

# CAD's follow-up on operational situation of Hong Kong Airlines Limited

The Civil Aviation Department (CAD) has been monitoring the operational situation of the Hong Kong Airlines Limited (HKA) to ensure aviation safety and working closely with the Transport and Housing Bureau with regard to the follow-up actions on HKA. The CAD is concerned about the latest financial situation of HKA, including its inability to pay salaries to its entire staff in one go earlier. The CAD noted that in response to the financial situation of HKA, the Air Transport Licensing Authority (ATLA) decided to attach new conditions to HKA's licence, and ATLA also indicated that if HKA fails to improve its financial situation as required by ATLA by the deadline, ATLA will take further action under Regulation 15E of the Air Transport (Licensing of Air Services) Regulations (Cap. 448 Subsidiary Legislation A).

A CAD spokesman said today (December 2), "According to Article 6 of the Air Navigation (Hong Kong) Order 1995 (Cap. 448 Subsidiary Legislation C), the CAD has to be satisfied that an Air Operator's Certificate (AOC) holder is competent, having regard to his equipment, organisation, staffing, maintenance and other arrangements, to secure the proper and safe operation of his aircraft registered in Hong Kong for the purpose of public transport. In view of the latest financial situation of HKA, including its inability to pay salaries to its entire staff in one go earlier, the CAD has great concern and has today requested HKA, which holds an AOC, to make representation on whether it is able to continue to operate stringently in accordance with the Air Navigation (Hong Kong) Order 1995. Depending on the representation, the CAD will take appropriate actions including but not limited to varying, suspending or revoking HKA's AOC according to Article 62 of the Air Navigation (Hong Kong) Order 1995."

In view of HKA's financial situation, the CAD has enhanced monitoring on the airline's flight operations and aviation safety since mid-December 2018. The CAD also actively inspects and audits HKA to ensure that its various aspects including equipment, organisation, staffing, maintenance and other arrangements comply with the standards of the above-mentioned laws and to secure its proper and safe operation in compliance with the conditions specified in its AOC. In the past year (from November 2018 to October 2019), the CAD has conducted about 180 scheduled and unscheduled checks on HKA.

The CAD will continue to closely monitor HKA's flight operations and aviation safety, with a view to ensuring that HKA's operations will continue to comply fully with the requirements of relevant aviation laws and regulations.