



本函檔號 Our Ref. : EDB/1/6/2091/02  
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16 December 2005

Clerk to the Finance Committee  
(Attn: Miss Becky Yu)  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central, HK

Dear Miss Yu,

**Finance Committee**

I refer to the meeting among the Chairman and Deputy Chairman of the Finance Committee, and officers of the Financial Services and the Treasury Bureau held on 14 December 2005. Attached please find supplementary information in response to questions raised by the Chairman at the meeting concerning "Loan for the Ocean Park Redevelopment Plans" [FCR(2005-06)35] for your further action, please.

Yours sincerely,

( Miss Patricia So )  
for Commissioner for Tourism

c.c.

Secretary for the Financial Services and the Treasury  
(Attn : Ms Elizabeth Tse)

## **“Loan for the Ocean Park Redevelopment Plans” [FCR(2005-06)35]**

### **Supplementary Note**

#### **Purpose**

This paper addresses the questions raised by the Chairman of the Finance Committee concerning the proposed funding arrangement for the Ocean Park Redevelopment Plans (the Plans).

#### **Projected Attendance Figures**

2. In 2004/2005<sup>1</sup>, Ocean Park (OP) achieved a record attendance of 4 million. This was due to the growth in the tourism market and the success of Ocean Park Corporation (OPC) in organizing new initiatives, events and promotional activities.

3. A prudent approach is adopted in the financial modeling of the project, in order to test its financial viability, and assuming a very conservative scenario for the attendance projection, the model indicates that the loans could be repaid within an acceptable timeframe. It is noted that competitive influence and the construction activities may affect the visitor numbers to the Park over the next 2 years, although the Park achieved 4 million visitors in 2004/2005.

4. OP expects that annual attendance will rise again upon the completion of Phase 1 redevelopment in 2008 with new facilities and rides coming on stream, and grow to 4.2 million in 2008/2009.

5. With the completion of Phase 2 redevelopment by 2010 when the number of attractions will almost double, the attendance is projected to reach 5.05 million in 2010/2011.

#### **Proposed Funding Arrangement**

6. The following table summarizes the proposed sourcing of the \$5.55 billion project cost.

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<sup>1</sup> The visitor projections are based on Ocean Park's financial year, ending 30 June.

<b>Commercial Loan</b> • Non-recourse	\$2,775 million (50%)
<b>Commercial Loan</b> • Guaranteed by Government	\$1,387.5 million (25%)
<b>Subordinated Loan</b> • To be provided by Government	\$1,387.5 million (25%)
<b>Total Project Cost</b>	\$5,550 million (100%)

### Estimated Capital Cost

7. The following table shows details of the breakdown of the \$4.525 billion estimated capital cost as set out in Table II of Enclosure 1 of the Paper [FCR(2005-06)35].

<b>Item</b>	<b>Cost Estimates (\$ Million)</b>	<b>Descriptions</b>
Demolition	80	<ul style="list-style-type: none"> <li>• Site Investigation</li> <li>• Surveys</li> <li>• Environmental Impact Assessment</li> <li>• Removal &amp; Demolition of existing rides, building &amp; structures</li> </ul>
Site Formation	328	<ul style="list-style-type: none"> <li>• Site Formation of Lowland and Headland</li> </ul>
Access Roads	132	<ul style="list-style-type: none"> <li>• New Road from the Headland of the Park to Tai Shue Wan</li> <li>• Widening of roads within Ocean Park's boundary</li> </ul>
Infrastructure	304	<ul style="list-style-type: none"> <li>• Marine animal habitat system including the reservoir</li> <li>• Pumping Stations</li> </ul>

Item	Cost Estimates (\$ Million)	Descriptions
		<ul style="list-style-type: none"> <li>• Mains</li> <li>• Plants</li> <li>• Reservoirs</li> <li>• Utilities</li> <li>• Services Roads</li> </ul>
Facilities at the Summit (Headland)	1,750	<ul style="list-style-type: none"> <li>• Development of new themed attraction zones: <ul style="list-style-type: none"> <li>- Marine World</li> <li>- The Rainforest</li> <li>- Thrill Mountain</li> <li>- Polar Adventure</li> </ul> </li> <li>• Other supporting and ancillary services e.g. Retail, Food and Beverage, Back-of-House</li> </ul>
Facilities at the Waterfront (Lowland)	1,237	<ul style="list-style-type: none"> <li>• A new Entry Plaza including car park, coach parking, Public Transport Interchange, drop offs and pick ups and Front of House Facilities</li> <li>• Development of new themed attraction zones: <ul style="list-style-type: none"> <li>- Aqua City</li> <li>- Birds of Paradise</li> <li>- Whiskers Harbour</li> </ul> </li> <li>• Other supporting and ancillary services e.g. Retail, Food and Beverage, Back-of-House</li> </ul>
Funicular System and Cable Car Upgrade	464	<ul style="list-style-type: none"> <li>• New Funicular System linking the Lowland and Headland via a tunnel</li> <li>• Refurbishment of existing Cable Car System</li> </ul>

<b>Item</b>	<b>Cost Estimates (\$ Million)</b>	<b>Descriptions</b>
Area Development	230	<ul style="list-style-type: none"> <li>• Hard and Soft Landscaping</li> <li>• Outdoor Furniture</li> <li>• Park-wide Systems (e.g. Public Address System, Display Systems, etc.)</li> </ul>
<b>Total</b>	<b>4,525</b>	

**Tourism Commission  
Economic Development and Labour Bureau  
December 2005**