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## Cathay faces competition in bid for HK Express

**Low-cost carrier has received interest from unnamed investors, senior executive says**

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Cathay Pacific Airways is facing competition in its bid to acquire HK Express, a senior executive of the low-cost carrier said yesterday.

Chief commercial officer Jonathan Hutt did not provide names or details, but said: "Our board of directors has received interest from certain strategic investors, and it's very early stages."

"There has been no firm commitment to any deal and there is no guarantee that a concrete deal is going ahead."

Cathay Pacific, Hong Kong's biggest airline, confirmed on Tuesday that it was keen to acquire the city's only budget carrier to compete for a wider range of customers while taking advantage of financial woes at troubled mainland conglomerate HNA Group, owner of HK Express.

The news that there was more than one interested party came as HK Express unveiled a slick new marketing drive with the slogan "Your move", which has taken on an added meaning given the latest events.

The airline said its growth, since converting into a budget airline in 2013 with just three aircraft, showed the success of its strategy of flying to well-known destinations, competing against the likes of Cathay Pacific and even its own ailing sister carrier, Hong Kong Airlines.

It now has 24 aircraft and flies to 24 destinations, including 11 cities in Japan. Last month it announced a new destination, Shimojishima in Okinawa's Miyako Islands.



# 4.1m

HK Express carried this many passengers last year. The airline now has 24 aircraft and flies to 24 destinations, including 11 in Japan

The number of passengers it flew grew from 2.9 million in 2016 to 4.1 million last year.

Rapid expansion has not been without its problems. In 2017, the carrier was punished by the government for missteps that led to flight cancellations that affected 2,000 passengers during a busy public holiday on the mainland in October that year.

A shake-up of top management followed, and the authorities banned the airline from expanding. The ban was lifted last June.

Resuming its growth strategy recently, the airline said it would add at least two more destinations in the second half of the year.

"We'll continue to look for more growth opportunities, both in our core markets in North Asia and in Southeast Asia," Hutt said. "We are currently looking at 30 destinations."