

Report – Greater Bay Airlines Company Limited (HGB)
Cancellation of Flights in February and March of 2025

Executive Summary

HGB assures TLB that our flight cancellations had no impact on the **safety** of HGB operations. Our Flight Operations, Inflight Services, Engineering, Ground Services, Emergency Response, Operational Control and Quality/Safety/Security voluntarily underwent the International Air Transport Association (IATA) risk-based safety audit in November 2024, and were awarded an overall safety maturity assessment which we were advised to be at a level equivalent to a reputable long established airlines, even though HGB is a new airline with two and a half years of operations.

HGB implemented a revised corporate structure in non-operational areas in late 2024, which included investing in employing extra new commercial and planning management personnel with relevant experience gained in other (including HK-based) airlines. This new team was given authority to manage the allocation of aircraft resources.

Concern has been raised on 21 January 2025 about HGB's cancellation of 128 sectors during February and March 2025, which affected 5500 passengers travelling to or from Thailand, Korea, Japan, Taiwan. Four of these cancellations were by a charterer because of the tragic aircraft accident at Muan. The newly employed HGB team did not observe HGB's required protocol for cancellation decision making, took excessive time to make decisions, communicated the decision poorly, and did not consider the HGB customer service response capability.

HGB did not have sufficient customer response resources (communications to travel agents, phone, email, social media, message, web, walk-in) at the time to cope with such a significant number of customer interactions at one time.

HGB offered affected customers either or combinations of refunds, rebooking, rerouting, and compensation, on a case-by-case basis and engaged an external Company (Hong Kong Telecom) to assist in coping with customer demand for replacement travel arrangements, as well as arranging multiple HGB staff to assist as customer service volunteers. The customer contact demand for resolution of cancellations was resolved by 26 January 2025, prior to the Chinese New Year peak period. HGB has retained HKT as a service provider in the event of any further surge in customer contact requirements.

HGB remains committed to assuring a reliable service to our passengers. The new team concerned has been removed from the Company. We have mandated a stringent regular (weekly) management review of any changes to planned operations and have mandated a high-level authorisation requirement for any future cancellation of operations to reflect the desired level of commitment to providing services to the travelling public. HGB will maintain the significantly enhanced customer support capability.

The effects of these cancellations have been the greatest challenges in HGB's development since inception of the Company. Our attitude to this event is that we own what happened, understand the true root causes, and have now responded to the travellers affected.

HGB made no further cancellations during the Chinese New Year period.