

# Transport and Housing Bureau's response to recent media reports on Hong Kong Airlines Limited's changes to board of directors and its financial situation

With regard to recent media reports on the Hong Kong Airlines Limited's (HKA) changes to the board of directors and its financial situation, the Transport and Housing Bureau (THB) today (December 21) gave the following response:

HKA has informed the THB in writing of its recent changes to the board of directors. Based on our observations, there has been no abnormality in HKA's daily operations and services since its changes to the board of directors. At the same time, under its recurrent regulatory regime and supervision mechanism, the Civil Aviation Department (CAD) also considers HKA's existing operations normal from the perspective of aviation safety. Through its established mechanism, the CAD will continue to monitor all local airlines, including HKA, to ensure that their aircraft are operated in accordance with the conditions set out in the Air Navigation (Hong Kong) Order 1995 (Cap. 448C) and CAD's Air Operator's Certificates Requirements Document (CAD 360).

Under the prevailing regulatory regime, in case of changes to shareholding and/or senior management, designated airlines of Hong Kong have to ensure compliance with the civil aviation legislations and relevant requirements under the Basic Law, including the requirements of being incorporated and having the principal place of business in Hong Kong (IPPB), as well as requirements on aviation safety.

With regard to the financial situation of HKA, we noted that the Air Transport Licensing Authority (ATLA) has been following up on it and has, in accordance with the Air Transport (Licensing of Air Services) Regulations (Cap. 448A), requested the HKA to explain the situation. ATLA would continue to keep in view the development and take necessary follow-up action(s) on the matter. The THB has no further information to supplement at this moment.