

**Montreal Convention - Increase in maximum liability of air carriers from 17 to 19 Special Drawing Rights per kilogram - Use of pre-existing Air Waybills**

Article 24 of the Montreal Convention ("MC99") provides that the limits of liability of air carriers contained in Article 22 should be reviewed by the International Civil Aviation Organization (ICAO) at five-year intervals in order to determine whether they need to be revised for inflation. ICAO has recently carried out such a review and has determined that the limits should be raised.

Shippers and agents are therefore advised that, with effect from 30 December 2009, the maximum liability of Hong Kong Dragon Airlines Limited in the event of destruction, loss, damage or delay to cargo during carriage by air to which MC99 applies will be increased from 17 to 19 Special Drawing Rights per kilogram. In all other respects the provisions of MC99 are unchanged.

IATA Members have agreed that the Conditions of Contract to be included on Air Waybills will be amended to reflect this increase in liability limits. However, Hong Kong Dragon Airlines Limited will continue to accept cargo tendered under pre-existing versions of their Air Waybill after 30 December 2009. For the avoidance of doubt, where MC99 applies, the liability limit of 19SDRs per kilogram will apply to any claims made under such pre-existing Air Waybills.