

Air Transport Licensing Authority decided not to take further action against Hong Kong Airlines Limited for the time being

The following is issued on behalf of the Air Transport Licensing Authority (ATLA):

In view of the ongoing financial problems of Hong Kong Airlines Limited (HKA), ATLA has been closely monitoring the financial situation of the airline over a long period of time in accordance with Regulation 15D(1) of the Air Transport (Licensing of Air Services) Regulations (Cap. 448 Subsidiary Legislation A) (the Regulations).

ATLA decided on December 2, 2019 to attach two new conditions to HKA's licence under Regulation 15E(2) of the Regulations. HKA must (1) ensure cash injection at a level determined by ATLA (or provide an alternative to the satisfaction of ATLA) by a deadline; and (2) raise and maintain its cash and cash equivalent level as stipulated by ATLA. Otherwise, ATLA will take further action under Regulation 15E of the Regulations, which provides for revocation or suspension of licence.

HKA has submitted the latest financial information and representation to ATLA. At a meeting held yesterday (December 6), ATLA thoroughly deliberated on HKA's latest situation and examined the information submitted by the airline. According to the information provided by HKA, the airline has raised its cash and cash equivalent to the level stipulated by ATLA and pledged that the level would be maintained in accordance with the aforementioned Condition 2 attached by ATLA. ATLA also assessed the information provided by HKA regarding Condition 1, and requested the airline to further provide more specific details.

A spokesman for ATLA said today (December 7), "After reviewing all the information submitted by HKA in relation to the new conditions attached by ATLA, including the fact that HKA has raised the cash and cash equivalents to the level required by ATLA and pledged to maintain the level (Condition 2), ATLA has decided not to take further actions against HKA for the time being, pending the airline's submission of further details regarding Condition 1. In reaching the above decision, ATLA has given careful consideration to factors including public interests and the policy direction of maintaining Hong Kong as an international aviation hub."

ATLA will continue to closely monitor the overall operation of HKA, and will ask HKA to continue to improve its operational efficiency and modify its long-term operational strategy. ATLA will take appropriate actions in light of the circumstances as necessary.