

HNA rejigs lessor portfolios

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Chinese conglomerate HNA Group is making in-house asset transfers between some of its affiliated lessors.

Tianjin Bohai Leasing, a wholly-owned subsidiary of HNA's Bohai Leasing, is to purchase the lease portfolios of two other HNA-affiliated lessors, Long River Leasing (长江租赁) and Yangtze River International Leasing (扬子江国际租赁).

According to a Bohai filing with the Shanghai stock exchange, Tianjin Bohai Leasing will purchase three Boeing 737s valued at RMB 820 million (\$121 million) for RMB 400 million from Long River Leasing, as well as four Airbus A320s valued at RMB 956 million for RMB 440 million from Yangtze River International Leasing.

Following the transactions, both Long River and Yangtze River will lease back the portfolios at a 10% rate over three years. All seven aircraft have leases attached to them, although the Bohai filing did not disclose further details.

"The transactions will help Tianjin Bohai Leasing enlarge its leasing business and create positive effects to the company's profits," the filing says.

Long River is 66.73%-owned by HNA Group, while Yangtze River International Leasing is a 74.14%-owned subsidiary of HNA.

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