfer or transfers shall automatically and immediately be effected for all purposes under the Finance Documents on payment of the Replacement Amount to the Agent (for the account of the relevant Lender).
(b) Unless otherwise agreed by the Majority Lenders, the replacement or prepayment of a Lender pursuant to this Clause 33.4 shall be subject to the following conditions:

(i) the Company shall have no right to replace the Agent (in its capacity as agent) pursuant to paragraph (a) above; and

(ii) neither the Agent nor the Lender shall have the obligation to the Company to find a Replacement Lender.

(c) For the purposes of this Clause 33.4:

(i) “Non-Consenting Lender” means:

(A) any Lender which does not agree to a consent to, or a departure from, or waiver or amendment of, any provision of the Finance Documents which has been requested by the Company (or the Agent on its behalf) where the requested consent, waiver or amendment is one which requires greater than Majority Lender consent pursuant to this Agreement and has been agreed to by the Majority Lenders; and/or

(B) any Lender whose Commitment has been excluded in relation to any request pursuant to Clause 33.6 (Excluded Commitments) on more than one occasion;

(ii) “Increased Costs Lender” means a Lender to whom the Company becomes obligated to pay any amount pursuant to Clause 7.1 (Illegality), Clause 13 (Tax Gross-up and Indemnities) or Clause 14 (Increased Costs).

33.6 Excluded Commitments

(a) Subject to paragraph (b) below, if any Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made, unless the Company and the Agent agree to a longer time period in relation to such request:

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

(b) The period of 15 Business Days referred to in paragraph (a) above shall be reduced to 10 Business Days if any request or vote of Lenders relates to any action to be taken in accordance with Clause 22.15 (Acceleration) upon the occurrence of an Event of Default under Clause 22.13 (Gaming triggering event).
33.7 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments or Total Commitments has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender’s (1) HKD Commitments will be reduced by the amount of its Available HKD Commitments and (2) USD Commitments will be reduced by the amount of its Available USD Commitments.

(b) For the purposes of this Clause 33.7, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of “Defaulting Lender” has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

34. CONFIDENTIAL INFORMATION

34.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 34.2 (Disclosure of Confidential Information) and Clause 34.3 (Disclosure to numbering service providers), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

34.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person’s Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Company and to any of that person’s Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including any person appointed under paragraph (b) of Clause 25.15 (Relationship with the Lenders));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) or (ii) above;

(v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) who is a Party; or

(viii) with the consent of the Company,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs (i), (ii) and (iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
(B) in relation to paragraph (iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; or

(C) in relation to paragraphs (v) or (vi) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and

(c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/ Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party; and

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Company if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

34.3 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and the Company the following information:

(i) name of the Company;
(ii) country of domicile of the Company;
(iii) place of incorporation of the Company;
(iv) date of this Agreement;
(v) Clause 37 (Governing Law);
(vi) the names of the Agent and the Arrangers;
(vii) date of each amendment and restatement of this Agreement;
(viii) amounts of, and names of, the Facility;
(ix) amount of Total Commitments;
(x) currencies of the Facility;
(xi) type of Facility;
(xii) ranking of Facility;
(xiii) the Termination Date;
(xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
(xv) such other information agreed between such Finance Party and the Company,
to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or the Company by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(c) The Agent shall notify the Company and the other Finance Parties of:
(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or the Company; and
(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or the Company by such numbering service provider.

34.4 Disclosure to market data collectors

Each Finance Party may disclose the existence of this Agreement and the information about this Agreement listed in paragraph (a) of Clause 34.3 (Disclosure to numbering service providers) to market data collectors, similar service providers to the lending industry and service providers to such Finance Party in connection with the administration and management of this Agreement and the other Finance Documents.

34.5 Entire agreement

This Clause 34 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.
34.6 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

34.7 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 34.2 (Disclosure of Confidential Information) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 34.

34.8 Continuing obligations

The obligations in this Clause 34 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

(a) the date on which all amounts payable by the Company under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

35. CONFIDENTIALITY OF FUNDING RATES

35.1 Confidentiality and disclosure

(a) The Agent and the Company agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.

(b) The Agent may disclose:

(i) any Funding Rate to the Company pursuant to Clause 9.4 (Notification of rates of interest); and
any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.

(c) The Agent may disclose any Funding Rate, and the Company may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the Company, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the Company, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender.

35.2 Related obligations

(a) The Agent and the Company acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and the Company undertake not to use any Funding Rate for any unlawful purpose.

(b) The Agent and the Company agree (to the extent permitted by law and regulation) to inform the relevant Lender:
(i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 35.1 (Confidentiality and disclosure) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 35.

35.3 No Event of Default

No Event of Default will occur under Clause 22.3 (Other obligations) by reason only of the Company’s failure to comply with this Clause 35.

36. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.
37. **GOVERNING LAW**

This Agreement is governed by the laws of Hong Kong, provided that Schedule 9 (*Additional covenants*) shall be interpreted in accordance with the laws of the State of New York without prejudice to the fact that this Agreement is governed by the laws of Hong Kong and that such Schedule 9 (*Additional covenants*) shall also be enforced in accordance with the laws of Hong Kong.

38. **ENFORCEMENT**

38.1 **Jurisdiction of Hong Kong courts**

(a) The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute regarding the existence, validity or termination of this Agreement) (a “Dispute”).

(b) The Parties agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 38.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

38.2 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law, the Company:

(a) irrevocably appoints Cotai Services (HK) Limited as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with any Finance Document; and

(b) agrees that failure by a process agent to notify the Company of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.
SCHEDULE 1
THE ORIGINAL PARTIES

PART I
THE ARRANGERS

Global Coordinators and Joint Lead Arrangers
Bank of China Limited, Macau Branch
Industrial and Commercial Bank of China (Macau) Limited
Bank of Communications Co, Ltd, Macau Branch
China Construction Bank Corporation Macau Branch
United Overseas Bank Limited Hong Kong Branch
Sumitomo Mitsui Banking Corporation
The Bank of Nova Scotia
Oversea-Chinese Banking Corporation Limited
Banco OCBC Weng Hang, S.A.
Bank of America, N.A.
BNP Paribas Hong Kong Branch
DBS Bank Ltd.
Barclays Bank PLC
Goldman Sachs Bank USA

Joint Lead Arrangers
Banco Nacional Ultramarino, S.A.
CMB Wing Lung Bank Limited Macau Branch
## PART II
### THE ORIGINAL LENDERS

<table>
<thead>
<tr>
<th>Name of Original Lender</th>
<th>USD Commitment (US$)</th>
<th>HKD Commitment (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of China Limited, Macau Branch</td>
<td>—</td>
<td>3,367,416,000</td>
</tr>
<tr>
<td>Industrial and Commercial Bank of China (Macau) Limited</td>
<td>—</td>
<td>3,132,480,000</td>
</tr>
<tr>
<td>Bank of Communications Co, Ltd, Macau Branch</td>
<td>—</td>
<td>1,879,488,000</td>
</tr>
<tr>
<td>China Construction Bank Corporation Macau Branch</td>
<td>—</td>
<td>1,879,488,000</td>
</tr>
<tr>
<td>United Overseas Bank Limited Hong Kong Branch</td>
<td>—</td>
<td>1,174,680,000</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>110,000,000</td>
<td>—</td>
</tr>
<tr>
<td>The Bank of Nova Scotia</td>
<td>77,000,000</td>
<td>258,429,600</td>
</tr>
<tr>
<td>Oversea-Chinese Banking Corporation Limited</td>
<td>40,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Banco OCBC Weng Hang, S.A.</td>
<td>10,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Bank of America, N.A.</td>
<td>—</td>
<td>391,560,000</td>
</tr>
<tr>
<td>BNP Paribas Hong Kong Branch</td>
<td>—</td>
<td>391,560,000</td>
</tr>
<tr>
<td>DBS Bank Ltd.</td>
<td>—</td>
<td>391,560,000</td>
</tr>
<tr>
<td>Barclays Bank PLC</td>
<td>—</td>
<td>234,936,000</td>
</tr>
<tr>
<td>Goldman Sachs Bank USA</td>
<td>—</td>
<td>234,936,000</td>
</tr>
<tr>
<td>Banco Nacional Ultramarino, S.A.</td>
<td>—</td>
<td>234,936,000</td>
</tr>
<tr>
<td>CMB Wing Lung Bank Limited Macau Branch</td>
<td>—</td>
<td>234,936,000</td>
</tr>
</tbody>
</table>
SCHEDULE 2
CONDITIONS PRECEDENT

CONDITIONS PRECEDENT TO INITIAL UTILISATION

1. The Company
   (a) A copy of the constitutional documents and register of directors of the Company.
   (b) A copy of a resolution of a committee established by the board of directors of the Company (in accordance with the constitutional documents of the Company):
      (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
      (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
      (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party, together with a resolution of the board of directors of the Company (or an extract thereof) establishing such committee.
   (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
   (d) A certificate from the Company (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
   (e) A certificate of an authorised signatory of the Company certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
   (f) A certificate of good standing in respect of the Company issued by the Registry of Companies, Cayman Islands.

2. Finance Documents
   (a) This Agreement executed by the Company.
   (b) The Fee Letters referred to in Clause 12.2 (Upfront fee) and Clause 12.3 (Agency fee) executed by the Company.
3. Legal opinions
   (a) A legal opinion in relation to Cayman Islands law from legal counsel to the Arrangers addressed to the Arrangers, the Agent and to the Original Lenders, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
   (b) A legal opinion in relation to Hong Kong law from legal counsel to the Arrangers addressed to the Arrangers, the Agent and to the Original Lenders, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

4. Other documents and evidence
   (a) Evidence that any process agent referred to in Clause 38.2 (Service of process) has accepted its appointment.
   (b) A copy of a pay-off letter from Bank of China, Macau branch as administrative agent under the VML Credit Facility confirming that all outstanding loans under the VML Credit Facility have been repaid in full, that any other amounts outstanding under the VML Credit Facility have been paid in full and that all undrawn commitments under the VML Credit Facility have been terminated and cancelled.
   (c) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.
   (d) A copy of the Original Financial Statements of the Company.
   (e) Evidence that the fees, costs and expenses then due from the Company pursuant to Clause 12 (Fees) and Clause 17 (Costs and Expenses) have been paid or will be paid by the first Utilisation Date.
   (f) Such documentation and other evidence as is reasonably requested by the Agent in writing (for itself or on behalf of any Lender in order for the Agent or such Lender to conduct all “know your customer” and other similar procedures that it is required (or it reasonably deems desirable) to conduct, including, without limitation, under the USA PATRIOT Act (to the extent applicable) and any other applicable anti-money laundering rules and regulations).
From: Sands China Ltd. as borrower
To: [Agent]
Dated:

Sands China Ltd. – US$2,000,000,000 Facility Agreement dated [ ] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement shall have the same meaning in this Utilisation Request.

2. We wish to utilise the Facility on the following terms:

   Proposed Utilisation Date: [ ] (or, if that is not a Business Day, the next Business Day)
   Type of Loan: [Revolving Loan] / [Swing Line Loan]
   [Currency of Loan: [US$] / [HK$]]
   Amount of Loan: [ ] or, if less, the Available [Swing Line] Facility
   Interest Period:

3. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) of the Facility Agreement is satisfied on the date of this Utilisation Request.

4. [This Loan is to be made in [whole]/[part] for the purpose of refinancing [identify maturing Loan].][The proceeds of this Loan should be credited to [account].]

Yours faithfully

[authorised signatory for Sands China Ltd.]

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1 Include if proposed Utilisation is of a Swing Line Loan.
2 Include amount of Loan in the Base Currency if proposed Utilisation is of a Revolving Loan.
3 Include if proposed Utilisation is of a Swing Line Loan.
4 Note the Interest Period selected for a Swing Line Loan will be the Interest Period for any Revolving Loan advanced to refund such Swing Line Loan, as set out in Clause 6.2(b) and (c).
To: [ ] as Agent

From: [ the Existing Lender ] (the “Existing Lender”) and [ the New Lender ] (the “New Lender”)

Dated:

Sands China Ltd. – US$2,000,000,000 Facility Agreement
dated [ ] (the “Facility Agreement”)

1. We refer to Clause 23.5 (Procedure for transfer) of the Facility Agreement. This is a Transfer Certificate. Terms used in the Facility Agreement shall have the same meaning in this Transfer Certificate.

2. The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 23.5 (Procedure for transfer) of the Facility Agreement, all of the Existing Lender’s rights and obligations under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Facility Agreement as specified in the Schedule.

3. The proposed Transfer Date is [ ].

4. The Facility Office and address, fax number and attention particulars for notices of the New Lender for the purposes of Clause 29.2 (Addresses) of the Facility Agreement are set out in the Schedule.

5. The New Lender expressly acknowledges:
   
   (a) the limitations on the Existing Lender’s obligations set out in paragraphs (a) and (c) of Clause 23.4 (Limitation of responsibility of Existing Lenders) of the Facility Agreement; and

   (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.

6. The New Lender confirms that it is a “New Lender” within the meaning of Clause 23.1 (Assignments and transfers by the Lenders) of the Facility Agreement.

7. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

8. This Transfer Certificate is governed by the laws of Hong Kong.

9. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.
THE SCHEDULE

Commitment/rights and obligations to be transferred

[ insert relevant details ]

[Facility office address, fax number and attention details for notices and account details for payments]

[ the Existing Lender ]  [ the New Lender ]
By:  By:

This Transfer Certificate is executed by the Agent and the Transfer Date is confirmed as [            ].

[ the Agent ]
By:

Note:  It is the New Lender’s responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate or to give the New Lender full enjoyment of all the Finance Documents.
To:  [[ Agent ] as Agent; and

Sands China Ltd. as the Company]

From:  [ the Existing Lender ] (the “Existing Lender”) and [ the New Lender ] (the “New Lender”)

Dated:  [ insert date ]

Sands China Ltd. – US$2,000,000,000 Facility Agreement
dated [ ] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is an Assignment Agreement. Terms defined in the Facility Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

2. We refer to Clause 23.6 (Procedure for assignment) of the Facility Agreement:

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Facility Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Facility Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [ ].

4. On the Transfer Date, the New Lender becomes Party to the Finance Documents as a Lender.

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 29.2 (Addresses) of the Facility Agreement are set out in the Schedule.

6. The New Lender expressly acknowledges:

   (a) the limitations on the Existing Lender’s obligations set out in paragraphs (a) and (c) of Clause 23.4 (Limitation of responsibility of Existing Lenders) of the Facility Agreement; and
(b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Assignment Agreement or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.

7. The New Lender confirms that it is a “New Lender” within the meaning of Clause 23.1 (Assignments and transfers by the Lenders) of the Facility Agreement.

8. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 23.8 (Copy of Transfer Certificate or Assignment Agreement to Company) of the Facility Agreement, to the Company of the assignment referred to in this Assignment Agreement.

9. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.

10. This Assignment Agreement is governed by the laws of Hong Kong.

11. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

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THE SCHEDULE

Rights to be assigned and obligations to be released and undertaken

[ insert relevant details ]

[Facility office address, fax number and attention details for notices and account details for payments]

[ Existing Lender ]
By:

[ New Lender ]
By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [            ].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[ Agent ]
By:

Note: It is the New Lender’s responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the assignment/release/assumption of obligations contemplated in this Assignment Agreement or to give the New Lender full enjoyment of all the Finance Documents.
To: [ ] as Agent

From: Sands China Ltd.

Dated:

Sands China Ltd. – US$2,000,000,000 Facility Agreement dated [ ] (the “Facility Agreement”)

1. We refer to the Facility Agreement. This is a Compliance Certificate. Terms used in the Facility Agreement shall have the same meaning in this Compliance Certificate.

2. We confirm that, as at [*]:
   (a) Consolidated Leverage Ratio is [*]; and
   (b) Consolidated Interest Coverage Ratio is [*].

3. [We confirm that no Event of Default is continuing.]

Signed: ____________________  ____________________
       Director of [ Company ]       Director of [ Company ]

[ insert applicable certification language ]

for and on behalf of
Sands China Ltd.

* If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.
**SCHEDULE 7**

**TIMETABLES**

<table>
<thead>
<tr>
<th><strong>HIBOR Loans</strong></th>
<th><strong>HKD Swing Line Loans</strong></th>
<th><strong>LIBOR Loans</strong></th>
<th><strong>USD Swing Line Loans</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>T – 3</td>
<td>T – 1</td>
<td>T – 3</td>
<td>T – 1</td>
</tr>
</tbody>
</table>

Agent notifies the relevant Lenders and the Company of the details of the Loan in accordance with Clause 5.5 (*Loan amount and Lenders’ participation*)

- **HIBOR or LIBOR is fixed**
  - Quotation Day as at 11:00 a.m. in respect of HIBOR
  - Quotation Day as at 11:00 a.m. (London time) in respect of LIBOR
  - Quotation Day as at 3:00 p.m. in respect of HIBOR
  - Quotation Day as at 3:00 p.m. (London time) in respect of LIBOR

Reference Bank Rate calculated by reference to available quotations in accordance with Clause 11.2 (*Calculation of Reference Bank Rate*)

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1. Cotai Ferry Company Limited (Macau)
2. Cotai Services (HK) Limited (Hong Kong)
3. Cotai Strip Lot 2 Apart Hotel (Macau) Limited (Macau)
4. Cotai Strip Lot 7&8 Development Limited (Macau)
5. CotaiJet 311 Ltd. (Cayman Islands)
6. CotaiJet 312 Ltd. (Cayman Islands)
7. CotaiJet 314 Ltd. (Cayman Islands)
8. CotaiJet 315 Ltd. (Cayman Islands)
9. CotaiJet 316 Ltd. (Cayman Islands)
10. CotaiJet 317 Ltd. (Cayman Islands)
11. CotaiJet 318 Ltd. (Cayman Islands)
12. CotaiJet 319 Ltd. (Cayman Islands)
13. CotaiJet 320 Ltd. (Cayman Islands)
14. CotaiJet 350 Ltd. (Cayman Islands)
15. CotaiJet 351 Ltd. (Cayman Islands)
16. CotaiJet 352 Ltd. (Cayman Islands)
17. CotaiJet 353 Ltd. (Cayman Islands)
18. CotaiWaterjet Sea Bridge 2 Ltd. (Cayman Islands)
19. Sands Cotai East Holdings Limited (Cayman Islands)
20. Sands Cotai East Holdings Limited (Macau)
21. Sands Cotai West Holdings Limited (Cayman Islands)
22. Sands Cotai West Holdings Limited (Macau)
23. Sands Resorts Travel Limited (Hong Kong)
24. Sands Venetian Security Limited (Macau)
25. SCL IP Holdings, LLC (Nevada)
<table>
<thead>
<tr>
<th></th>
<th>Company Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>Venetian Cotai Hotel Management Limited (Macau)</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Venetian Cotai Limited (Macau)</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>V-HK Services Limited (Hong Kong)</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Venetian Macau Finance Company (Cayman Islands)</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Venetian Macau Limited (Macau)</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>VML US Finance LLC (Delaware)</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Venetian Orient Limited (Macau)</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Venetian Retail Limited (Macau)</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Venetian Travel Limited (Macau)</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Venetian Venture Development Intermediate Limited (Cayman Islands)</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Zhuhai Cotai Information Services Outsourcing Co., Ltd. (PRC)</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Zhuhai Cotai Logistics Hotel Services Co., Ltd. (PRC)</td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE 9

ADDITIONAL COVENANTS

Save where specified to the contrary, defined terms used in this Schedule shall bear the meanings given to them in this Schedule or otherwise in Clause 1 (Definitions and Interpretation) or Clause 20.1 (Definitions).

Section 1: Definitions

“Attributable Debt” means, with regard to a sale and leaseback arrangement of a Principal Property, an amount equal to the lesser of: (a) the fair market value of the Principal Property (as determined in good faith by the Company’s Board of Directors); or (b) the present value of the total net amount of rent payments to be made under the lease during its remaining term (including any period for which such lease has been extended and excluding any unexercised renewal or other extension options exercisable by the lessee, and excluding amounts on account of maintenance and repairs, services, taxes and similar charges and contingent rents), discounted at the rate of interest set forth or implicit in the terms of the lease, compounded semi-annually.

“Board of Directors” means:

(a) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(b) with respect to a partnership, the board of directors of the general partner of the partnership;

(c) with respect to a limited liability company, the Person or Persons who are the managing member, members or managers or any controlling committee or managing members or managers thereof; and

(d) with respect to any other Person, the board or committee of such Person serving a similar function.

“Capital Stock” means:

(a) in the case of a corporation, corporate stock;

(b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests (whether general or limited); and

(d) any other interests or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.
“Consolidated Net Assets” means, as of any date of determination, the consolidated assets, after subtracting all current liabilities, as such amounts appear on the Company’s most recent internally available consolidated balance sheet and computed in accordance with IFRS; provided, that Consolidated Net Assets shall be calculated, at the election of the Company, after giving pro forma effect to any investments, acquisitions or dispositions occurring outside the ordinary course of business and subsequent to the date of such balance sheet, as well as any transaction giving rise to the need to calculate Consolidated Net Assets (including the application of the proceeds therefrom, as applicable).

“Guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner, including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“Indebtedness” means, with respect to any specified Person, any indebtedness of such Person (excluding, for the avoidance of doubt, accrued expenses, trade payables and hedging obligations), in respect of borrowed money if and to the extent such indebtedness would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS.

The amount of any Indebtedness outstanding as of any date shall be:

(a) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;

(b) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness; and

(c) in the case of a Guarantee of Indebtedness, the maximum amount of the Indebtedness guaranteed under such Guarantee.

Notwithstanding anything contained in this Schedule 9 to the contrary, any obligation of the Company incurred in the ordinary course of business in respect of casino chips or similar instruments shall not constitute “Indebtedness” for any purpose under this Schedule 9.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.
“Nonrecourse Obligation” means Indebtedness or lease payment obligations substantially related to (i) the acquisition of assets not previously owned by the Company or any Subsidiary or (ii) the financing of a project involving the development or expansion of the Company’s or any Subsidiary’s properties, as to which the obligee with respect to such Indebtedness or obligation has no recourse to the Company or any Subsidiary or any of the Company’s or any Subsidiary’s assets other than the assets which were acquired with the proceeds of such transaction or the project financed with the proceeds of such transaction (and the proceeds thereof).

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Principal Property” means the real and tangible property which is owned and operated by the Company or any Subsidiary having a gross book value in excess of US$300,000,000, provided that no such property shall constitute a Principal Property if the Company’s Board of Directors determined in good faith that such property is not of material importance to the total business conducted by the Company and its Subsidiaries taken as a whole.

“Significant Subsidiary” means any Subsidiary that (a) contributed at least 10% of the Company’s and its Subsidiaries’ total consolidated income from continuing operations before income taxes and extraordinary items for the most recently ended financial year of the Company or (b) owned at least 10% of Total Assets as of the last day of the most recently ended financial year of the Company.

“Subsidiary” means, with respect to any specified Person:

(a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof);

(b) any partnership (1) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (2) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof); or

(c) any limited liability company (1) the manager or managing member of which is such Person or a Subsidiary of such Person or (2) the only members of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Unless the context otherwise requires, “Subsidiary” as used in this Schedule 9 shall mean a Subsidiary of the Company.

“Total Assets” means at any date, the total assets of the Company and its Subsidiaries at such date, determined on a consolidated basis in accordance with IFRS.
Section 2: Limitations on Liens

(a) Neither the Company nor any Subsidiary will, directly or indirectly, incur, assume or guarantee any Indebtedness secured by a Lien on any Principal Property (or the Capital Stock of any Subsidiary that owns a Principal Property), unless the Company secures the Facility equally and rateably with (or at the option of the Company, prior to) the Indebtedness secured by such Lien for so long as such Indebtedness is secured. The foregoing restrictions do not apply to Indebtedness that is secured by:

(i) Liens existing on the date of this Agreement;

(ii) Liens created in connection with a project financed with, and created to secure, a Nonrecourse Obligation;

(iii) Liens on any property or Capital Stock of a Person existing at the time the Person becomes a Subsidiary or Liens in existence at the time of the acquisition of the assets encumbered thereby (including, in each case, without limitation, acquisition through merger or consolidation), in each case, which were not incurred in anticipation thereof;

(iv) Liens on property or Capital Stock acquired, constructed, altered, improved or repaired by the Company or any Subsidiary and created prior to, at the time of, or within 360 days (or thereafter if such Lien is created pursuant to a binding commitment entered into prior to, at the time of or within 360 days) after such acquisition (including, without limitation, acquisition through merger or consolidation), construction, alteration, improvement or repair (or the completion of such construction, alteration, improvement or repair or commencement of commercial operation of such property, whichever is later) to secure or provide for the payment of all or any part of the price thereof so long as such Liens are not greater than the payment or price, as the case may be, for the property or Capital Stock acquired, constructed, altered, improved or repaired (plus an amount equal to any fees, expenses or other costs payable in connection therewith);

(v) Liens securing Indebtedness or other obligations of a Subsidiary owing to the Company or another Subsidiary; and

(vi) Liens in favour of the Company or its Subsidiaries.

(b) The restrictions set forth in paragraph (a) above do not apply to extensions, renewals or replacements of any Indebtedness (and for the avoidance of doubt, any successive extensions, renewals or replacements of such Indebtedness) secured by the foregoing types of Liens, so long as the principal amount of Indebtedness secured thereby shall not exceed the amount of Indebtedness existing at the time of such extension, renewal or replacement (plus an amount equal to any premiums, accrued interest, fees, expenses or other costs payable in connection therewith).

(c) Any Lien that is granted to secure the Facility under this Section 2 shall be automatically released and discharged at the same time as the release of the Lien that gave rise to the obligation to secure the Facility under this Section 2.
(d) For the avoidance of doubt, an increase in the amount of Indebtedness in connection with any accrual of interest, accretion of accreted value, amortization of original issue discount, payment of interest in the form of additional Indebtedness with the same terms, and accretion of original issue discount and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness, shall not constitute an assumption, incurrence or guarantee for the purposes of this Section 2, so long as the original Liens securing such Indebtedness were permitted under this Agreement.

(e) Notwithstanding paragraph (a) above, the Company and its Subsidiaries may, directly or indirectly, incur, assume or guarantee any Indebtedness secured by Liens not otherwise permitted by this Section 2 if the sum of (i) the aggregate of all Indebtedness secured by such Liens and (ii) any Attributable Debt related to any sale and leaseback arrangement permitted under Section 3(b) below does not exceed the greater of (i) 15.0% of the Company’s total Consolidated Net Assets and (ii) US$1.3 billion.

(f) Any sale and leaseback arrangement incurred pursuant to paragraphs (a), (b), (d), (e) or (f) of Section 3 below shall be deemed to be permitted pursuant to this Section 2.

Section 3: Limitations on Sale and Leaseback Transactions

Neither the Company nor any Subsidiary shall enter into any arrangement with any person to lease a Principal Property from such person (except for any arrangements that exist on the date of this Agreement or that exist at the time any person that owns a Principal Property becomes a Subsidiary) which Principal Property has been or is to be sold by the Company or the Subsidiary to such person unless:

(a) the sale and leaseback arrangement involves a lease for a term of not more than three years;

(b) the sale and leaseback arrangement is entered into between or among the Company and its Subsidiaries;

(c) the Company or the Subsidiary would be entitled to incur Indebtedness secured by a Lien on the Principal Property at least equal in amount to the Attributable Debt permitted pursuant Section 2(a) without having to secure equally and ratably the Facility;

(d) the lease payment is created in connection with a project financed with, and such obligation constitutes, a Nonrecourse Obligation;
(c) the proceeds of the sale and leaseback arrangement are at least equal to the fair market value (as determined by the Company’s Board of Directors in good faith) of the Principal Property and the Company applies within 180 days after the sale an amount equal to the greater of the net proceeds of the sale or the Attributable Debt associated with the Principal Property to (i) the retirement of long-term debt for borrowed money that is not subordinated to the Facility and that is not debt to the Company or a Subsidiary, or (ii) the purchase, construction, improvement, expansion or development of other comparable property; or

(f) the sale and leaseback arrangement is entered into within 180 days after the initial acquisition of the Principal Property subject to the sale and leaseback arrangement.

Section 4: Limitations on Merger, Consolidation or Sale of Assets

The Company shall not, directly or indirectly:

(a) consolidate or merge with or into another Person (whether or not the Company is the surviving entity); or

(b) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

(i) either (x) the Company is the surviving entity or (y) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is an entity organized or existing under the laws of Hong Kong, Macao, Singapore, the Cayman Islands, the British Virgin Islands, Bermuda, the Isle of Man, the United States, any state of the United States, or the District of Columbia;

(ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Finance Documents; and

(iii) immediately after such transaction, no Default or Event of Default shall have occurred and is continuing,

provided that failure to comply with this Section 4 shall not constitute a Default or an Event of Default if the underlying events or circumstances of such failure constitute a Change of Control (in which case Clause 7.2 (Change of control) shall apply).
Sands China Ltd.
Consolidated Financial Statements
For the Quarter Ended September 30, 2018

These unaudited consolidated balance sheets as at the end of the period and the related unaudited consolidated statements of operations, cash flows and supplementary information fairly present, in all material respects, the financial condition as at the date indicated and the results of operations and cash flows for the period indicated, subject to changes resulting from audit and normal year-end adjustments.
### Sands China Ltd.
**Consolidated Balance Sheets**

September 30, 2018  
(Unaudited)  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>September 30, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties, net</td>
<td>645</td>
<td>1,311</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>8,194</td>
<td>7,687</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>42</td>
<td>34</td>
</tr>
<tr>
<td>Other assets, net</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>Trade and other receivables and prepayments, net</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>8,936</td>
<td>9,089</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Trade and other receivables and prepayments, net</td>
<td>377</td>
<td>293</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,079</td>
<td>1,239</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,483</td>
<td>1,558</td>
</tr>
<tr>
<td>Total assets</td>
<td>11,419</td>
<td>10,647</td>
</tr>
</tbody>
</table>

### EQUITY

Capital and reserves attributable to equity holders of the Company

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>81</td>
<td>81</td>
</tr>
<tr>
<td>Reserves</td>
<td>3,870</td>
<td>4,457</td>
</tr>
<tr>
<td>Total equity</td>
<td>3,951</td>
<td>4,538</td>
</tr>
</tbody>
</table>

### LIABILITIES

Non-current liabilities

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>107</td>
<td>92</td>
</tr>
<tr>
<td>Borrowings</td>
<td>5,557</td>
<td>4,358</td>
</tr>
<tr>
<td>Deferred income tax liabilities</td>
<td>55</td>
<td>62</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>5,719</td>
<td>4,512</td>
</tr>
</tbody>
</table>

Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>1,736</td>
<td>1,537</td>
</tr>
<tr>
<td>Current income tax liabilities</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Borrowings</td>
<td>9</td>
<td>54</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>1,749</td>
<td>1,597</td>
</tr>
</tbody>
</table>

Total liabilities

7,468  6,109

Total equity and liabilities

11,419  10,647

Net current assets/(liabilities) = $734 (39)

Total assets less current liabilities

$9,670  $9,050
<table>
<thead>
<tr>
<th></th>
<th>Three months ended September 30, 2018</th>
<th>Nine months ended September 30, 2018</th>
<th>Nine months ended September 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ in millions</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net revenues</strong></td>
<td>2,147</td>
<td>6,412</td>
<td>5,531</td>
</tr>
<tr>
<td>Gaming tax</td>
<td>(847)</td>
<td>(2,535)</td>
<td>(2,135)</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>(303)</td>
<td>(925)</td>
<td>(896)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(169)</td>
<td>(477)</td>
<td>(531)</td>
</tr>
<tr>
<td>Inventories consumed</td>
<td>(30)</td>
<td>(79)</td>
<td>(72)</td>
</tr>
<tr>
<td>Other expenses and losses</td>
<td>(236)</td>
<td>(773)</td>
<td>(689)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>562</td>
<td>1,623</td>
<td>1,208</td>
</tr>
<tr>
<td>Interest income</td>
<td>7</td>
<td>—</td>
<td>10</td>
</tr>
<tr>
<td>Interest expense, net of amounts capitalized</td>
<td>(64)</td>
<td>(152)</td>
<td>(112)</td>
</tr>
<tr>
<td>Loss on modification or early retirement of debt</td>
<td>(72)</td>
<td>(72)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>433</td>
<td>1,409</td>
<td>1,099</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>(1)</td>
<td>(6)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Profit for the period attributable to equity holders of the Company</strong></td>
<td>432</td>
<td>1,411</td>
<td>1,081</td>
</tr>
</tbody>
</table>

Note: The prior period presentation has been adjusted for the adoption of IFRS 15 “Revenue from Contracts with Customers”, and conformed to the current period presentation.
Sands China Ltd.
Consolidated Statements of Cash Flows
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three months ended September 30,</th>
<th>Nine months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>521</td>
<td>552</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in restricted cash and cash equivalents</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(121)</td>
<td>(109)</td>
</tr>
<tr>
<td>Additions to investment properties</td>
<td>(3)</td>
<td>(14)</td>
</tr>
<tr>
<td>Purchases of intangible assets</td>
<td>(7)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from disposal of property and equipment</td>
<td>—</td>
<td>1</td>
</tr>
<tr>
<td>Interest received</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(127)</td>
<td>(122)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from exercise of share options</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Proceeds from senior notes</td>
<td>5,500</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from bank loans</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of bank loans</td>
<td>(4,814)</td>
<td>(555)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of finance lease liabilities</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Payments for deferred financing costs</td>
<td>(43)</td>
<td>—</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(24)</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>Net cash generated from/(used in) financing activities</strong></td>
<td>619</td>
<td>(586)</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td>1,013</td>
<td>839</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of period</strong></td>
<td>1,063</td>
<td>781</td>
</tr>
<tr>
<td>Effect of exchange rate on cash and cash equivalents</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>2,079</td>
<td>626</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents comprised:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on hand</td>
<td>1,512</td>
<td>432</td>
</tr>
<tr>
<td>Short-term bank deposits</td>
<td>567</td>
<td>194</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,079</td>
<td>626</td>
</tr>
</tbody>
</table>
Sands China Ltd.
Supplementary information
(Unaudited)

Net Revenues

Our net revenues consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Three months ended September 30,</th>
<th>Nine months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>US$ in millions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>1,672</td>
<td>1,469</td>
</tr>
<tr>
<td>Rooms</td>
<td>187</td>
<td>169</td>
</tr>
<tr>
<td>Mall</td>
<td>126</td>
<td>117</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>76</td>
<td>73</td>
</tr>
<tr>
<td>Convention, ferry, retail and other</td>
<td>86</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>2,147</td>
<td>1,896</td>
</tr>
</tbody>
</table>

Note: The prior period presentation has been adjusted for the adoption of IFRS 15 “Revenue from Contracts with Customers”, and conformed to the current period presentation.

Adjusted Property EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Three months ended September 30,</th>
<th>Nine months ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>US$ in millions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted property EBITDA (i)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Venetian Macao</td>
<td>344</td>
<td>265</td>
</tr>
<tr>
<td>Sands Cotai Central</td>
<td>188</td>
<td>155</td>
</tr>
<tr>
<td>The Parisian Macao</td>
<td>122</td>
<td>135</td>
</tr>
<tr>
<td>The Plaza Macao</td>
<td>53</td>
<td>51</td>
</tr>
<tr>
<td>Sands Macao</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td>Ferry and other operations</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total adjusted property EBITDA</strong></td>
<td>754</td>
<td>651</td>
</tr>
<tr>
<td>Share-based compensation, net of amount capitalized (ii)</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Corporate expense</td>
<td>(32)</td>
<td>(33)</td>
</tr>
<tr>
<td>Pre-opening expense</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(169)</td>
<td>(146)</td>
</tr>
<tr>
<td>Net foreign exchange losses/(gains)</td>
<td>15</td>
<td>(1)</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment, investment properties and intangible assets</td>
<td>(2)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>562</td>
<td>448</td>
</tr>
<tr>
<td>Interest income</td>
<td>7</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense, net of amounts capitalized</td>
<td>(64)</td>
<td>(39)</td>
</tr>
<tr>
<td>Loss on modification or early retirement of debt</td>
<td>(72)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>433</td>
<td>409</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>(1)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Profit for the period attributable to equity holders of the Company</strong></td>
<td>432</td>
<td>403</td>
</tr>
</tbody>
</table>
Adjusted Property EBITDA (continued)

(i) Adjusted property EBITDA, which is a non-IFRS financial measure, is profit attributable to equity holders of Sands China Ltd. (“Company”) before share-based compensation, corporate expense, pre-opening expense, depreciation and amortization, net foreign exchange gains/(losses), impairment loss, gain/(loss) on disposal of property and equipment, investment properties and intangible assets, interest, gain/(loss) on modification or early retirement of debt and income tax benefit/(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. Gaming companies have historically reported adjusted property EBITDA as a supplemental performance measure to IFRS financial measures. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including our Company and its subsidiaries (the “Group”) from time to time, have historically excluded certain expenses that do not relate to the management of specific casino 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 and debt principal repayments, 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 similarly titled measures presented by other companies.

(ii) For the nine months ended September 30, 2017, amount includes share-based compensation of US$1 million (nine months ended September 30, 2018, three months ended September 30, 2018, and three months ended September 30, 2017: nil) related to corporate expense.

Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>Three months ended September 30, 2018</th>
<th>Nine months ended September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ in millions</td>
<td></td>
</tr>
<tr>
<td>Casino</td>
<td>1,038</td>
<td>3,116</td>
</tr>
<tr>
<td>Rooms</td>
<td>47</td>
<td>138</td>
</tr>
<tr>
<td>Mall</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Food and beverage</td>
<td>62</td>
<td>187</td>
</tr>
<tr>
<td>Convention, ferry, retail and other</td>
<td>60</td>
<td>159</td>
</tr>
<tr>
<td>Provision for/(recovery of) doubtful accounts, net</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>General and administrative</td>
<td>169</td>
<td>490</td>
</tr>
<tr>
<td>Corporate</td>
<td>32</td>
<td>94</td>
</tr>
<tr>
<td>Pre-opening</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>169</td>
<td>477</td>
</tr>
<tr>
<td>Net foreign exchange (gains)/losses</td>
<td>(15)</td>
<td>2</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment, investment properties and intangible assets</td>
<td>2</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>1,585</strong></td>
<td><strong>4,789</strong></td>
</tr>
</tbody>
</table>

Note: The prior period presentation has been adjusted for the adoption of IFRS 15 “Revenue from Contracts with Customers”, and conformed to the current period presentation.
<table>
<thead>
<tr>
<th>Site</th>
<th>Branded Property</th>
<th>Owner/Developer of Site</th>
<th>Casino Ownership / Operation</th>
<th>Timing of Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel 1</td>
<td>The Venetian Macao Resort Hotel</td>
<td>Venetian Cotai Limited</td>
<td>Owned and operated by Venetian Cotai Limited (except casino operated by Venetian Macao Limited)</td>
<td>August 2007</td>
</tr>
<tr>
<td>Parcel 2</td>
<td>The Plaza Macao, including the Four Seasons Hotel Macao.</td>
<td>Venetian Cotai Limited</td>
<td>Owned by Venetian Cotai Limited and operated by Four Seasons (except casino operated by Venetian Macau Limited)</td>
<td>August 2008</td>
</tr>
<tr>
<td>Parcel 3</td>
<td>The Parisian Macao</td>
<td>Venetian Cotai Limited</td>
<td>Owned and operated by Venetian Cotai Limited (except casino to be operated by Venetian Macau Limited)</td>
<td>Estimated September 2016</td>
</tr>
<tr>
<td>Parcel 5</td>
<td>Sands Cotai Central, including Conrad, Holiday Inn and St. Regis hotels.</td>
<td>Venetian Orient Limited</td>
<td>Owned by Venetian Orient Limited and operated by Sands Cotai East Holdings Limited, Sands Cotai West Holdings Limited and Starwood, respectively, Casino operated by Venetian Macau Limited</td>
<td>April 2012 (Phase 1) and December 2015 (Phase 2)</td>
</tr>
<tr>
<td>Parcel 6</td>
<td>Sands Cotai Central, including two Sheraton hotel towers.</td>
<td>Venetian Orient Limited</td>
<td>Owned and operated by Venetian Orient Limited, except Sheraton hotel operated by Starwood and casino operated by Venetian Macau Limited</td>
<td>September 2012 (Phase 1) and January 2013 (Phase 2)</td>
</tr>
</tbody>
</table>
SCHEDULE 12
LIST OF FINANCIAL INSTITUTIONS

1. Banco Nacional Ultramarino, S.A.
2. Banco OCBC Weng Hang, S.A.
3. Bank of America, N.A.
4. Bank of China Limited, Macau Branch
5. Bank of China (Hong Kong) Limited
6. Bank of Communications Co, Ltd, Macau Branch
7. Bank of Communications, Zhuhai Gangqu Sub-Branch
8. Bank of Communications, Zhuhai Xiqu Sub-branch
9. Bank of Communications, Zhuhai Branch
10. Barclays Bank PLC
11. BNP Paribas
12. China Construction Bank Corporation Macau Branch
13. Dah Sing Bank Limited
14. DBS Vickers (Hong Kong) Limited
15. DBS Bank Ltd.
16. Goldman Sachs Bank USA
17. Industrial and Commercial Bank of China (Macau) Limited
18. Oversea-Chinese Banking Corporation Limited
19. Ping An Bank Co., Ltd, Zhuhai Branch
20. Sumitomo Mitsui Banking Corporation
21. The Bank of Nova Scotia
22. United Overseas Bank Limited Hong Kong Branch
23. CMB Wing Lung Bank Limited Macau Branch
THE COMPANY

SANDS CHINA LTD.

By: /s/ Wong, Ying Wai
Name: Wong, Ying Wai
Title: Director

Address for notices:
Address: The Venetian Macao Resort Hotel, Executive Offices - L2
         Estrada da Baía de N. Senhora da Esperança, s/n, Taipa, Macau
Email: dylan.williams@sands.com.mo
Fax: +853 2888 3382
Department: Legal
Attention: Dylan Williams – SVP of Legal and Company Secretary

with copy to:
Address: The Venetian Macao Resort Hotel, Executive Offices - L2
         Estrada da Baía de N. Senhora da Esperança, s/n, Taipa, Macau
Email: perry.lau@sands.com.mo
Fax: +853 8118 2999
Department: Finance
Attention: Perry Lau – VP of Treasury and Casino Credit
THE ARRANGERS

BANCO NACIONAL ULTRAMARINO, S.A.

By: /s/ Sam Tou
Name: Sam Tou
Title: Executive Director

By: /s/ Teren Cheong
Name: Teren Cheong
Title: General Manager
<table>
<thead>
<tr>
<th>By:</th>
<th>/s/ Ng Si Man</th>
<th>/s/ Lo Tong Chun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Ng Si Man</td>
<td>Lo Tong Chun</td>
</tr>
<tr>
<td>Title:</td>
<td>Head of Corporate Banking</td>
<td>Senior Assistant General Manager</td>
</tr>
</tbody>
</table>
BANK OF AMERICA, N.A.

By: /s/ Joyce Chan
Name: Joyce Chan
Title: Managing Director
BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/ Wong Iao Kun
Name: Wong Iao Kun
Title: Deputy Director of Credit Administration
       Department
By: /s/ Leng San
Name: Leng San
Title: Vice President
BARCLAYS BANK PLC

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Director
By: /s/ Mary HSE
Name: Mary HSE
Title: Managing Director, Senior Banker,
      Coverage Hong Kong
      Investment Banking Asia-Pacific

By: /s/ Christophe CERISIER
Name: Christophe CERISIER
Title: Head of Loan Capital Markets, Asia-Pacific
CHINA CONSTRUCTION BANK CORPORATION
MACAU BRANCH

By: /s/ Choi, Michael Chung-Man
Name: Choi, Michael Chung-Man
Title: SVP

By: /s/ Ng, Alex Tak Hong
Name: Ng, Alex Tak Hong
Title: VP
<table>
<thead>
<tr>
<th>By:</th>
<th>/s/ Lam Weng Nin</th>
<th>/s/ Guo Zhihang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Lam Weng Nin</td>
<td>Guo Zhihang</td>
</tr>
<tr>
<td>Title:</td>
<td>Deputy General Manager</td>
<td>General Manager</td>
</tr>
</tbody>
</table>
DBS BANK LTD.

By: /s/ Gladys Lee
Name: Gladys Lee
Title: Executive Director
GOLDMAN SACHS BANK USA

By: /s/ Rebecca Kratz
Name: Rebecca Kratz
Title: Authorized Signatory
INDUSTRIAL AND COMMERCIAL BANK OF CHINA
(MACAU) LIMITED

By: /s/ Yang Peng
Name: Yang Peng
Title: Chief Officer

By: /s/ Zheng Zhiguo
Name: Zheng Zhiguo
Title: Chief Officer
OVERSEA-CHINESE BANKING CORPORATION LIMITED

By: /s/ Cheok Kee Hock Richard
Name: Cheok Kee Hock Richard
Title: Head, Real Estate, OCBC Bank
By: /s/ Hideo Notsu
Name: Hideo Notsu
Title: Managing Director
By: /s/ Andy Poon
Name: Andy Poon
Title: Managing Director, Corporate Banking –
    Greater China and Chief Executive, Hong Kong
    Branch and Scotiabank (Hong Kong) Ltd.
UNITED OVERSEAS BANK LIMITED (HK)

By: /s/ Ng Moon Fai
Name: Ng Moon Fai
Title: Executive Director and Head of Commercial Banking
THE ORIGINAL LENDERS

BANCO NACIONAL ULTRAMARINO, S.A.

By: /s/ Sam Tou
Name: Sam Tou
Title: Executive Director

By: /s/ Teren Cheong
Name: Teren Cheong
Title: General Manager
<table>
<thead>
<tr>
<th></th>
<th>By:</th>
<th>Name:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>/s Ng Si Man</td>
<td></td>
<td>Head of Corporate Banking</td>
</tr>
<tr>
<td></td>
<td>/s Lo Tong Chun</td>
<td></td>
<td>Senior Assistant General Manager</td>
</tr>
</tbody>
</table>
BANK OF COMMUNICATIONS CO., LTD., MACAU
BRANCH

By:       /s/ Leng San
Name:     Leng San
Title:    Vice President
BARCLAYS BANK PLC

By:   /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Director
BNP PARIBAS HONG KONG BRANCH

By: /s/ Mary HSE
Name: Mary HSE
Title: Managing Director, Senior Banker,
Coverage Hong Kong
Investment Banking Asia-Pacific

By: /s/ Christophe CERISIER
Name: Christophe CERISIER
Title: Head of Loan Capital Markets, Asia-Pacific
By:  /s/ Choi, Michael Chung-Man
Name:  Choi, Michael Chung-Man
Title:  SVP

By:  /s/ Ng, Alex Tak Hong
Name:  Ng, Alex Tak Hong
Title:  VP
<table>
<thead>
<tr>
<th>By:</th>
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<th>/s/ Guo Zhihang</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Guo Zhihang</td>
</tr>
<tr>
<td>Title:</td>
<td>Deputy General Manager</td>
<td>General Manager</td>
</tr>
</tbody>
</table>
OVERSEA-CHINESE BANKING CORPORATION
LIMITED

By: /s/ Cheok Kee Hock Richard
Name: Cheok Kee Hock Richard
Title: Head, Real Estate, OCBC Bank
SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Hideo Notsu
Name: Hideo Notsu
Title: Managing Director
By:  /s/ Andy Poon
Name:  Andy Poon
Title:  Managing Director, Corporate Banking –
       Greater China and Chief Executive, Hong Kong
       Branch and Scotiabank (Hong Kong) Ltd.
UNITED OVERSEAS BANK LIMITED (HK)

By: /s/ Ng Moon Fai
Name: Ng Moon Fai
Title: Executive Director and Head of Commercial Banking
THE AGENT

BANK OF CHINA LIMITED, MACAU BRANCH

By: /s/ Wong Iao Kun
Name: Mr. Wong Iao Kun
Title: Deputy Director of Credit Administration Department

Address for notices:

Address: 13th Floor, Bank of China Building, Avenida Doutor Mario Soares, Macau
Email: chan_unteng@bocmacau.com / gan_qianyu@bocmacau.com / wong_iakun@bocmacau.com
Fax: +853 8792 1659
Department: Credit Administration Department
Attention: Ms. Chan Un Teng, Jennie / Ms. Gan QianYu, Jade / Mr. Wong Iao Kun, James
FINANCE SERVICES BUREAU

Extract of the notary deed between the Macau Special Administrative Region and Galaxy Casino S.A.

Alterations to the Concession Agreement for the Operation of Games of Chance or Other Games in Casino in the Macau Special Administrative Region

I hereby certify that, per notary deed of December 19, 2002, at pages 65 to 77 of Book 342 of the Notary Division of the Finance Services Bureau, the “Concession Agreement for the Operation of Games of Chance or Other Games in Casino in the Macau Special Administrative Region” executed by notary deed of June 26, 2002, at pages 12 to 91 verso of Book 338 of the Notary Division of the said Bureau was altered in the following terms:

Clause Twenty-Four – Obligations to give notice

ONE – The concessionaire undertakes to inform the Government of its intent to enter into a contract with a management company, for the management not related with the operation of games of chance or other games in casino, at least 90 days in advance.

TWO – For the effects of the previous number, the concessionaire undertakes to submit to the Government a certified copy of the articles of association of the management company or equivalent document and the draft of the management contract.

THREE – The concessionaire undertakes to the Macau Special Administrative Region not to enter into a contract by which another entity assumes management powers in respect of the operation of games of chance or other games in casino.

FOUR – A breach of the previous number shall imply the payment of a penalty of MOP$500,000,000.00 to the Macau Special Administrative Region, without prejudice of other applicable penalties or remedies.
Clause Twenty-Six – Suitability of the shareholders, directors and principal employees of the concessionaire

ONE – The concessionaire’s shareholders holding an amount equal to or greater than 5% of its share capital, its directors and its principal employees with relevant duties in the casino should remain idoneous for the duration of the concession, according to legal terms.

TWO – For the effects of the previous number, the concessionaire’s shareholders, holding an amount equal to or greater than 5% of its share capital, its directors and its principal employees with relevant duties in the casino are subject to ongoing and permanent monitoring and checking by the Government, according to legal terms.

THREE – The grantee (= concessionaire) undertakes to endeavour to assure that its shareholders holding an amount equal to or greater than 5% of its share capital, its directors and its principal employees with relevant duties in the casino should remain idoneous for the duration of the concession, bearing in mind that their suitability reflects on its own suitability.

FOUR – The grantee undertakes to require that its shareholders holding an amount equal to or greater than 5% of its share capital, its directors and its principal employees with relevant duties in the casino should report to the Government, within the shortest possible period of time, after being aware of it, each and every fact that might be relevant to the grantee’s suitability or their own.

FIVE – For the effects of the previous number, the grantee undertakes to enquire every six months among its shareholders holding an amount equal to or greater than 5% of its share capital, its directors and its principal employees with relevant duties in the casino if they are aware of any fact that may be relevant to the suitability of the grantee or their own, notwithstanding the fact that the grantee being aware of any such fact, should report it to the Government, within the shortest possible period.

SIX – The grantee undertakes to report to the Government, within the shortest possible period, after being aware of it, each and every fact that might be relevant to the suitability of its shareholders holding an amount equal to or greater than 5% of its share capital, its directors and its principal employees with relevant duties in the casino.
SEVEN – The provisions of number THREE of the previous clause apply to the suitability checking processes of the shareholders holding an amount greater than or equal to 5% of the grantee’s share capital, its directors and principal employees with relevant duties in its casinos.

Clause Thirty-five – Investment Plan

ONE – The grantee undertakes the obligation to carry out the Investment Plan attached to the present concession contract under the terms stipulated in it.

TWO – The grantee specifically undertakes the obligation:

1) To employ qualified labour in all the projects;

2) To give preference in the contracting of companies and workers for the implementation of the projects referred to in the Investment Plan attached to the present contract, to those who are in permanent activity or are resident in the Special Administrative Region of Macao;

3) To comply with, in the implementation of the projects for the works referred to in the Investment Plan attached to the present license contract (= concession agreement), the norms and technical regulations in force in the Special Administrative Region of Macao, namely the Regulamento de Fundações (Foundation Regulation), approved by the Decree-Law number 47/96/M, of the 26th of August, and the Regulamento de Segurança e Acções em Estruturas de Edifícios e Pontes (Security and Actions in Structures of Buildings and Bridges Regulation), approved by the Decree-Law number 56/96/M, of the 16th of September, as well as the specifications and documents of the ratification of official entities and instructions from manufacturers or patent-holding entities;

4) To prepare the projects referred to in the Investment Plan attached to the present license contract, for approval by the Direcção dos Serviços de Solos, Obras Públicas e Transportes (Public Works Department), which will henceforth be referred to as DSSOPT, with a quality control manual, prepared by an entity which is able to provide evidence of experience in identical services and of the same nature, whose technical competence is recognised by the said Department, and which has its approval, including a plan of works and their respective financial and work chronograms, together with samples of the most significant materials to be used and with the curricula of those responsible for each specialised area, in addition to further documents as stipulated in the legislation in force, namely the Decree-Law number 79/85/M of 21st of August; in the case of failure to submit a quality control manual or its failing to be approved, the grantee will undertake the obligation to meet the requirements of a quality control manual latterly prepared by a specialist entity appointed by the DSSOPT;
5) To carry out the works in full accordance with the approved plans, in agreement with the legal and regulatory provisions in force and in compliance with recognised international standards for works and supplies of the same nature, as well as following the rules of the industry:

6) To meet the deadlines for the construction and the public inauguration of the projects referred to in the Investment Plan attached to the present license contract;

7) To make use of, during the implementation of the projects referred to in the Investment Plan attached to the present license contract, materials, systems and equipment that are certified and approved by recognised entities and which are generally recognised as meeting high international standards;

8) To uphold the quality of all the projects referred to in the Investment Plan attached to the present license contract and in compliance with high international standards of quality;

9) To guarantee that the commercial establishments included within the ventures uphold high international standards of quality;

10) To uphold a modern, efficient and high-quality management in compliance with high international standards of quality;

11) To inform the Government, in the shortest time possible, of any and every situation that modifies or that may come to modify in a significant way, whether in the construction phase or in the operational phase of any aspect of the activity, the normal development and progress of works, as well as any structural or other kinds of anomalies in these works, through detailed and justified reports concerning these situations, possibly including the input of entities other than the grantee and of recognised competence and reputation, with a statement of the measures taken and or to be implemented in order to overcome those situations.
THREE – The grantee is accountable to the grantor (= Macau S.A.R.) and to third parties for any losses resulting from deficiencies, errors or serious omissions in the conception and structural design of the projects, in the carrying out of construction works and in the maintenance of the constructions underlying the Investment Plan attached to the present license contract and which are ascribable (attributable) to the grantee.

FOUR – The Government may authorise that the deadlines referred to in paragraph 6) of number TWO be modified foregoing the need to revise the present license contract.

FIVE – The Government undertakes the obligation to make viable that the grantee implements, either directly or indirectly, according to the legal terms, the projects referred to in the Investment Plan attached to the present license contract.

Clause Thirty-Eight – Contracting and subcontracting

The contracting and subcontracting of third parties does not exempt the grantee from the legal obligations to which it is bound, without prejudice of the application of the provisions of clause 75.

Clause Seventy-Three – Discharge of the grantor from extra-contractual responsibilities to third parties

ONE – The grantor does not accept or share any responsibility that may arise to the grantee for acts committed by the latter or in its name, which involves or may involve any responsibilities of a civil or other nature.

TWO – The grantee will be responsible, furthermore, for the losses caused by entities that it has contracted, safe for the sub-concession, for the development of the activities covered by the license, under the general terms of the principal and agent relationship.
Clause Seventy-Five – Sub-concession

ONE – Without the authorisation of the Government, the grantee cannot wholly or partially proceed with the sub-concession of the licence (= concession), nor undertake any transaction with a view to achieving such goal.

TWO – Without affecting other applicable sanctions and penalties, violation of the provision stipulated above will result in payment of the following penalties to the Special Administrative Region of Macao:

- in the event of full sub-concession – MOP 500,000,000.00 (five hundred million patacas);
- in the event of partial sub-concession – MOP 300,000,000.00 (three hundred million patacas).

THREE – For the purposes of the authorisation mentioned in number ONE, the grantee must inform the Government of its intention to proceed with a sub-concession, supplying any elements considered necessary by the Government, including all correspondence exchanged between the grantee and the entity which it intends to contract with.

FOUR – The sub-concession does not exempt the concessionaire company from the legal and contractual obligations to which it is bound, unless if and in the terms authorized by the Government.

Clause Eighty – Unilateral Rescission due to Non-fulfilment

ONE – The Government may terminate the license, by means of unilateral rescission due to non-observance, in the event that the grantee does not fulfill the fundamental duties to which it is legally or contractually bound.

TWO – The following cases constitute special reason for unilateral rescission of the license contract:

1) Deviation from the object of the license, by hosting non-authorised gaming, or by carrying out activities excluded from the corporate object of the grantee;
2) Abandoning the operation of the license or suspending it without justification for a period longer than seven consecutive days or a total of fourteen days within one calendar year;

3) The total or partial transfer of the operation, whether temporary or definitive, against the stipulations of the license system mentioned in clause six;

4) Failure to pay taxes, premiums, contributions or other liabilities established in the license system mentioned in clause six, due to the grantor and not contested within the legal period;

5) Refusal or inability on the part of the grantee to take back the license under the terms of paragraph FOUR of the previous clause, or, upon taking back the license, continuation of the situations causing the seizure;

6) Continued opposition to financial controls or inspection, or repeated failure to fulfil the determinations of the Government, namely the instructions of the DICJ;

7) Systematic failure to observe the fundamental duties established by the license system (= concession system) mentioned in clause six;

8) Failure to provide or reinforce the bonds or guarantees required by this license contract under the terms and within the deadlines established;

9) Bankruptcy or liquidation of the grantee;

10) The practice of serious fraudulent activity designed to harm the public interest;

11) Serious and repeated infractions of the hosting rules for games of chance or other casino games, or infraction of the integrity of games of chance or other casino games;

THREE – Without affecting the stipulations made in clause eighty three, in the even of one of the situations mentioned in the previous paragraph or any other situation which, under the terms of this clause, may motivate unilateral rescission due to non-fulfilment of the license contract, the Government will notify the grantee to, within the deadline stipulated, wholly fulfil its obligations and correct or set right the consequences of its actions, unless it is a non-reparable infraction.
FOUR – In the event that the grantee does not fulfil its obligations or does not correct or set right the consequences of its actions, under the terms stipulated by the Government, the latter may unilaterally rescind this license contract by notifying the grantee of this intention. The Government may also give written notification of this intention to the entities which guarantee the financing of the investments and duties taken on by the grantee, under the terms and purposes established in the license system mentioned in clause six, with regard to financial capacity.

FIVE – Notification to the grantee of the decision to rescind, as mentioned in the previous paragraph, will be effective immediately, regardless of any other formality.

SIX – In cases of justified emergency, in which the procedure of correcting the non-fulfilment of contract, defined in paragraph THREE, proves to be too lengthy, the Government may immediately seize the license under the terms defined in the previous clause, without affecting the need to carry through the aforementioned procedure and to satisfy the provisions stipulated in paragraph FOUR.

SEVEN – Unilateral rescission due to non-fulfilment of this license contract, under the terms of this clause, will oblige the grantee to pay indemnity, to be calculated under the terms of the law.

EIGHT – Unilateral rescission due to non-fulfilment of this license contract of will imply that the respective casinos will be returned to the grantor immediately and at no cost, including the equipment and utensils involved in the gaming, even where such items are located outside the casinos.

Clause Eighty-One – Expiry

ONE – This license contract expires on the date of the final term of license established in clause eight, dissolving all contractual relationships existing between the Parties, without affecting the clauses of this contract that extend beyond the final term of license.

TWO – In the event that the contract expires under the terms established in the previous paragraphs, the grantee will be entirely responsible for ceasing the effects of any contracts to which it is party, and the grantor will not assume any liability in this area.
Clause Eighty-Six – Notifications, communications, warnings, authorisations and approvals

ONE – The notifications, communications, authorisations and approvals mentioned in this license contract, unless otherwise stipulated, are to be carried out in writing and delivered:

1) By hand, proved by receipt of protocol;
2) By facsimile, proved by receipt of transmission;
3) By registered mail with proof of receipt.

TWO – Authorisation to be granted by the Government must always be requested in advance and may impose conditions.

THREE – Failure to respond to the request for authorisation and approval or any other request formulated by the grantee will be considered a rejection of the request.

FOUR – The following addresses and facsimile numbers are considered to be the headquarters of the Parties for the purposes of this license contract:
Governo da Região Administrativa Especial de Macau:
Direcção de Inspecção e Coordenação de Jogos
Avenida da Praia Grande, números 762-804, edifício “China Plaza”, 21.º andar, Macau
Fax: 370296
Grantee: Galaxy Casino, S.A.
Fax: 371199

FIVE – The Parties may alter the addresses and facsimile numbers indicated in the previous paragraph by means of prior notice to the other Party.

And so they declared.
ANNEX TO THE LICENSE CONTRACT

INVESTMENT PLAN

Notwithstanding the provisions in Clause Thirty-Nine of the present license contract, the grantee undertakes the obligation to specifically carry out namely:

1. A Resort – Hotel – Casino complex, to be concluded and open to the public in June 2006.
3. A convention centre to be concluded and open to the public in December 2006.
4. Two “city clubs” in Macau.

Total amount: 8,800,000,000.00 (eight thousand eight hundred million patacas), to be spent over a maximum period of 7 (seven) years after the signing of the present license contract.
Usando da faculdade conferida pelo artigo 64.º da Lei Básica da Região Administrativa Especial de Macau e nos termos do artigo 153.º e seguintes da Lei n.º 6/80/M, de 5 de Julho, o Secretário para os Transportes e Obras Públicas manda:


2. O presente despacho entra imediatamente em vigor.

31 de Maio de 2013.

O Secretário para os Transportes e Obras Públicas, Lau Si Io.

ANEXO

(Processo n.º 6 412.04 da Direcção dos Serviços de Solos, Obras Públicas e Transportes e Processo n.º 30/2012 da Comissão de Terras)

Contrato acordado entre:

A Região Administrativa Especial de Macau, como primeiro outorgante;
A «Cotai Strip Lote 2 Apart Hotel (Macau), S.A.», como segundo outorgante; e
A Venetian Cotai, S.A., como terceiro outorgante.

O presente despacho entra imediatamente em vigor.

31 de Maio de 2013.

O Secretário para os Transportes e Obras Públicas, Lau Si Io.

ANEXO

(Processo n.º 6 412.04 da Direcção dos Serviços de Solos, Obras Públicas e Transportes e Processo n.º 30/2012 da Comissão de Terras)

Contrato acordado entre:

A Região Administrativa Especial de Macau, como primeiro outorgante;
A «Cotai Strip Lote 2 Apart Hotel (Macau), S.A.», como segundo outorgante; e
A Venetian Cotai, S.A., como terceiro outorgante.
Considerando que:

1. Pelo Despacho do Secretário para os Transportes e Obras Públicas n.º 27/2007, publicado no Boletim Oficial da Região Administrativa Especial de Macau n.º 16, II Série, de 18 de Abril de 2007, foi titulado o contrato de concessão, por arrendamento, a favor da sociedade «Venetian Cotai, S.A.», do terreno com a área global de 405 658 m², composto de três lotes, denominados lote I, lote II e lote III, com a área de, respectivamente, 292,315 m², 52,864 m² e 60,479 m², situado na zona de aterro entre as ilhas da Taipa e de Coloane adiante designada por COTAI, a Poente da Estrada do Istmo e a Sul da Estrada da Baía de Nossa Senhora da Esperança, descritos na Conservatória Predial, adiante designada por CRP, sob os n.os 23 225, 23 223 e 23 224, e inscritos a seu favor sob o n.º 31 681F, para ser aproveitado com a construção de um complexo de casino, hotéis, hotéis-apartamentos e de centros de exposições, de convenções e de congressos, em regime de propriedade horizontal.

2. Posteriormente, o referido contrato foi revisto pelo Despacho do Secretário para os Transportes e Obras Públicas n.º 31/2008, publicado no Boletim Oficial da Região Administrativa Especial de Macau n.º 44, II Série, de 29 de Outubro de 2008. De acordo com o contrato de revisão titulado por este despacho as áreas dos lotes I e II foram alteradas para 291 479 m² e 53 700 m², mantendo-se o lote III com a área de 60 479 m², e foi introduzida a finalidade comercial no lote II.

3. Em 9 de Março de 2010, através de requerimento dirigido ao Chefe do Executivo, a concessionária veio solicitar a transmissão dos direitos resultantes da concessão, por arrendamento, da fracção autónoma designada por «D R/C», destinada a hotel-apartamento de 4 estrelas, construída no lote II, a favor da sociedade «Cotai Strip Lote 2 Apart Hotel (Macau), S.A.», sociedade subsidiária da requerente, com sede na ilha da Taipa, na Estrada da Baía de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices – L2, registada na Conservatória dos Registos Comercial e de Bens Móveis, sob o n.º 32 172 (SO).

Whereas:

1. By Order of the Secretary for Transport and Public Works no. 27/2007, published in Official Gazette of the Macau Special Administrative Region no. 16, Series II, on 18 April 2007, it was granted the concession contract by lease to “Venetian Cotai Limited” of the land with the total area of 405 658 m², composed of three lots, designated as lot I, lot II and lot III, with an area of, respectively, 292 315 m², 52 864 m² and 60 479 m², located on the land fill between the islands of Taipa and Coloane, hereinafter designated as COTAI, to the west of Estrada do Istmo and south of Estrada da Baía de Nossa Senhora da Esperança, registered in the Property Registry under no.s 23 225, 23 223 and 23 224, and recorded in its favor under no. 31 681F, to be developed with the construction of a complex of casino, hotels, apartment hotels and exhibition, convention and congress centers in strata title regime.

2. Subsequently, the said contract was amended by Order of the Secretary for Transport and Public Works no. 31/2008, published in Official Gazette of the Macau Special Administrative Region no. 44, Series II, on 29 October 2008. According to the said amendment contract the areas of lots I and II were changed to 291 479 m² and 53 700 m², whilst lot III kept an area of 60 479 m², and it was added the commercial purpose to lot II.

3. On March 9, 2010, the concessionaire submitted an application to the Chief Executive requesting the transfer of the rights arising from the concession by lease of the strata title unit designated “D R/C”, intended for the development of a 4-stars’ hotel-apartment, built in lot II, to “Cotai Strip Lot 2 Apart Hotel (Macau) Limited”, a subsidiary of the applicant, with registered address in the Taipa island, at Estrada da Baía de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices – L2, registered at the Commercial and Movable Assets Registry under no. 32 172 (SO).
4. A requerente alega que subjacente ao pedido não está qualquer fim especulativo uma vez que continua a deter a maioria do capital social da sociedade transmissária, mas sim a realização do investimento através de um modelo cooperativo.

5. No âmbito da instrução do procedimento foram obtidos os pareceres da Direcção de Inspeção e Coordenação de Jogos e da Direcção dos Serviços de Turismo e introduzidas várias alterações na minuta de contrato, de forma a assegurar que a fração autónoma possa desempenhar a sua função durante o prazo da concessão e evitar que a mesma venha a tornar-se objecto de comercialização no mercado de imóveis, bem como garantir que a exploração do estabelecimento hoteleiro observe as disposições do Decreto-Lei n.º 16/96/M, de 1 de Abril.


7. O procedimento seguiu a sua tramitação normal, tendo o processo sido enviado à Comissão de Terras que, reunida em 7 de Junho de 2012, emitiu parecer favorável ao deferimento do pedido, o qual foi homologado por despacho do Chefe do Executivo, de 22 de Maio de 2013.

8. Nos termos e para os efeitos previstos no artigo 125.º da Lei n.º 6/80/M, de 5 de Julho, as condições do contrato titulado pelo presente despacho foram notificadas à sociedade transmitente e transmissária e por estas expressamente aceites, conforme declaração apresentada em 28 de Maio de 2013, assinada por Edward Matthew Tracy, com domicílio profissional em Macau, na Estrada da Baía de Nossa Senhora da Esperança, The Venetian Resort Hotel, Executive Offices – L2, Taipa, na qualidade de administrador e em representação da sociedade «Venetian Cotai, S.A.» e da sociedade «Cotai Strip Lote 2 Apart Hotel (Macau), S.A.», qualidade e poderes que foram verificados pelo notário privado Diamantino de Oliveira Ferreira, conforme reconhecimento exarado naquela declaração.

4. The applicant claims that the application does not have any underlying speculative purpose as it will continue to hold the majority of shares of the purchaser, but has the purpose of investment through a cooperative model.

5. During the administrative procedure, the opinions of the Gaming Inspection and Coordination Bureau and of the Tourism Office were sought and several modifications were made in the draft of contract to ensure that the strata title unit will operate in accordance with its purpose throughout the term of the concession and avoid its commercialization in the property market, as well as to ensure that the operation of the property complies with the provisions of Decree-Law no. 16/96/M, dated 1 April.

6. The draft of the contract for the transmission of the rights arising from the concession was accepted by the seller and purchaser, expressed in a declaration submitted on May 16, 2012.

7. The procedure followed its normal course and was sent to the Lands Commission which, after meeting on June 7, 2012, issued a favorable opinion to the approval of the application, which was homologated by the Chief Executive on May 22, 2013.

8. Pursuant to Article 125 of Law no. 6/80/M, dated 5 July, the conditions of the contract stipulated in this Order have been notified to the seller and purchaser and they expressly accepted them in accordance with a declaration submitted on May 28, 2013, signed by Edward Matthew Tracy, with professional domicile in Estrada da Baía de Nossa Senhora da Esperança, The Venetian Resort Hotel, Executive Offices – L2, Taipa, as director and on behalf of “Venetian Cotai Limited” and “Cotai Strip Lot 2 Apart Hotel (Macau) Limited”, capacity and powers that have been verified by the private notary Diamantino de Oliveira Ferreira, in accordance with the certification made in the said declaration.
Artigo primeiro — Objecto do contrato

Pelo presente contrato o terceiro outorgante, com autorização do primeiro outorgante, e pelo preço de $ 89 000 000,00 (oitenta e nove milhões de patacas), transmite ao segundo outorgante, que aceita, os direitos resultantes da concessão, por arrendamento, da fração «D R/C», com a área bruta de construção de 101 028 m² (cento e um mil e vinte e oito metros quadrados) da finalidade hotel-apartamento de 4 estrelas, situada no lote II do terreno com a área global de 405 658 m² (quatrocentos e cinquenta e cinco mil, seiscentos e cinquenta e oito metros quadrados), situado na zona do COTAI, a Poente da Estrada do Isto, e a Sul da Estrada da Baía de Nossa Senhora da Esperança, descrito na CRP com os n.os 23 223, 23 224 e 23 225, cujo contrato de concessão é titulado pelo Despacho do Secretário para os Transportes e Obras Públicas n.º 27/2007, publicado no Boletim Oficial da Região Administrativa Especial de Macau n.º 16, II Série, de 18 de Abril de 2007, e revisto pelo Despacho do Secretário para os Transportes e Obras Públicas n.º 31/2008, publicado no Boletim Oficial da Região Administrativa Especial de Macau n.º 44, II Série, de 29 de Outubro de 2008. A exploração do estabelecimento hoteleiro a instalar na referida fração autónoma rege-se pelo Decreto-Lei n.º 16/96/M, de 1 de Abril.

Artigo segundo — Obrigações


Clause 1 — Object of the contract

Through this Contract, the third party, with the authorization of the first party, transfers to the second party, at the price of $89,000,000.00 (eighty nine million patacas), the rights derived from the concession by lease of the unit “D R/C”, and the second party accepts the transfer. The gross floor construction area of the unit is 101 028 m² (one hundred and one thousand and twenty eight square meters), for a “4-stars apart-hotel”, located in Lot II of a piece of land with the total area of 405 658 m² (four hundred and five thousand and six hundred and fifty eight square meters), located on the COTAI, to the west of Estrada do Isto and south of Estrada da Baía de Nossa Senhora da Esperança, registered in the Property Registry under no.s 23 225, 23 223 and 23 224, the concession of which land was granted by the Order of the Secretary for Transport and Public Works no. 27/2007, published in the Official Gazette no. 16, Series II, on 18 April 2007, amended by Order of the Secretary for Transport and Public Works no. 31/2008, published in the Official Gazette no. 44, Series II, on 29 October 2008. The operation of the hotel premises located in the above independent unit shall be regulated by Decree-law no. 16/96/M, dated April 1.

Clause 2 — Obligations

1. The second party shall assume all the obligations derived from the concession contract by lease in relation to the independent unit for “4-stars apart-hotel of lot II”, including the obligations stipulated in paragraph 1 of Clause 13 of the contract titled by the Order of Secretary for Transport and Public Works no. 27/2007, published in the Official Gazette no. 16, Series II, on 18 April 2007, amended by Order of the Secretary for Transport and Public Works no. 31/2008, published in the Official Gazette no. 44, Series II, on 29 October 2008.
2. O segundo outorgante e o terceiro outorgante obrigam-se a prosseguir a finalidade «hotel-apartamento de 4 estrelas do lote II», de acordo com o estipulado na legislação aplicável, designadamente no Decreto-Lei n.º 16/96/M, de 1 de Abril, durante todo o prazo da concessão e de eventuais renovações.

3. Para prosseguir a finalidade «hotel-apartamento de 4 estrelas do lote II», evitando que o mesmo venha a tornar-se objecto de comercialização no mercado de imóveis, o segundo outorgante:

1) Sem a autorização prévia por escrito do primeiro outorgante, não pode vender nem transmitir, a qualquer título, qualquer acção preferencial com direito a uso de unidades de alojamento do hotel-apartamento;

2) Não pode vender ou transmitir, a qualquer título, a propriedade e/ou quaisquer outros direitos reais de unidades de alojamento do hotel-apartamento;

3) Não pode vender ou transmitir, a qualquer título, os direitos resultantes da concessão da fração «D R/C» que inclui o hotel-apartamento e as suas unidades de alojamento nela instalados;

4) Não pode organizar quaisquer actividades relativas à comercialização ou transmissão de unidades de alojamento do hotel-apartamento;

5) Deve garantir que o estabelecimento hoteleiro esteja aberto ao público e, observando o estipulado na legislação aplicável, designadamente no Decreto-Lei n.º 16/96/M, de 1 de Abril, proporcione ao público alojamento.

2. The second party and third party have to maintain throughout the term of the concession and of its renewals, if any, the utilization purpose of the “4-stars apart-hotel of Lot II”, in accordance with the applicable law, in particular the Decree-law no. 16/96/M, dated 1 April.

3. In order to maintain the utilization purpose of the “4-stars apart-hotel of Lot II”, thus avoiding that the apart-hotel becomes commercialized in the property market, the second party:

1) shall not, at any title, sell or transfer any preferential share which entitles the holder thereof to use the accommodation units of the apart-hotel unless it receives prior written approval of first party;

2) shall not, at any title, sell or transfer the ownership and/or any other real rights of the accommodation units of the apart-hotel;

3) shall not, at any title, sell or transfer the rights derived from the concession of the strata title unit “D R/C” which includes the apart-hotel and its accommodation units constructed therein;

4) shall not organize any activities related with the commercialization or transfer of accommodation units in the apart-hotel;

5) must ensure that the hotel premises are open to the public and, complying with the applicable laws, including the Decree-law no. 16/96/M, dated 1 April, provides accommodations to the public;
4. A pedido do segundo outorgante e após ouvido o terceiro outorgante, o primeiro outorgante, só depois de ter sido garantida a manutenção da finalidade «hotel-apartamento de 4 estrelas do lote II», irá ponderar conceder ou não a autorização referida na alínea 1) do número anterior.

5. Durante o prazo da concessão, o segundo outorgante obriga-se a disponibilizar anualmente ao primeiro outorgante a lista nominal actualizada de todos os accionistas com ou sem direito ao uso das unidades de alojamento do «hotel-apartamento de 4 estrelas do lote II».

6. Quaisquer alterações da sede social, dos estatutos e do número de acções da sociedade transmissária (segundo outorgante), detidas pelo terceiro outorgante, terão de ser aprovadas pelo primeiro outorgante.

7. Caso o segundo outorgante tenha obtido a autorização do primeiro outorgante para a venda ou transmissão de acções preferenciais com direito a uso de unidades de alojamento, deverá informar, por escrito, os investidores, aquando da venda ou transmissão de acções preferenciais com direito a uso de unidades de alojamento, que:

1) A respetiva aquisição não confere o direito de propriedade nem quaisquer outros direitos reais sobre as respectivas unidades de alojamento;

2) Existem ou não quaisquer ónus sobre o direito resultante da concessão, por arrendamento, da fração autónoma «hotel-apartamento de 4 estrelas do lote II», designadamente hipoteca.

Artigo terceiro — Multa

1. Ao segundo outorgante podem ser aplicadas as seguintes multas pelo:

1) Incumprimento das obrigações previstas na alínea 1) do n.º 3 do artigo anterior: por cada acção vendida ou transmitida, multa no valor igual ao preço dessa acção;

4. At the request of the second party and after consulting the opinion of third party, the first party will only consider whether to grant the approval mentioned in subparagraph 1) of the preceding paragraph, if it is ensured that the utilization purpose of the “4-stars apart-hotel in Lot II” is maintained.

5. Throughout the term of the concession, the second party shall provide annually to the first party an updated nominal list of all the shareholders, including those with or without the right to use the accommodation units of the “4-stars apart-hotel in Lot II”.

6. Any changes to the company address, to the articles of association and to the number of shares of the second party, held by the third party, are subject to the approval of the first party.

7. In case the second party obtains the approval of first party to sell or transfer preferential shares which entitle the holders to use accommodation units, it should notify the following in writing to the investors at the time of the sale or transfer:

(1) the acquisition of the relevant shares will not entitle them to the ownership or to any other rights with real nature over the relevant accommodation units;

(2) whether there are any charges over the rights derived from the concession by lease of the strata title unit for “4-stars apart-hotel in Lot II”, namely a mortgage.

Clause 3 — Fines

1. The following fines may be imposed on the second party in the following situations:

1) Non-compliance with the obligation provided in subparagraph 1) of paragraph 3 of the preceding clause: for each share sold or transferred, the fine equals to the price of each share;
2) Incumprimento das obrigações previstas nas alíneas 2) ou 3) do n.º 3 do artigo anterior: por cada acto de venda ou transmissão relativa a unidades de alojamento, multa no valor igual ao preço de unidade de alojamento respeitante a esse acto de venda ou transmissão;

3) Incumprimento das obrigações previstas na alínea 4) do n.º 3 do artigo anterior: $500 000,00 (quinhentas mil patacas) por cada dia da realização de cada actividade;

4) Incumprimento das obrigações previstas na alínea 5) do n.º 3 do artigo anterior: $100 000,00 (cem mil patacas) por cada infracção, sem prejuízo da aplicação de penalidades previstas na legislação aplicável;

5) Incumprimento das obrigações previstas nos n.ºs 5, 6 ou 7 do artigo anterior: $50 000,00 (cinquenta mil patacas) por cada infracção;

6) Incumprimento das condições a estabelecer na eventual autorização para a venda ou transmissão de acções preferenciais com direito a uso de unidades de alojamento: por cada acção vendida ou transmitida, multa no valor igual ao preço dessa acção.

2. O terceiro outorgante responde solidariamente pelo pagamento da multa aplicada ao segundo outorgante nos termos do número anterior.

Artigo quarto — Rescisão

1. O presente contrato e a concessão da fração «D R/C» podem ser rescindidos pelo primeiro outorgante designadamente nas seguintes situações:

1) Incumprimento das obrigações estabelecidas nos n.ºs 1 ou 2 do artigo segundo;

2) Incumprimento de qualquer das obrigações estabelecidas nos n.ºs 3 ou 5 a 7 do artigo segundo, sem prejuízo da aplicação de multa prevista no artigo anterior;

2) Non-compliance with the obligations of subparagraph 2) or 3) of paragraph 3 of the preceding clause: for each act of sale or transfer of accommodation units, the fine equals to the price of the accommodation unit involved in the sale or transfer activity;

3) Non-compliance with the obligation of subparagraph 4) of paragraph 3 of the preceding clause: For each day of each activity, a fine of $500 000.00 shall be levied;

4) Non-compliance with the obligation of subparagraph 5) of paragraph 3 of the preceding clause: for each violation, a fine of $100 000.00 shall be levied, without limiting the penalties of the applicable laws;

5) Non-compliance with the obligations of the paragraph 5, 6, 7 of the preceding clause: for each violation, a fine of $50 000.00 shall be levied;

6) Non-compliance with the conditions laid down in the approval, if any, to sell or transfer the preferential shares with the entitlement to use the accommodation units in the apart-hotel: for each share sold or transferred, the fine equals to the price of the share.

2. The third party is jointly liable for the payment of the fines imposed on the second party pursuant to the above paragraph.

Clause 4 — Rescission

1. The first party can rescind this contract and the concession of the strata title unit “D R/C” namely in the following situations:

1) Non-compliance with the obligations of paragraphs 1 or 2 of Clause 2;

2) Non-compliance with any one of the obligations of paragraphs 3 or 5 to 7 of Clause 2, without limiting the fines imposed pursuant to the preceding clause;
3) Incumprimento das condições a estabelecer na eventual autorização para a venda ou transmissão de acções preferenciais com direito a uso de unidades de alojamento, sem prejuízo da aplicação de multa prevista no artigo anterior;


5) Se for declarada a falência do segundo outorgante.


3. A rescisão do contrato e da concessão da fração «D R/C» não isenta o segundo outorgante e o terceiro outorgante do pagamento de multa aplicada no âmbito do presente contrato.

Artigo quinto — Foro competente

Para efeitos de resolução de qualquer litígio emergente do presente contrato, o foro competente é o da Região Administrativa Especial de Macau.

3) Non-compliance with the conditions laid down in the approval, if any, to sell or transfer the preferential shares with the entitlement to use the accommodation units of the apart-hotel, without prejudice to the fines imposed pursuant to the preceding clause;

4) In the occurrence of any of the facts provided in paragraph 1 of Clause 16 of the land concession contract titled by the Order of Secretary for Transport and Public Works no. 27/2007, published in the Official Gazette no. 16, Series II, on 18 April 2007, amended by Order of the Secretary for Transport and Public Works no. 31/2008, published in the Official Gazette no. 44, Series II, on 29 October 2008;

5) If the second party is declared bankrupt.

2. The rescission of the contract and of the concession of the strata title unit “D R/C” shall be declared by Order of the Chief Executive, which shall be published in Official Gazette of the Macau Special Administrative Region and shall determine the reversion of the strata title unit “D R/C” corresponding to the “4-stars apart-hotel in lot II” to the first party.

3. The rescission of the contract and of the concession of the strata title unit “D R/C” does not waive the fines levied to the second party and to the third party pursuant to this Contract.

Clause 5 — Jurisdiction

For the purposes of resolving any disputes arising from this contract, the competent forum is that of the Macau Special Administrative Region are competent.
Artigo sexto — Legislação aplicável

O presente contrato rege-se, nos casos omissos, pela Lei n.º 6/80/M, de 5 de Julho, e demais legislação aplicável.

Gabinete do Secretário para os Transportes e Obras Públicas, aos 31 de Maio de 2013. — A Chefe do Gabinete, substituta, Cheong Pui I.
Order of the Secretary for Transport
and Public Works no. 52/2014

Using the powers granted by Article 64 of the Basic Law of the Macau Special Administrative Region and in accordance with Article 153, paragraph 2, and Article 213, both of Law no. 10/2013 (Land Law), the Secretary for Transport and Public Works orders:

1. The land lease concession contract with a total area of 722 m², composed of three lots, designated as Lot I, Lot II and Lot III with the an area of, respectively, 291,479 m², 53,700 m² and 60,479 m² located on the landfill between the islands of Taipa and Coloane, hereinafter designated as COTAI, to the west of Estrada do Istmo and south of Estrada da Baía de Nossa Senhora da Esperança, registered in the Property Registry under nos. 23,225, 23,223 and 23,224, for the construction of complex including with casino, hotels, apart-hotels, commercial and a convention, exhibition and seminar centers, is hereby amended pursuant to the terms and conditions of the attached contract, which forms integral part of this Order.

2. Included in the amendment mentioned in the previous paragraph, the object of the concession is amended as regards the area and boundaries of the mentioned three lots, whereby the areas of Lot I, Lot II and Lot III will be amended to the areas of 290,562 m², 53,303 m² and 61,681 m².

3. In compliance with the new alignments assigned to the location, a parcel of land with an area of 112 m² to be detached from Lot I, registered in the Property Registry under no. 23,225, shall revert to the Public Domain, as consequently the total area of the mentioned land composed by the three lots will henceforth be of 405,546 m².

4. This order is effective immediately.

October 16, 2014.

The Secretary for Transport and Public Works, Lau Si Io.

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SCHEDULE

(Proceedings no. 6412.09 of the Lands, Public Works and Transport Bureau and File no. 33/2014 of the Lands Commission)

Contract agreed between:

Macau Special Administrative Region, as first party;

Venetian Cotai Limited, as second party; and

Venetian Macau Limited, as third party.

Cotai Strip Lot 2 Apart Hotel (Macau) Limited, as fourth party.

Whereas:
1. By Order of the Secretary for Transport and Public Works no. 27/2007, published in the Official Gazette of the Macau Special Administrative Region no. 16, Series II, of 18 April 2007, the land concession contract of the land with the total area of 405,658 m², composed of three lots, designated as lot I, lot II and lot III, with an area of, respectively, 292,315 m², 52,864 m² and 60,479 m², located on the landfill between the islands of Taipa and Coloane, hereinafter designated as COTAI, to the west of Estrada do Istmo and south of Estrada da Baía de Nossa Senhora da Esperança, was granted to “Venetian Cotai Limited”, a company registered with the Macau Commercial and Moveable Assets Registry under no. 19845(SO), with registered office at Estrada da Baía de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices – L2, Taipa, Macau.

2. In accordance with Article 3, paragraph 1, of the mentioned land lease concession contract set forth in the said Order, this land is developed by erecting a complex including with casino, hotels, apart-hotels, commercial and a convention, exhibition and seminar centers, in horizontal property regime.

3. The concession contract has been registered in the Property Registry, and having Lots I, II and III been registered under nos. 23,225, 23,223 and 23,224, respectively, and having the right resulting from the land lease concession been registered in the name of the concessionaire under no. 31,681F.

4. Subsequently, by Order of the Secretary for Transport and Public Works no. 31/2008, published in Official Gazette of the Macau Special Administrative Region no. 44, Series II, of 29 October 2008, the said contract was amended as a consequence of the amendment of the object of the contract as regards the area and the boundaries of Lot I and Lot II, and of the separation of the commercial area of Lot II previously included in the gross construction area assigned to the purpose of hotel, and to the adjustment of the remaining gross construction areas of the other purposes.

5. As a consequence of the said amendment, the areas of lots I and II were amended to 291,479 m² and 53,700 m², whilst lot III maintained the area of 60,479 m².

6. By means of an application dated of August 21, 2013, Venetian Cotai Limited requested the amendment of the areas of the three lots, as a consequence of the need to introduce a minor adjustment to the Northern boundary of Lot III to better suit the building to be erected in the said lot, and whereas as a result of the said amendment no changes to the total or partial construction capacity set forth in the concession contract would arise.

7. Once the technical opinions and documents required to be filed under the proceedings were obtained, the Lands, Public Works and Transport Bureau issued a favorable opinion, whereas it concerned only a slight adjustment of the areas of the lots, without any amendment to the respective gross construction areas set forth in the concession contract, the said Bureau proceeded with the drafting of the of the concession contract amendment.

8. Pursuant to the present amendment, the lease land, composed of lots I, II and III, shall be amended to 405,546 m² and specified and labeled as “A1”, “A2”, “A3”, “A3a” and “A3b” in the plan no. 6124/2013 issued by the Cartography and Cadaster Serviced Bureau, dated September 10, 2014.

9. The parcel of land identified as “A1” corresponds to lot I, which area is reduced to 290,562 m².

10. The parcel of land identified as “A2” corresponds to lot II, which area is reduced to 53,303 m².

11. The parcels of land identified as “A3”, “A3a” and “A3b” correspond to lot III, which area is increased to 61,681 m².
12. The aforementioned parcel of land with an area of 112m² identified as “D”, to be detached from Lot I, shall revert to the Public domain.

13. The proceedings followed its normal course and was sent to the Lands Committee, which, having met on September 25, 2014, issued a favorable opinion to the approval of the request based on articles 129 and 139 of Law no. 10/2013, which was further agreed by the Chief Executive by an Order dated of October 7, 2014.

14. The terms of the concession contract set forth in the present Dispatch were notified to the concessionaires and by them specifically accepted and agreed, as per declarations filed on October 10, 2015, signed by Mr. David Alec Andrew Fleming and Mr. Toh Hup Hock, both with professional domicile in Macau, Estrada da Baía de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices – L2, Taipa, in their capacity of directors and in representation of the companies Venetian Cotai Limited, Venetian Macau Limited, and Cotai Strip Lot 2 Apart Hotel (Macau) Limited, which capacity and powers for the said effect were certified by the private notary Marcelo Poon, as per notary certificate included in the said declarations.

15. Whereas the aforementioned parcel identified as “D” in the said plan, which reverts to the Public domain, is secured with mortgages registered with the Property Registry under nos. 129 631C and 169 371C in favour of Bank of China Limited, the latter declared, for all legal effects, it authorized the cancelation thereof as regards the mentioned parcel.

**Article 1 – Subject Matter of the Contract**

1. The subject matters of the Contract are:

1) On the basis of permissions, to reduce the area of parcel I and parcel II and increase the area of parcel III, and revise the concession, on a leasing basis, of a 405,658 (four hundred and five thousand, six hundred and fifty-eight) square-meter area of land located next to Isthmus Road and Our Lady of Hope Bay Road in Cotai for the intended purpose of constructing an integrated complex for casino, hotel, serviced apartment, commercial, and conference/exhibition center uses. The land is described in No. 23223, No. 23224 and No. 23225 of the Property Registry (Conservatória Registo Predial, or C.R.P.), and its concession is evidenced in Order No. 27/2007 from the Director of the D.S.S.O.P.T. as promulgated in Part 2 of the 16th issue of the Macau Special Administrative Region Communiqué (the “Communiqué”) of 18 April 2007, and is subject to Order No. 31/2008 from the Director of the D.S.S.O.P.T. in Part 2 of the 44th Communiqué of 29 October 2008, and revision No. 37/2013 by the Director of the D.S.S.O.P.T. in Part 2 of the 23rd Communiqué of 5 June 2013.

2) In accordance with the provisions of the new street alignment plan, a parcel of land free of all charges or encumbrances, which was delineated and marked with the letter “D” in the cadastral map (“the D.S.C.C. Map”) issued by the Cartography and Cadastre Bureau (Direcção dos Serviços de Cartografia e Cadastro, or the D.S.C.C.) on 10 September 2014, with an area of 112 (one hundred and twelve) square meters and a value of MOP$112,000.00 (one hundred and twelve thousand patacas), shall be disengaged from the aforementioned parcel and returned to Party A, and be included as public property.

2. On the basis of the above:

1) The parcels 805 (eight hundred and five) square meters and 112 (one hundred and twelve) square meters in area marked as “A3a” and “D”, respectively, on the D.S.C.C. Map, as parts of the land described in C.R.P. No. 23225, shall be separated from parcel I, which is valued at MOP$1,458,574,919.00 (one billion four hundred and fifty-eight million, five hundred and seventy-four thousand, nine hundred and nineteen patacas), and its area is reduced to 290,562 (two hundred and ninety thousand, five hundred and sixty-two) square meters, delineated and marked as “A1” on the D.S.C.C. Map, corresponding to the total land area described in C.R.P. No. 23225;
2) The parcel 397 (three hundred and ninety-seven) square meters in area marked as parcel “A3b” on the D.S.C.C. Map, and as part of the land described in C.R.P. No. 23225, shall be separated from land parcel II, which is valued at MOP$688,982,508.00 (six hundred and eighty-eight million, nine hundred and eighty-two thousand, five hundred and eight patacas), and its area is reduced to 53,303 (fifty-three thousand, three hundred and three) square meters, delineated and marked as “A2” on the D.S.C.C. Map, and corresponding to the total area of the land described in C.R.P. No. 23223;

3) The 805 (eight hundred and five) square-meter parcel in parcel I and the 397 (three hundred and ninety-seven) square-meter parcel in parcel II shall be integrated into parcel III, which is valued at MOP$594,374,049.00 (five hundred and ninety-four million, three hundred and seventy-four thousand, and forty-nine patacas), and the area shall be adjusted to 61,681 (sixty-one thousand, six hundred and eighty-one) square meters, delineated and marked as “A3”, “A3a” and “A3b” on the D.S.C.C. Map, and corresponding to the total land area described in C.R.P. No. 23224;

4) The total area of the land concession is adjusted to 405,546 (four hundred and five thousand, five hundred and forty-six) square meters, comprising the parcels delineated and marked as “A1”, “A2”, “A3”, “A3a” and “A3b” in cadastral map No. 6124/2003 issued by D.S.C.C. on 10 September 2014, hereinafter referred to as the Land, the concession of which is governed by the provisions of this Contract;

5) As evidenced in Order No. 27/2007 from the Director of the D.S.S.O.P.T. as promulgated in Part 2 of the 16th issue of the Communiqué of 18 April 2007 and subject to Order No. 31/2008 from the Director of the D.S.S.O.P.T. in Part 2 of the 44th Communiqué of 29 October 2008, and revision No. 37/2013 by the Director of the D.S.S.O.P.T. in Part 2 of the 23rd Communiqué of 5 June 2013, the text of Clause Three and Clause Seven are revised as follows:

“Clause Three – Usage and Purpose of the Land

1. Parcel I, a land area of 290,562 (two hundred and ninety thousand, five hundred and sixty-two) square meters:
(1) 
(2) 
(3) 
(4) 
(5) 

2) Parcel II, a land area of 53,303 (fifty-three thousand, three hundred and three) square meters:
(1) 
(2) 
(3) 
(4) 
(5) 

3) Parcel III, a land area of 61,681 (sixty-one thousand, six hundred and eighty-one) square meters:
Article 2 – Period of Use
1. The period of use for the Land concludes on 17 April 2016.
2. The above-mentioned period includes the time for Party B to submit the project program, and for Party A to review the program and issue permits.

Article 3 – Default Fines
1. In cases where Party B fails to comply with the terms specified in Article 2, a default fine equal to 0.1% (zero point one per cent) of the total value shall be collected for each day past due, for up to 150 (one hundred and fifty) days.
2. In cases where responsibility does not lie with Party B and reasons are considered sufficient by Party A who then subsequently approves the termination or the extension of the period of use, Party B shall be exempt from the above mentioned liability.

Article 4 – Transfer
1. Based on the special nature of the concession, prior permission from Party A must be obtained before the transfer of any terms derived from the concession, otherwise such a transfer shall be invalid or rendered ineffective, and shall not prejudice the provisions of Article 6.
2. In order to substantiate the above provision, the following situations shall be deemed as the transfer of terms derived from the concession:
   1) A one-off or multiple transfer amounting to more than 50% (fifty per cent) of the capital of Party B or its controlling company;
   2) Where, in accordance with the provision of Article 258, Clause 3 of the Civil Code, an authorization letter or re-authorization letter irrevocable without the consent of all stakeholders is drawn up, and such authorization letter entitles the authorized party to dispose of the terms derived from the concession and to take all actions in proceedings.
3. Without prejudicing the provisions above, if Party B transfers more than 10% (ten per cent) of its capital or that of its controlling company, Party B must notify the D.S.S.O.P.T. within thirty days of such a transfer, otherwise, for the first instance of such a breach, Party B shall be fined 1% (one per cent) of the total value, and for the second instance of such a breach, the concession shall be revoked.

4. Any transferees must be bound by the revised terms and conditions of this Contract, in particular those aspects regarding the period of use and additional premiums.

5. Before utilisation is completed, in accordance with the provisions of Article 42 Clause 3 of Law No. 10/2013, Party B may only mortgage the rights derived from the concession to credit institutions licensed to operate in the Macau Special Administrative Region.

6. Any mortgage in violation of the above provision is invalid.

Article 5 – Invalidation

1. This concession is invalidated in the following situations:
   1) Where utilization is still not completed after 150 days as specified in Article 3 Clause 1, notwithstanding whether a default fine has been paid previously or not.
   2) Where usage of the land is suspended for more than 90 (ninety) consecutive or cumulative days, except when reasons are given and considered sufficient by Party A.

2. Invalidation of the concession shall be declared by order of the Chief Executive, and promulgated in the Macau Special Administrative Region Official Gazette.

3. Any consequent fines or premiums already paid and all improvements made by any means to the Land shall, upon invalidation, be owned by Party A, for which Party B has no right to compensation or reimbursement, and which will not prejudice Party A’s entitlement to any overdue rent or fines.

Article 6 – Termination

1. This Contract may be terminated in any of the following situations:
   1) Where, without consent, the usage of the Land is changed or the purpose of the concession are revised;
   2) Where obligations as specified in Article 9 and as evidenced in Order No. 27/2007 from the Director of the D.S.S.O.P.T. are not performed;
   3) Where obligations as specified in Article 11 and as evidenced in Order No. 27/2007 from the Director of the D.S.S.O.P.T. are repeatedly not fulfilled on four or more occasions;
   4) Where terms derived from the concession are transferred without prior permission in violation of the provisions of Article 4, Clause 1;
5) Where the provisions of Article 4, Clause 3 are violated twice;
6) Where usage of the Land deviates from the approved purpose, or such a purpose is never realized;
7) Where it is not possible to commence or continue Land usage due to urban planning changes, and in any of the situations described in Article 140, Clause 2 of Law No. 10/2013;
8) Where the lease is transferred.

2. Termination of the concession shall be declared by order of the Chief Executive, and promulgated in the Macau Special Administrative Region Communiqué.

3. Any consequent fines or premiums already paid and all improvements made by any means to the Land shall, upon invalidation, be owned by Party A, for which Party B has no right to compensation or reimbursement, and which will not prejudice Party A’s entitlement to any overdue rent or fines.

**Article 7 – Mutatis mutandis**

All terms in this Contract not expressly deleted shall remain effective as per the original Contract, which is evidenced in Order No. 27/2007 from the Director of the D.S.S.O.P.T. as promulgated in Part 2 of the 16th issue of the Macau Special Administrative Region Communiqué (the “Communiqué”) of 18 April 2007, and subject to Order No. 31/2008 from the Director of the D.S.S.O.P.T. in Part 2 of the 44th Communiqué of 29 October 2008, and revision No. 37/2013 by the Director of the D.S.S.O.P.T. in Part 2 of the 23rd Communiqué of 5 June 2013.

**Article 8 – Court of Jurisdiction**

The Court of the Macau Special Administrative Region is the court authorized to resolve any disputes arising from this Contract.

**Article 9 – Court of Jurisdiction**

For any unaddressed issues herein, this Contract is subject to the provisions of Law No. 10/2013 and other applicable laws.
Parcel A1 = 290,562 m²
Parcel A2 = 53,303 m²
Parcel A3 = 60,479 m²
Parcel A3a = 805 m²
Parcel A3b = 397 m²
Parcel B = 15,914 m²
Parcel C = 8610 m²
Parcel D = 112 m²

Current boundaries:
- Parcel A1 + A2 + A3 + A3a + A3b:
  - N - Estrada da Baía da Nossa Senhora da Esperança;
  - S - Avenida de Cotai;
  - E - Parcel B;
  - W - Parcel D and Avenida Cidade Nova;
- Parcel D:
  - S - Avenida de Cotai;
  - E - Parcel A1;
  - W - Avenida Cidade Nova.

Remarks: - Parcels “A1 + A3a + D” correspond to description No. 23225(AR).
- Parcels “A2 + A3b” correspond to description No. 23223(AR).
- Parcel “A3” corresponds to description No. 23224(AR).
- Parcel “B” is land presumed by the C.R.P. to be unregistered, designated for the purpose of public greening, and the land lessee should undertake the planning, clearing and execution work.
- Parcel “C” is land presumed by the C.R.P. to be unregistered, designated for the purpose of public foot paths, a green belt and future expansion of the roadway; underground pipe infrastructure should be installed, and the lessee is responsible for the construction and maintenance of paving and planting during the period of the land lease.
- Parcel “D” is land which, in order to meet the requirements of land readjustment, should be vacated and integrated into the state-owned public domain.

Annex of the map 6124/2013 on 10/09/2014
Using the power conferred by article 64 of the Macau Basic Law and in accordance with subparagraph c) of paragraph 1 of article 29, articles 49 and following and subparagraph a) of paragraph 1 of article 57, all of Law No. 6/80/M, of 5 July, the Secretary for Transport and Public Works orders:

1. It is granted, by lease and without public tender, under the terms and conditions of the contract attached, which is an integral part of this order, the land, with an area of 150,134 m$^2$, located in the reclaimed area between Taipa and Coloane islands (Cotai), east of the Estrada do Istmo, known as lot «5», «6» and Tropical Garden, to be developed with the construction of a hotel complex, a hotel-apartment and a conventions’ center.

2. This order comes into force immediately.

5 May 2010.

The Secretary for Transport and Public Works, Lau Si Io.

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Office of the Secretary for Transport and Public Works, on 5 May 2010. – The acting Head of the Office, Cheong Pui I.

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ATTACHMENT

(File no. 6457. 01 of the Land, Public Works and Transport Bureau and File no. 53/2009 of the Land Commission)

Contract agreed between:
The Macau Special Administrative Region, as the first party;
The company Venetian Orient Limited, as the second party; and
The company Venetian Macau Limited, as the third party.

Considering that:
1. On 27 September 2004 the company «Venetian Macau Limited», limited company with registered office in Macau, at Estrada da Baía de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices-L2, Taipa, registered in the Commercial and Moveable Property Registry under no. 15 702 SO, sub-concessionaire for the operation of games of chance or other casino games in the Macau Special Administrative Region (MSAR), submitted to the government the designated «Development Plan of the Central Area of COTAI» (DPCAC).
2. The aforementioned plan is part of the strategy defined by the sub-concessionaire to create and develop in the area of the landfill between Taipa and Coloane islands (COTAI) an integrated entertainment center, gaming and business tourism, urbanistically articulated and with quality, capable of competing with future investments of the same kind in other countries or regions in Southeast Asia, as well as attracting potential investors to the services sector and generate sufficient critical mass in providing hotel accommodation.

3. Following that plan, the said company requested, on 11 August 2005, the grant by lease and without public tender, of lots 5, 6 and Tropical Garden, for a phased development with the construction of hotels, casinos, shopping areas, entertainment areas, conventions center, parking and garden areas (non ædificandi areas), with conditioned and/or limited public access, attaching to that effect a preliminary study of the project.

4. This preliminary study has been examined by DSSOPT and the Office for Infrastructure Development (GDI), the Civil Aviation Authority (CAA) and the Macau Government Tourist Office (MGTO), which took, generally, a favorable position, making some observations and recommendations on technical aspects relating to the land boundaries, infrastructure, accessibility, altimetry quota and conditions for the safety of air navigation.

5. In the light of these technical opinions, DSSOPT informed the applicant that the [preliminary] study had conditions to become viable. Therefore, the applicant submitted, on 31 March 2006, an architectural draft, which introduced some modifications to the preliminary study in relation with global gross construction areas, adding the apartment-hotel purpose, which was deemed approvable, subject to the opinions that would be issued by the competent government authorities, in accordance with the order of the director of DSSOPT dated 17 May 2006.

6. Furthermore, it was deemed approvable with conditions, by order of the acting director of the said Bureau, dated 11 August 2006, the architectural project submitted on 22 June 2006.

7. Following the aforesaid order, Venetian Macau Limited submitted on 20 November 2006 an updated version of the architectural project that was also deemed approvable, subject to the fulfillment of the opinions issued by the MGTO and the Fire Department (FD) by order of the director of DSSOPT dated 7 March 2007.

8. Meanwhile, licenses for polling, excavation and leveling, soil consolidation, solid foundation and bottom slab, and foundations works have been issued.

9. With regard to the concession’s procedures, a preliminary draft of the contract was drawn up, but had no follow-up since the submission of a new architectural project was being awaited.

10. Indeed, on 19 September 2007 the referred company submitted to DSSOPT another alteration architectural project which introduced significant changes in the gross construction areas of the intended uses.

11. After obtaining the technical opinions of the competent authorities, the project was then deemed approvable, subject to compliance with technical requirements, by order of the director of DSSOPT dated 22 July 2009.
12. Meanwhile, construction works continued and, on 4 May 2007, it was issued the construction works license for the superstructure of the hotel complex.

13. The construction works was suddenly suspended in September 2008 due to financial difficulties of the applicant caused by the global economic and financial crisis.

14. In this intermediate time, it was submitted on 11 March 2008 an application requesting the replacement of the company Venetian Macau Limited as applicant of the concession by the company Venetian Orient Limited, with registered office in Macau, at Estrada da Baia de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices-L2, Taipa, registered in the Commercial and Moveable Property Registry under no. 23490 SO, in which the former company is a majority shareholder.

15. The applicants based their application on the fact that, by imposition of article 10 of Law No. 16/2001, reiterated by paragraph 1 of the 14th clause of the Sub-concession Contract for the Operation of Games of Chance or Other Casino Games, between Galaxy Casino, S.A., as concessionaire for the operation of games of chance or other casino games, and Venetian Macau Limited, the latter company may not engage in any other activity other than to operate casinos and gaming areas, since its sole object is the installation, operation and management of the said activity and because the 39th clause of the said contract provides that the investments that it became obliged to could be undertaken indirectly, by entities of its corporate group.

16. Moreover, given the size of the project and the different stages of its development, its implementation by Venetian Orient Limited allows for the streamlining of its management, with an appropriate cost allocation and softening the complexity of the management of the projects.

17. The applicants also assert that the games of chance that will be installed in the areas for such purpose in the project which will be built will be operated by Venetian Macau Limited.

18. In line with the importance of the development plan proposed by the applicant for the socio-economic development of the MSAR, namely that of creating in the Cotai area an integrated entertainment and gaming center of high quality, capable of competing with other similar developments that may arise in Southeast Asian countries, as well as taking into account the authorizations granted by the Government to the development of the construction works and the amount invested by the applicant with them, only using self-financing since to date it could not mortgage the right resulting from the concession, and taking into account also the intention of the applicant to resume the works, which will create jobs in the construction sector, DSSOPT issued favorable opinions to the approval of the concession and to the approval of the replacement of the applicant in the concession procedure and defined the conditions of the concession.

19. His Excellency the Chief Executive agreed with DSSOPT’s proposal, by order of 3 September 2009.

20. In these circumstances, the applicant was sent a draft contract which was expressly accepted on 30 September 2009.

21. At the request of DSSOPT the applicant submitted on 25 September the study of economic and financial viability of the development, and the opinion issued on the same concluded that the net present value (PNV) is positive, which means that the project has a positive yield.
22. The land which is object of the concession, with an area of 150,134 m$^2$, is demarcated and designated with the letters “A1”, “A2”, “B1”, “B2” and “C”, with areas respectively of 52,779 m$^2$, 52,779 m$^2$, 26,826 m$^2$, 14,150 m$^2$ and 3,600 m$^2$, in the plan no. 6 124/2003, issued by the Cartography and Cadaster Bureau (DSCC) on 17 December 2008.

23. The parcels of land designated with the letters “C”, “B1” and “B2” in the said plan, with a total area of 44,576 m$^2$, represent the area for the Tropical Garden, which shall be freely accessible by the public and under the management, operation and maintenance of the company Venetian Orient Limited. The parcel of land marked with the letter “C” corresponds to the public street called VU 4.2, located under the Tropical Garden, with an altimetry quota less than 9.8 meters MSL (Mean Sea Level) and subject to a public easement.

24. The process followed its normal course and was sent to the Land Commission which, on a meeting held on 29 October 2009, issued a favorable opinion to the approval of the application.

25. The opinion of the Land Commission was approved by order of His Excellency the Chief Executive of 6 November 2009.

26. Under the terms and for the purposes set out in article 125 of Law No. 6/80/M, of 5 July, the conditions of the contract completed by this order were notified to the applicants, and were expressly accepted by a declaration submitted on 16 November 2009, signed by António Ferreira, married, born in China, of Chinese nationality, with professional address in Macau, Estrada da Baia de Nossa Senhora da Esperança, The Venetian Macao Resort Hotel, Executive Offices-L2, Taipa, as managing director and on behalf of the company Venetian Macau Limited, and a declaration submitted on the same day and signed by Luis Mesquita de Melo, married, born in Portugal, a Portuguese national, with professional address in the aforementioned address, as director of and on behalf of the Company Venetian Orient Limited, capacities and powers to act verified by the private notary Diamantino de Oliveira Ferreira, as formally certified in those declarations.

27. The installment of the premium mentioned in paragraph 1) of the ninth clause of the contract was paid on 16 November 2009, at the Tax Office of Macau (receipt no. 86 711) through the form no. 2009-77-903281-1 issued by DSSOPT on 10 November 2009, a copy of which was filed with Land Commission.
### Significant Subsidiaries of Las Vegas Sands Corp.

The following is a list of significant subsidiaries of Las Vegas Sands Corp., omitting subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2018.

<table>
<thead>
<tr>
<th>Legal Name</th>
<th>State or Other Jurisdiction of Incorporation or Organization</th>
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<tbody>
<tr>
<td>Las Vegas Sands, LLC</td>
<td>Nevada</td>
</tr>
<tr>
<td>LVS (Nevada) International Holdings, Inc.</td>
<td>Nevada</td>
</tr>
<tr>
<td>LVS Dutch Finance C.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>LVS Dutch Holding B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Marina Bay Sands Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>MBS Holdings Pte. Ltd.</td>
<td>Singapore</td>
</tr>
<tr>
<td>Sands Bethworks Gaming LLC</td>
<td>Pennsylvania</td>
</tr>
<tr>
<td>Sands China Ltd.</td>
<td>Cayman Islands</td>
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<td>Sands IP Asset Management B.V.</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Sands Pennsylvania, Inc.</td>
<td>Delaware</td>
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<tr>
<td>Venetian Casino Resort, LLC</td>
<td>Nevada</td>
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<tr>
<td>Venetian Cotai Limited</td>
<td>Macao</td>
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<tr>
<td>Venetian Macau Limited</td>
<td>Macao</td>
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<tr>
<td>Venetian Orient Limited</td>
<td>Macao</td>
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<td>Venetian Venture Development Intermediate Limited</td>
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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-221334 on Form S-3 and No. 333-122978 on Form S-8 of our reports dated February 22, 2019, relating to the consolidated financial statements and financial statement schedule of Las Vegas Sands Corp., and the effectiveness of Las Vegas Sands Corp.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Las Vegas Sands Corp. for the year ended December 31, 2018.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
February 22, 2019
LAS VEGAS SANDS CORP.

CERTIFICATIONS

I, Sheldon G. Adelson, certify that:

1. I have reviewed this annual report on Form 10-K of Las Vegas Sands Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date:    February 22, 2019

By:     /s/ S HELDON G. A DELSON

Name: Sheldon G. Adelson
Title: Chief Executive Officer
LAS VEGAS SANDS CORP.

CERTIFICATIONS

I, Patrick Dumont, certify that:

1. I have reviewed this annual report on Form 10-K of Las Vegas Sands Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 22, 2019

By: /S/ PATRICK DUMONT

Name: Patrick Dumont
Title: Executive Vice President and Chief Financial Officer
CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the year ended December 31, 2018 as filed by Las Vegas Sands Corp. with the Securities and Exchange Commission on the date hereof (the “Report”), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Las Vegas Sands Corp.

Date: February 22, 2019

By: /s/ S HELDON G. A DELSON

Name: Sheldon G. Adelson
Title: Chief Executive Officer
CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K for the year ended December 31, 2018 as filed by Las Vegas Sands Corp. with the Securities and Exchange Commission on the date hereof (the “Report”), I certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Las Vegas Sands Corp.

Date: February 22, 2019

By: /S/ Patrick Dumont
Name: Patrick Dumont
Title: Executive Vice President and Chief Financial Officer