

Xiamen parent authorises \$1.7bn of guarantees

Elsie Guan

28/05/2021

China Southern has authorised Xiamen Airlines to provide a guarantee of up to RMB10.7 billion (\$1.7 billion) for affiliated carriers and lessors.

The four affiliates – Hebei Airlines, Xiamen Aviation Finance (Hong Kong), Xiamen Aviation Financial Leasing and Jiangxi Airlines – will receive guarantees from Xiamen Airlines for up to RMB5.3 billion, RMB600 million, RMB3.5 billion and RMB1.3 billion, respectively, between 1 July 2021 to 30 June 2022.

The guarantee amounts could be provided by foreign currency equivalents.

A China Southern filing with the Shanghai Stock Exchange notes that Xiamen Airlines had provided guarantees of RMB1.7 billion and RMB996 million for Hebei Airlines and Jiangxi Airlines to date.

Hebei Airlines, Xiamen Aviation Finance (Hong Kong) and Xiamen Aviation Financial Leasing are 100% owned by Xiamen Airlines.

Jiangxi Airline is 60% owned by Xiamen Airlines and 40% owned by Jiangxi Aviation Industry, a Jiangxi government-controlled affiliate.

China Southern is the majority shareholder of Xiamen Airlines, with a 55% share in it, while 34% of Xiamen Airlines is owned by Xiamen Jianfa and 11% is owned by Fujian Investment.

Thank you for printing this article from Airfinance Global, your essential intelligence resource for aviation finance. If you have been given this article by a subscriber, you can contact us through email at accountmanager@airfinanceglobal.com or call us on +44 (0)20 7779 8015 to discuss our subscription options.