

[Air Transport Licensing Authority attaches new licence conditions to Hong Kong Airlines Limited](#)

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

In the light 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), and has repeatedly asked HKA to submit financial improvement plans. Since December 2018, ATLA has issued six press releases to inform the public of the financial problems of HKA and the follow-up work of ATLA.

ATLA met the senior management members of HKA again on November 29, 2019, and heard the representation and explanations made by them about the latest financial position of HKA. Having considered the latest financial position of HKA, ATLA was of the view that HKA's financial position has deteriorated rapidly to such an extent that has severely impacted on HKA's capability in meeting its obligations as an employer to pay salary and the probability of providing a satisfactory service under its licence in respect of continuity and regularity of operation. ATLA found the situation extremely worrying. After careful deliberation, ATLA decided today (December 2) to attach new conditions to HKA's licence as per Regulation 15E (2)(b) of the Regulations that HKA should enhance its financial situation to such a level as already required by ATLA over a period of time.

A spokesman for ATLA said, "After careful consideration of the financial position of HKA at present, ATLA must take immediate and resolute action to prevent further deterioration of HKA's situation in order to protect public interests. In accordance with the two new licence conditions attached by ATLA, HKA must, by a deadline set, ensure cash injection at a level determined by ATLA (or provide an alternative to the satisfaction of ATLA), and raise and maintain its cash and cash equivalent level as stipulated by ATLA."

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 Regulations, which provides for revocation or suspension of licence. ATLA would announce its decision by December 7, 2019.