

**For discussion on
1 April 2025**

Legislative Council Panel on Economic Development

Update on Hong Kong Disneyland Resort

PURPOSE

This paper updates Members on the operation of the Hong Kong Disneyland Resort (“HKDL”) in Fiscal Year 2024 (“FY24”), covering the period from 1 October 2023 to 28 September 2024¹.

OVERVIEW OF FY24 BUSINESS PERFORMANCE

2. Last year’s annual business review of HKDL already foreshadowed a strong business momentum commencing FY24, and this review reports the unprecedented performance of FY24. Indeed, FY24 was the first full fiscal year after the epidemic that HKDL was not subject to an array of anti-epidemic and social distancing measures at its theme park and hotels. As the fiscal year progressed alongside the continuous rebound of inbound tourism, HKDL remained the most visited paid attraction among overnight visitors, according to a Hong Kong Tourism Board (“HKTB”)’s visitor profile survey for 2024. Developed as part of HKDL’s multi-year Expansion and Development Plan (“Expansion Plan”), the world’s first ever and largest “Frozen”-themed land, World of Frozen, was officially launched in November 2023, successfully arousing online and offline attention worldwide, thereby driving park attendance and guest spending to the next level. In December 2023, HKDL also received its 100 millionth guest, marking an important milestone for HKDL and demonstrating the deep-rooted position of HKDL in Hong Kong. Against this backdrop and as a result of dedicated efforts to drive local visitations, HKDL’s full-year performance in FY24 was record-breaking, viz –

- (a) theme park attendance of 7.7 million, representing a 21% year-on-year increase in total attendance to a record-high since its opening in 2005.

¹ The fiscal year of HKDL is generally a 52-week or 53-week period with the Saturday closest to 30 September as the last day of the fiscal year. FY24 was a 52-week year, covering the period from 1 October 2023 to 28 September 2024.

In particular, HKDL's non-local attendance growth has outpaced Hong Kong's total visitor growth²;

- (b) hotel occupancy increased by 26 percentage points year-on-year to 73%, and at 88% if calculated based on room availability³;
- (c) per capita guest spending grew year-on-year by 28% to a record-high;
- (d) with record-high visitations and per capita guest spending, improved hotel business and rampant recovery of retail outpost operation, HKDL's total revenue in FY24 grew substantially by 54% year-on-year to more than HK\$8.8 billion, which outweighed the 35% growth in operating expenses;
- (e) earnings before interest, taxes, depreciation and amortisation (i.e. EBITDA) increased by HK\$1,399 million year-on-year from HK\$924 million to a record-high of HK\$2,323 million. After deducting depreciation, amortisation and net finance cost from EBITDA, the net profit improved by HK\$1,194 million year-on-year to a record-high of HK\$838 million; and
- (f) as regards the liquidity situation, HKDL fully repaid by end-December 2023 the outstanding balance of the revolver facility funded by a subsidiary of The Walt Disney Company ("TWDC"), and commenced to repay the term loans from the Government and TWDC.

ECONOMIC BENEFITS BROUGHT BY HKDL

3. According to survey statistics from HKTB and operational data of HKDL –

- (a) the additional spending in Hong Kong by all HKDL's visitors (i.e. over and above what would have been spent in the absence of HKDL) was HK\$21.6 billion⁴ in FY24;

² The year-on-year growth (i.e. FY24 vis-à-vis FY23) of HKDL's non-local attendance is 108%, while that of Hong Kong's total visitor is 83%.

³ During the epidemic, Disney Hollywood Hotel ("DHH"), one out of the three hotels of HKDL, suspended its operation and underwent phased rehabilitation. It resumed full operation in January 2025.

⁴ All value figures in this paragraph are at 2022 prices.

- (b) taking into account both the direct and indirect value-added generated from the additional spending, HKDL brought about HK\$12.4 billion of value-added to Hong Kong in FY24, equivalent to around 0.42% of Hong Kong's Gross Domestic Product ("GDP"); and
- (c) HKDL supported 21 900 jobs (in terms of man-years)⁵.

Taking the past 19 years of operation together, the total value-added generated by HKDL amounted to HK\$149.1 billion, equivalent to 0.29% of Hong Kong's GDP for the same period. A total of 311 800 jobs (in terms of man-years) were also created over these years for frontline workers and the travel industry. The roles of HKDL in engaging and nurturing talents in Hong Kong are set out in paragraph 7 below.

HKDL OPERATION IN FY24

4. Leveraging the successful launch of World of Frozen in November 2023, HKDL's effective and flexible business strategies had not only consolidated local attendance, but also seized the business opportunities in attracting non-local guests. Apart from resuming operation to seven days a week to meet guest demand and deploying resources more flexibly, HKDL also introduced more new premium products leveraging popular franchises, immersive offerings, premium guest experiences, seasonal and festive events coupled with exciting food and beverage packages, as well as cross-sectoral storytelling collaborations. To name but a few, the Early Park Entry Pass and "Arendelle Royal Breakfast Buffet" addressed the diverse needs of guests with premium experiences; the return of the New Year's Eve countdown celebration with fireworks and drone shows heightened guests' fulfilment; and popular franchises had been leveraged in new seasonal and merchandised campaigns, such as the new nighttime drone show "Find Your Super Power: Battle in the Sky" in the "Marvel Season of Super Heroes", characters in the animation "Inside Out 2" were featured in the "Pixar Water Play Street Party!" in summer, as well as newly-designed "Mickey and Friends"-themed guest rooms and Marvel-themed guest rooms in DHH.

⁵ This estimate is based on the additional spending in Hong Kong by HKDL's visitors in FY24 and by making reference to the historical relations between value-added and the number of persons engaged in the tourism-related sectors. In practice, HKDL employed an average of 5 800 full-time and 3 000 part-time staff members in FY24 as mentioned in paragraph 7 of this paper.

5. In addition, HKDL's targeted marketing and promotional efforts during FY24 had intensified visit intent of guests from different source markets. As for the Greater Bay Area ("GBA") and the wider Mainland markets, HKDL launched extensive marketing and social media campaigns for Magic Access offerings for Shenzhen residents and others. On other regions, in particular Asian markets, HKDL leveraged the strong network of key opinion leaders worldwide as well as channels from TWDC such as Disney+ with a view to achieving the most coverage. HKDL also had close collaboration with HKTb in various industry promotion campaigns, as well as hosted various stakeholder delegations. With HKDL's strong brand affinity, these dedicated efforts had not only highlighted HKDL's distinctive appeal but also telling the good story of Hong Kong as a premier tourism destination that would attract visitors to come again and again.

6. HKDL continued to maintain high-quality services in FY24. According to its guest satisfaction survey, 96% of park visitors and 93% of hotel guests rated their overall experience as "excellent", "very good" or "good". At the same time, HKDL's publicity and marketing excellence, employment relationship, and commitment to the environment continued to be well recognised by receiving various awards, including "Best Launch/Rebranding Campaign", "Best Performance PR Campaign", "Best Viral Campaign" and more by Marketing Interactive, "Recruitment Team of the Year" and "Employer of the Year by CTgoodjobs, etc., bringing the total number of awards received from local and international associations and publications to 942 since its opening in 2005.

7. Meanwhile, as HKDL's business continues to expand, HKDL has continued to create job opportunities as one of the largest employers in the tourism and family entertainment industry of Hong Kong, employing around 5 800 full-time and 3 000 part-time staff on average during FY24. Amid the stringent labour situation facing all walks of the community, HKDL spared no efforts in recruitment to meet the increasing workforce needs associated with HKDL's expanded offerings along strong business momentum. In addition to the year-round local recruitments, HKDL participated in the Government's Enhanced Supplementary Labour Scheme, as well as launched the new "International College Programme" to recruit overseas tourism and hospitality students for internship opportunities at HKDL, in addition to continued local interns' hiring. Other ongoing recruitment efforts also continued to contribute to talent nurturing, such as collaboration with the Hong Kong Academy for Performing Arts for students and graduates from the Academy to be performers and back-stage professionals, as well as partnership with local tertiary institutions and the Vocational Training Council to employ professionals from a wide range of disciplines such as hospitality, engineering, creativity and design, etc. Moreover, HKDL continued to develop its highly-skilled and quality labour force by providing

approximately 382 800 hours of professional and technical training covering aspects of theme park operation, safety, etc., new talent development programmes, as well as leadership training programmes during the year.

8. The annual business review prepared by Hong Kong Disneyland Management Limited for FY24 is at **Annex**.

CORPORATE SOCIAL RESPONSIBILITY

9. HKDL's commitment to serving the community of Hong Kong remained very strong. In FY24, HKDL continued to work with non-governmental organisations to provide more than 100 000 complimentary park tickets for underserved community members, and provided volunteer services through, among others, "PlayWell with Disney" to outreach to child patients at Hong Kong Children's Hospital and Queen Elizabeth Hospital, and social adaptation training programme benefiting 450 children with special education needs in collaboration with Heep Hong Society. These had brought the accumulative volunteer service hours to almost 123 000 over the past 19 years. In April and May 2024, HKDL also supported the hosting of a total of over 1 000 mentees from the Strive and Rise Programme. Collaborating with the Arts with the Disabled Association Hong Kong, HKDL continued to support arts accessibility, integrating theatrical interpretation (with performers using sign language with body movements) into popular shows. HKDL also continued its longstanding support of Make-A-Wish Hong Kong to fulfill the wishes of children with critical illnesses.

10. HKDL also endeavoured to nurture talents and invest in youth development. The Disney Imaginations Hong Kong Design Competition is now one of the best-known youth creative competitions in Hong Kong, providing a platform for younger generation with different geographical, education and professional backgrounds to showcase their technical, artistic and creative expertise since 2011. Winning teams would be eligible for three-month working in HKDL and overseas Disney Parks. It is even more encouraging to learn that there had been winning students of the competition joining HKDL as "Imagineers" after graduation, turning their creativity into reality. HKDL also launched its first performing arts inspiration programme "A Magical Odyssey in Music" in July 2024 to inspire careers in performing arts. The event brought together around 400 participants, with youth artists from Hong Kong, GBA and the Philippines, in collaboration with the Hong Kong Federation of Youth Groups.

11. HKDL's efforts to promote the integration of culture, entertainment, sports and tourism sectors were also multi-pronged. With the success of the in-park live orchestra performance "A Magical Nighttime Symphony" held in collaboration with the Hong Kong Philharmonic Orchestra in December 2021 and the six "Disney Live in Concerts!" held in November and December 2022, HKDL brought to guests another four "Disney Christmas Live in Concerts!" in December 2023 and the "Disney Classic Live in Concert Presents Lang Lang" in January 2024. In particular, HKDL arranged young artists from local schools and communities, including visually-impaired musicians from the Arts with the Disabled Association Hong Kong and child/youth members from Make-A-Wish Hong Kong and the Hong Kong Federation of Youth Groups, to have interactive exchange with Lang Lang after the performance. In collaboration again with Hong Kong Ballet, the "StellaLou's Wonderful Wishes Ballet" performances were rolled out in April and May 2024. HKDL invited nearly 2 400 children with special education needs and their families to enjoy this show. HKDL also hosted a homecoming celebration for the Hong Kong, China delegation to the Paris 2024 Olympic Games, and provided over 300 hours of training to 190 local and ethnic minority children through the Sports Legacy Scheme.

12. HKDL had also cared for the environment by, for instance, delivering more than 3 400 tonnes of food waste to the Government's Organic Resources Recovery in Siu Ho Wan since its opening in July 2019 for processing, as well as continuing its food donation campaign for the communities in need. These concerted efforts, together with other sustainability measures, led to recognition of HKDL's first Gold Award under the Hong Kong Awards for Environment Excellence.

LOOKING AHEAD IN FY25 AND BEYOND

13. With business momentum built up before and intensified after the opening of World of Frozen, coupled with diversified offerings and experiences, HKDL has sustained its performance in FY25. While details of further information will be disclosed vide the next annual business review cycle for FY25, the Government and HKDL are confident about HKDL's business, as well as its long term development potential.

14. HKDL will celebrate its 20th anniversary in 2025, with a series of new offerings debuting in June, including a brand-new anniversary-only Castle Stage Show, the "Friendtastic!" Parade which will be the largest ever in scale at HKDL featuring 11 party floats with 11 groups of Disney characters, and a special 20th anniversary edition of "Momentous" nighttime spectacular etc.. The year-long

celebration will couple with promotion and marketing campaign in Mainland China and overseas markets, including efforts in collaboration with the Hong Kong Tourism Board as well as the tourism trade and partners, and become a catalyst driving more visitations to Hong Kong.

15. The Development Blueprint for Hong Kong's Tourism Industry 2.0 ("the Blueprint 2.0") promulgated in December 2024 has set out the upgrading of iconic tourist attractions as one of the directions to nurture and develop tourism products. In respect of HKDL, as one of the most popular themed resorts in Asia, HKDL will continue to attract visitors to Hong Kong and drive the development of the tourism industry and the overall economy through targeted publicity and promotions in different source markets and developing new facilities and highlights. It will also strive to promote the integration of culture, entertainment, sports and tourism. The Culture, Sports and Tourism Bureau ("CSTB") will continue to work with TWDC to explore future plans, with a view to enhancing the appeal of HKDL to visitors, ensuring business synergy, and consolidating HKDL's position as an iconic and landmark tourist attraction in Hong Kong. Besides, with its Disney-branded theme park and three themed resorts hotels, HKDL will also be integral to the Government's direction put forth in the Blueprint 2.0 of intensifying the development of Lantau Island as a "Tourism Island" that links up the leisure and recreation elements of North Lantau with the eco-tourism elements of South Lantau.

16. The significantly improved cash flows of HKDL arising from its strong business performance has enabled HKDL to finance new projects with entirely self-funded resources, including the aforesaid 20th anniversary celebration and an all-new Pixar entertainment experience at a site between Toy Story Land and World of Frozen. CSTB will also continue to work closely with TWDC on the remaining projects under the Expansion Plan, including the new Marvel-themed area, following the successful launch of new attractions and entertainment that are one-of-a-kind to HKDL over the past few years including Ant-Man and The Wasp: Nano Battle!, Castle of Magical Dreams and its daytime and nighttime shows, as well as World of Frozen. HKDL will continue to manage its operating costs and liquidity situation in a prudent manner so as to ensure its smooth operation amid the continuous tourism development and increasing business momentum.

ADVICE SOUGHT

17. Members are invited to note the above update on HKDL's operation.

Tourism Commission
Culture, Sports and Tourism Bureau
March 2025

**HONG KONG DISNEYLAND
ANNUAL BUSINESS REVIEW
FOR THE FISCAL YEAR 2024**

KEY HIGHLIGHTS

1. Hong Kong Disneyland Resort (“HKDL”) remains committed to fostering the development of Hong Kong as a top tourist destination in Asia and continuing its pivotal role in the community. By the end of fiscal 2024¹, HKDL had achieved a total cumulative attendance of over 106 million since the theme park opened in 2005.
2. The resort achieved a record year in fiscal 2024. Attendance reached a historic high at 7.7 million, attributable to strong rebound in Mainland China and other markets’ visitation as well as continued solid local attendance. Of note, HKDL’s non-local attendance growth outpaced Hong Kong’s total visitor arrival growth for the second consecutive year. HKDL also recorded a historic level of net profit, which amounted to HK\$838 million, representing a year-on-year improvement of HK\$1,194 million. HKDL continued to be a driver of tourism and contribute to job creation and economic growth in Hong Kong.
3. Central to HKDL’s success were the strength of the Disney brand and continued investment in guest-centric offerings, which culminated in the opening of the world’s first and largest *Frozen*-themed land, World of Frozen, in November 2023. HKDL’s agile business strategy delivered upon guests’ experiential consumption needs. Together with new products and digital innovation, guests were able to experience the resort in tailored, interactive and engaging ways with some of Disney’s most beloved stories and characters. HKDL’s marketing, sales and publicity campaigns evolved with the market, including working with industry leaders to foster the resort’s and Hong Kong’s tourism growth. With sustained investment in its dedicated and motivated staff, the resort continued to be a recognised employer, creating jobs and nurturing talents for the industry.
4. On other financial highlights, HKDL recorded historic high revenue and earnings before interest, taxes, depreciation and amortisation (“EBITDA”) in fiscal 2024. Revenue grew by 54% year-on-year to HK\$8.8 billion, and EBITDA increased by HK\$1,399 million to HK\$2,323 million. Per capita

¹ With a year-end date on the Saturday closest to, if not on, 30 September, the fiscal year consists of 52 weeks with the exception that approximately every six years, the fiscal year comprises a 53-week period. Fiscal 2024 and 2023 were both a 52-week year ending on 28 September 2024 and 30 September 2023, respectively.

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guest spending also grew by 28%. At HKDL hotels, utilisation² for the year was 88% and overall occupancy increased by 26 percentage points to 73%. HKDL did not draw on the revolver facility funded by a subsidiary of The Walt Disney Company (together with one or more of its subsidiaries, “Disney”) and fully repaid the outstanding balance in the year. Additionally, HKDL started to repay the term loans from shareholders with over 40% of the outstanding balance repaid by the end of fiscal 2024.

5. HKDL continues to be optimistic about its long-term business prospects. As the resort enters its 20th anniversary in 2025, an array of celebratory offerings is scheduled, including the all new largest ever parade at HKDL, “Friendtastic!”. While near-term macroeconomic conditions remain uncertain, the achievements and strategies in fiscal 2024 well-positioned the resort for opportunities ahead and solidified its role as a leading international travel destination in Hong Kong and the Greater Bay Area (“GBA”).

BUSINESS OVERVIEW

6. HKDL consists of a Disney-branded theme park, themed hotels and associated complex and infrastructure on Lantau Island in Hong Kong. HKDL is owned by Hongkong International Theme Parks Limited (“HKITP”), a joint venture between the Government of the Hong Kong Special Administrative Region (“HKSARG”) and Disney. HKDL is managed by a separate subsidiary wholly owned by The Walt Disney Company, Hong Kong Disneyland Management Limited. At the end of fiscal 2024, HKSARG owned a 52% majority interest in HKITP and Disney owned the remaining 48%.
7. The theme park includes themed attractions, entertainment and interactive experiences, restaurants, merchandise shops and refreshment stands. Additionally, there are daily daytime and nighttime entertainment as well as seasonal offerings. The theme park is also in the midst of a multi-year expansion and development plan that has been adding a number of new guest offerings based on some of Disney’s most popular stories, such as the new *Frozen*-themed land, World of Frozen, which opened in November 2023.
8. There are three themed hotels at HKDL with a total of 1 750 rooms.

² Hotel utilisation is calculated based on adjusted available capacity, which excludes room inventory temporarily removed from service having regard to a number of factors, such as the temporary closure of hotel rooms for planned renovation and management’s best estimates of the market situation and operational needs.

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OPERATIONAL HIGHLIGHTS

9. In fiscal 2024, HKDL continued to introduce one-of-a-kind offerings and expand immersive experiences for guests. With the launch of World of Frozen, year-round offerings based on some of Disney's most beloved stories and characters, as well as targeted marketing, sales and publicity campaigns, HKDL achieved historic results in the year. This included theme park attendance reaching a record high at 7.7 million. While inbound tourism grew, HKDL's local attendance remained solid and well above fiscal 2018 level. HKDL also achieved record-breaking revenue, EBITDA and net profit in the year. Key accomplishments include:
- a) *Elevating HKDL with World of Frozen:* The opening of the new *Frozen*-themed land, World of Frozen, in November 2023 drew worldwide attention and marked a significant milestone for the resort. Inspired by the popular Walt Disney Animation Studios' *Frozen* films, this new land represented the next level of storytelling, receiving positive reviews from guests especially on its atmosphere and level of immersion. In addition to the new, popular rides, the immersive and interactive play experience "Playhouse in the Woods" exemplified HKDL's innovation in elevating character interaction with guests. Specially designed merchandise and food & beverage offerings in World of Frozen enhanced the guest experience even further.
 - b) *Captivating guests with innovative, experiential offerings:* HKDL continued to create unique products in a way that only Disney can, aligning with experiential tourism. HKDL offered seasonal events intended to drive repeat visitation and deepen Disney fandom, including the "Marvel Season of Super Heroes" that comprised a new nighttime drone show, and the return of "House of De Vil-lains" during Halloween with new entertainment elements. Characters roaming in World of Frozen and Tomorrowland created new immersive and interactive experiences for guests and fans. To leverage new popular movies, characters from the Pixar Animation Studios film *Inside Out 2* were featured in new merchandise and the "Pixar Water Play Street Party!" during the summer. HKDL also staged its first New Year's Eve countdown celebration since 2017, where fireworks and mesmerising drones danced over the Castle of Magical Dreams.
 - c) *Enriching guests' visits with new optimised products:* Following the successful launch of Disney Premier Access, HKDL continued to

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introduce products to respond to guests' diverse demands. The Early Park Entry Pass debuted in the year, providing guests an opportunity to be the first to experience parts of the park. Such new product offerings also included the new "Arendelle Royal Breakfast Buffet" at Golden Crocus Inn, an eat-ertainment experience in the early morning. Disney's Hollywood Hotel's newly designed Mickey and Friends- and Marvel-themed rooms opened in the year, further expanding guest options.

- d) *Driving rebound of Mainland guests:* HKDL launched extensive marketing and social media campaigns dedicated to GBA and the wider Mainland market. In addition to holding a live-stream for the launch of World of Frozen, HKDL proactively engaged the market throughout the year on RedNote and other platforms with both HKDL and user-generated content. Targeting its unwavering fandom in the Mainland, Duffy and Friends franchise themed co-marketing with Shenzhen MTR, a dedicated WeChat Mini Program, and the "Duffy and Friends Play Days" celebration were aimed to drive visitation. Leveraging strong transportation connectivity between Shenzhen and HKDL, Magic Access offerings targeting Shenzhen residents were also launched.
- e) *Reactivating inbound tourism from other markets:* Visitation from other markets to HKDL continued to grow and achieved a record high in fiscal 2024, demonstrating the strength of the Disney brand. Apart from Southeast Asian markets, visitation growth year-on-year from Japan, Korea and India was especially strong. With *Frozen*'s strong affinity in Asia, in-market sales, marketing and publicity campaigns were launched to heighten visit intent. Exclusive World of Frozen content featuring a K-pop celebrity on Disney+ was well-received, inspiring even more Key Opinion Leaders' ("KOLs") content. HKDL also collaborated with Hong Kong Tourism Board ("HKTb") and others to host delegations comprising the travel trade, the media, KOLs and/or relevant authorities from the Middle East, Japan, Korea and Southeast Asia. These visits highlighted HKDL's exceptional guest experiences and inclusive environment, while reinforcing Hong Kong as a premier tourism destination.
- f) *Embarking on city-wide tourism collaborations and campaigns:* HKDL's special events expanded Hong Kong's mega events offerings, integrating culture, sports and tourism in creative ways only Disney can deliver. The "Disney Christmas Live in Concert!" series in December 2023, "Disney

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Classic Live in Concert Presents Lang Lang” performance in January 2024, and return of “StellaLou's Wonderful Wishes Ballet” co-presented with Hong Kong Ballet in April – May 2024 showcased the resort’s commitment to cultural tourism. HKDL also participated in HKTB’s “International Chinese New Year Night Parade”, which together with the resort’s Christmas and Halloween events in the year, enriched the city’s nighttime offerings. Additionally, athletes from around the world participating in sporting events in Hong Kong were hosted in-park to support sports tourism and boost publicity.

g) *Gearing up for HKDL’s 20th anniversary celebration:* As an iconic landmark for tourism, HKDL has offered unique Disney storytelling and authentic experiences to locals and tourists for nearly two decades. Entering its 20th anniversary in 2025, the resort aspires to celebrate this significant milestone with guests, fans, cast members, the community and more. HKDL plans to roll out the all new largest ever parade at HKDL, “Friendtastic!”. Year-long anniversary campaigns will be launched in local, Mainland and other markets to promote visit intent and nurture brand loyalty.

10. In fiscal 2024, HKDL continued to bring happiness and support to the community. In the year, over 100 000 complimentary theme park tickets were provided to those in need. Over the past 19 years, HKDL has contributed almost 123 000 Disney VoluntEARS hours, delivering happiness, support and comfort to the community. With renewed dedication, HKDL’s community efforts continued to focus on the following three areas:

Supporting Child Patients and Children with Disabilities

a) *Caring for Child Patients with Disney Magic:* HKDL launched “PlayWell with Disney” at Hong Kong Children’s Hospital in April 2024. As the resort’s large-scale Disney VoluntEARS outreach programme and the only such service after the pandemic for young patients, it served more than 800 children and their families in the year. HKDL also introduced the “Disney Hospital Care Packages” initiative, distributing more than 6 000 exclusive Disney-themed gift packages to major hospitals across Hong Kong.

b) *Making wishes come true:* HKDL continued its longstanding support of Make-A-Wish Hong Kong, granting nearly 340 wishes since 2008. For the first time, the resort worked with Make-A-Wish Hong Kong to host

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the Summer Snow Day Wishes Celebration at World of Frozen in December 2023, joined by 130 guests including 11 wish kids and their families from Singapore, the Philippines and more.

- c) *Embracing inclusion and empowering growth:* HKDL collaborated with Heep Hong Society to launch Hong Kong's first and largest real-life social adaptation training programme for children with special educational needs ("SEN"), benefiting 450 SEN children and their family members in the year.

Empowering Youth

- d) *Inspiring young talent through performing arts:* In July 2024, HKDL launched its first performing arts inspiration programme for local and other cities' youth, A Magical Odyssey in Music, joining hands with The Hong Kong Federation of Youth Groups. The event featured performances by 400 young artists from the Philippines, Hong Kong, and GBA Mainland cities, fostering cross-cultural connections.
- e) *Supporting youth and athletes:* HKDL reinforced its commitment to local youth and sports development by hosting a homecoming celebration for the Hong Kong, China delegation to the Paris 2024 Olympic Games. Additionally, through sports training programmes supported by the Sports Legacy Scheme, HKDL provided over 300 hours of training to 190 children, inspiring the next generation in sports and personal development.

Preserving the Environment

- f) *Caring for the environment:* In fiscal 2024, HKDL received its first Gold Award in the Hong Kong Awards for Environmental Excellence. Since the opening of HKSARG's Organic Resources Recovery Centre in Siu Ho Wan in July 2019, HKDL had delivered over 3 400 tonnes of food waste for processing. HKDL also continued its food donation campaign by donating 150 tonnes of food for those in need.
11. On average, HKDL employed approximately 5 800 full-time and 3 000 part-time staff during fiscal 2024, remaining one of Hong Kong's largest employers in the tourism and family entertainment industry. The resort fulfilled its growing business and manpower needs in innovative ways. Apart from local recruitment year-round, the "International College

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Programme” was pioneered in September 2024, which provided over 50 students from Southeast Asia internship opportunities in addition to local interns. Moreover, HKDL provided over 382 800 hours of professional and technical training to staff in fiscal 2024, including the resort’s inaugural learning festival to support continuous personal and professional development.

12. HKDL continued to generate exceptional guest satisfaction ratings. In fiscal 2024, 96% of theme park guests surveyed and 93% of hotel guests surveyed responded that their overall experience was “excellent”, “very good” or “good”.
13. HKDL received various awards during fiscal 2024, including in recognition of its publicity and marketing excellence, employment relationship, and commitment to the environment. HKDL’s publicity and marketing campaign for World of Frozen was recognised by Marketing Interactive, with multiple awards including “Best Launch/Rebranding Campaign”, “Best Performance PR Campaign”, and “Best Viral Campaign”. HKDL was also named the “Best Employer in Hong Kong” by the Aon Hewitt Best Employers Programme as well as “Recruitment Team of the Year” and “Employer of the Year” by Ctgoodjobs. Additionally, HKDL’s resort hotels received three awards from the Hong Kong Awards for Environmental Excellence.

KEY BUSINESS DRIVERS AND FINANCIAL HIGHLIGHTS

14. With the positive impacts of both strong inbound visitation and the opening of World of Frozen, HKDL generated record high revenue of HK\$8,813 million for fiscal 2024, which represented 54% increase year-on-year. EBITDA for the year grew by 151% to a record high at HK\$2,323 million. Fiscal 2024 was also the most profitable year in HKDL’s history with an improvement in net profit of HK\$1,194 million to HK\$838 million.
15. For fiscal 2024, attendance reached a record high at 7.7 million, 21% more than the prior year, reflecting an increase in inbound visitors. Per capita guest spending increased by 28% year-on-year, which benefitted from expanded guest offerings and effective pricing strategies. Overall hotel occupancy increased by 26 percentage points to 73%. After adjusting room availability due to the planned renovation of Disney’s Hollywood Hotel, hotel utilisation for the year was 88%.

HONG KONG DISNEYLAND

ANNUAL BUSINESS REVIEW

FOR THE FISCAL YEAR 2024

Key revenue drivers for the fiscal year were as follows:

	2024	2023
Park operating days	345	288
Park attendance (in millions)	7.7	6.4
Hotel occupancy	73%	47%
Hotel utilisation	88%	77%

Year-on-year change for key revenue drivers	Percentage change	
	2024	2023
Park attendance	21%	87%
Per capita guest spending	28%	54%
Available room nights	- %	- %
Per room guest spending	(2%)	(5%)

Origin of visitors as a percentage of total attendance	2024	2023
Local	40%	65%
Mainland China	38%	24%
Other markets	22%	11%

Key financial results for the fiscal year were as follows:

	2024	2023	Variance
(in HK\$ millions)			
Revenue	8,813	5,737	3,076
Costs and expenses	(6,490)	(4,813)	(1,677)
Earnings before interest, taxes, depreciation and amortisation	2,323	924	1,399
Depreciation and amortisation	(1,386)	(1,198)	(188)
Net finance cost	(99)	(82)	(17)
NET PROFIT / (LOSS)	838	(356)	1,194
Current assets	1,446	1,092	354
Non-current assets	18,531	19,133	(602)
Current liabilities	(4,030)	(2,503)	(1,527)
Non-current liabilities	(225)	(2,929)	2,704
SHAREHOLDERS' EQUITY	15,722	14,793	929

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Revenue

16. HKDL generates revenue predominantly from the sale of theme park admission tickets, room nights at the hotels as well as merchandise, food and beverage at both the theme park and hotels. For fiscal 2024, total revenue increased by 54%, or HK\$3,076 million, to HK\$8,813 million primarily due to growth in theme park attendance and occupied hotel room nights, as well as higher guest spending in the theme park.

Costs and expenses

17. Costs and expenses consist principally of labour, operating and support costs, costs of sales, and marketing and sales expenses. For fiscal 2024, total costs and expenses increased by 35%, or HK\$1,677 million, to HK\$6,490 million, driven by higher operating expenses to support guest offerings including the launch of World of Frozen, as well as higher costs of sales from volume growth.

Depreciation and amortisation

18. Depreciation and amortisation increased by 16%, or HK\$188 million, to HK\$1,386 million, mainly due to the depreciation associated with new guest offerings, including World of Frozen.

Net finance cost

19. Net finance cost consists of interest expense, net of interest income. The net finance cost increased by HK\$17 million to HK\$99 million in fiscal 2024, primarily due to higher interest rates, partially offset by the full repayment of the revolver facility during the year.

Net profit

20. Net profit improved by HK\$1,194 million, from a loss of HK\$356 million in fiscal 2023 to a profit of HK\$838 million in fiscal 2024. The improvement reflects growth in revenue partially offset by higher costs and expenses.

Current assets

21. Current assets consist of cash and cash equivalents, trade and other receivables and inventories. The increase of 32%, or HK\$354 million, to HK\$1,446 million in fiscal 2024 was mainly attributable to a net increase in cash and cash equivalents (See “FINANCIAL LIQUIDITY” section below for details) and higher inventories.

Non-current assets

22. Non-current assets include property, plant and equipment, leased land and projects in progress. Non-current assets decreased by 3%, or

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HK\$602 million, to HK\$18,531 million, reflecting the current-year depreciation being partly offset by the spending on the multi-year expansion and development plan and other capital projects.

Current liabilities

23. Current liabilities consist of trade and other payables, deferred revenue and current borrowings. The increase of 61%, or HK\$1,527 million, to HK\$4,030 million reflects the change in classification of the term loans from HKSARG and Disney from non-current to current and higher payables.

Non-current liabilities

24. Non-current liabilities include long-term borrowings and retirement plan liabilities. The decrease of 92%, or HK\$2,704 million to HK\$225 million, was mainly due to the change in classification of the term loans from HKSARG and Disney from non-current to current, as well as repayments of the revolver facility and the term loans during the year.

FINANCIAL LIQUIDITY

Summary of the changes in cash and cash equivalents was as follows:

(in HK\$ millions)	2024	2023	Variance
Cash generated by / (used in):			
Operating activities	2,285	1,548	737
Investing activities	(602)	(662)	60
Financing activities	(1,459)	(840)	(619)
NET INCREASE IN			
CASH AND CASH EQUIVALENTS	224	46	178

25. Cash and cash equivalents increased by HK\$224 million, from HK\$806 million at the end of fiscal 2023 to HK\$1,030 million at the end of fiscal 2024. The increase was primarily attributable to net cash generated from operating activities and the equity contributions from shareholders for the multi-year expansion and development plan, partially offset by repayments of the revolver facility and term loans, as well as spending on capital projects.

26. During fiscal 2024, HKDL did not draw on the revolver facility funded by Disney and fully repaid the outstanding balance. Additionally, HKDL started to repay the term loans from HKSARG and Disney with over 40% of the outstanding balance repaid by the end of fiscal 2024.

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DISCLAIMER

This Annual Business Review has been prepared for information purposes only. The information set forth in this Annual Business Review presents a summary of certain operational and financial information relating to HKDL and does not represent the complete financial results of HKDL reflected in the audited financial statements of HKDL.