

**Panel on Economic Development
Follow-Up Actions to the Meeting on 28 October 2013**

Update on Hong Kong Disneyland

At the meeting of the Panel on Economic Development on the captioned subject held on 28 October 2013, Members requested the Administration to provide detailed financial information of individual new projects / theme areas, including initial investment required, estimated breakeven period, and the expected benefit / contribution to the whole operation of the Hong Kong Disneyland.

The supplementary information provided by the Hong Kong Disneyland Management Limited is attached at Annex for Members' perusal.

**Tourism Commission
January 2014**

Annex

The Stark Expo¹ is the latest expansion initiative by the Hong Kong Disneyland (HKDL) after the completion of the three new themed areas (i.e. “Toy Story Land”, “Grizzly Gulch” and “Mystic Point”) from 2011 to 2013. The Stark Expo comprises a 3-D motion-based simulator flight ride (with working title “Iron Man Experience”), a display zone for Tony Stark’s invention, a meet-and-greet area with Iron Man, as well as a merchandise shop selling Marvel heroes items. Unlike the three themed areas expansion, the Stark Expo will be self-funded by HKDL’s operating surplus, as generated by the healthy cash flow from positive business momentum. There is no need to raise additional capital from the shareholders for this project.

In evaluating this self-funded project, HKDL has taken into account a myriad of factors including funding capability and availability, as well as the macro benefits of the project to the long-term development of the Hong Kong Disneyland Resort. In assessing the project’s long-term benefit, we have taken a strategic approach to ensure a high quality guest experience, to enhance the Park’s appeal and competitiveness, to maximise land use efficiency inside the Park, to increase the Park’s capacity as well as to facilitate a more even guest distribution within the Park. We are not in position to disclose further the financial details of the project given its commercially sensitive nature.

¹ Working title.

Upon completion, Stark Expo is envisioned to achieve the above strategic goals by generating higher attendance and associated spending for HKDL. This would consequently strengthen the financial position of HKDL and provide additional cash flow for more sustainable development in the Park in future.

Hong Kong Disneyland Management Limited
January 2014