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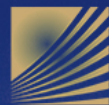
# AIRCRAFT LEASING UNDER THE BRI

TOMAS SIDLAUSKAS, CEO,  
AVIAAM FINANCIAL LEASING CHINA

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AviaAM  
CHINA | LEASING

# COMMERCIAL AIRCRAFT LEASING AND TRADING



# AVIATION MARKET TO GET DOUBLE IN 15 YEARS

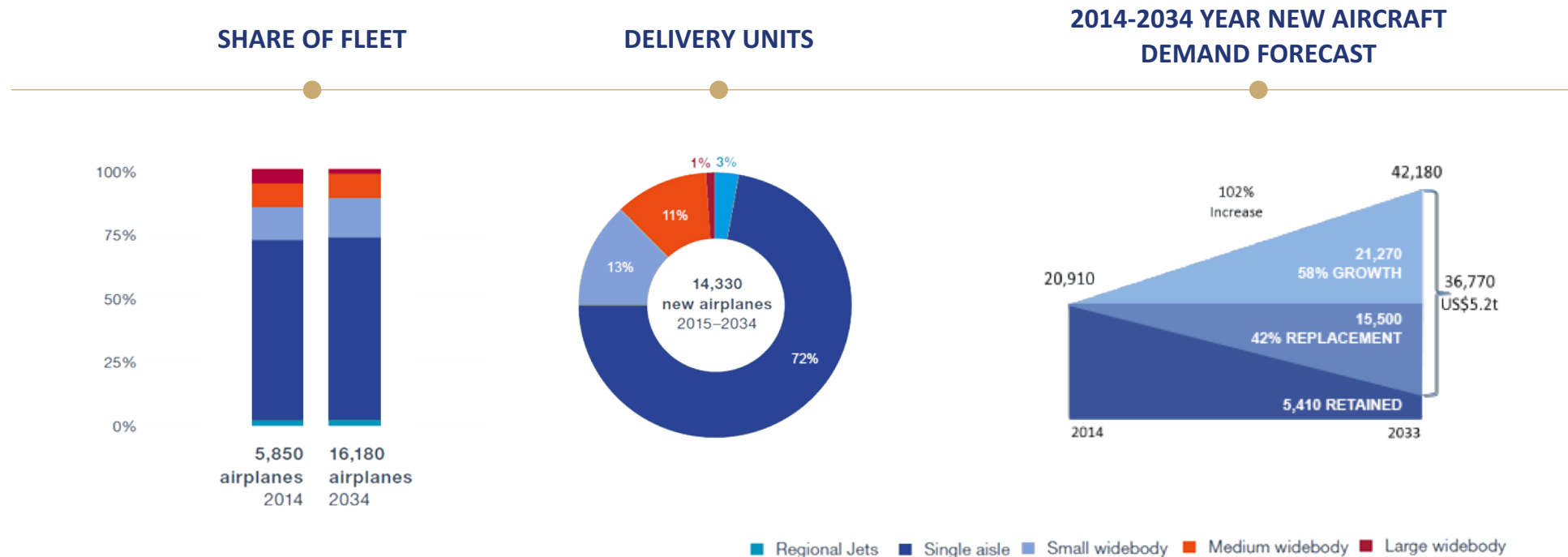
- \$ 746 BILLION
- 36.000 AIRCRAFT
- 5% YEARLY GROWTH
- ASIA & PACIFIC

turnover of whole aviation industry

will be added to the global fleet during next 20 years

of air travel is currently foreseeable future

is the main growth region with 14.000 aircraft demand



# ABOUT US



Establishment of joint venture in 2016 between  
Henan Civil Aviation Investment and Development CO, LTD  
and AviaAM Leasing, AB



Portfolio focus on  
Airbus and Boeing  
family aircraft



Specializes in new narrow-  
body aircraft leasing, trading  
and management, looking for  
opportunities in used aircraft



Current registered capital  
of USD 130.5 Million





# OWNERS AND MANAGEMENT BOARD

## SHAREHOLDER STRUCTURE



**XIA LIU**  
Chairman  
of the Board  
at Joint Venture



**TADAS GOBERIS**  
Deputy Chairman  
at Joint Venture  
  
Chairman  
at AviaAM Leasing



**TOMAS SIDLAUSKAS**  
CEO  
at Joint Venture  
  
Board Member  
at AviaAM Leasing



**WENJIE YANG**  
Deputy CEO and  
Board Member  
at Joint Venture



**IRAIDA ZOGAITE**  
Chief Legal Counsel  
and Board Member  
at Joint Venture

# MILESTONES AND ACHIEVEMENTS

## FIRST STEPS OF BUSINESS:

- 2016.01** – MOU for joint-venture signed by HNCA and AviaAM Leasing witnessed by Henan Vice Governor Mr. Jiancai Zhao
- 2016.15** – HNCA and AviaAM Leasing signed the Joint-venture contract.
- 2016.06** – Henan Vice Governor Mr. Jiancai Zhao official visit to Lithuania
- 2016.12** – Opening ceremony of signing LOI with Aeroflot for SLB Transactions



## SUCCESSFULL AIRCRAFT DELIVERIES TO AEROFLOT:

- 2017.09** – 5 x Airbus A320 and 3 x Airbus A321
- 2018.04** – 5 x Airbus A320
- 2018.05** – first wide body Boeing B777



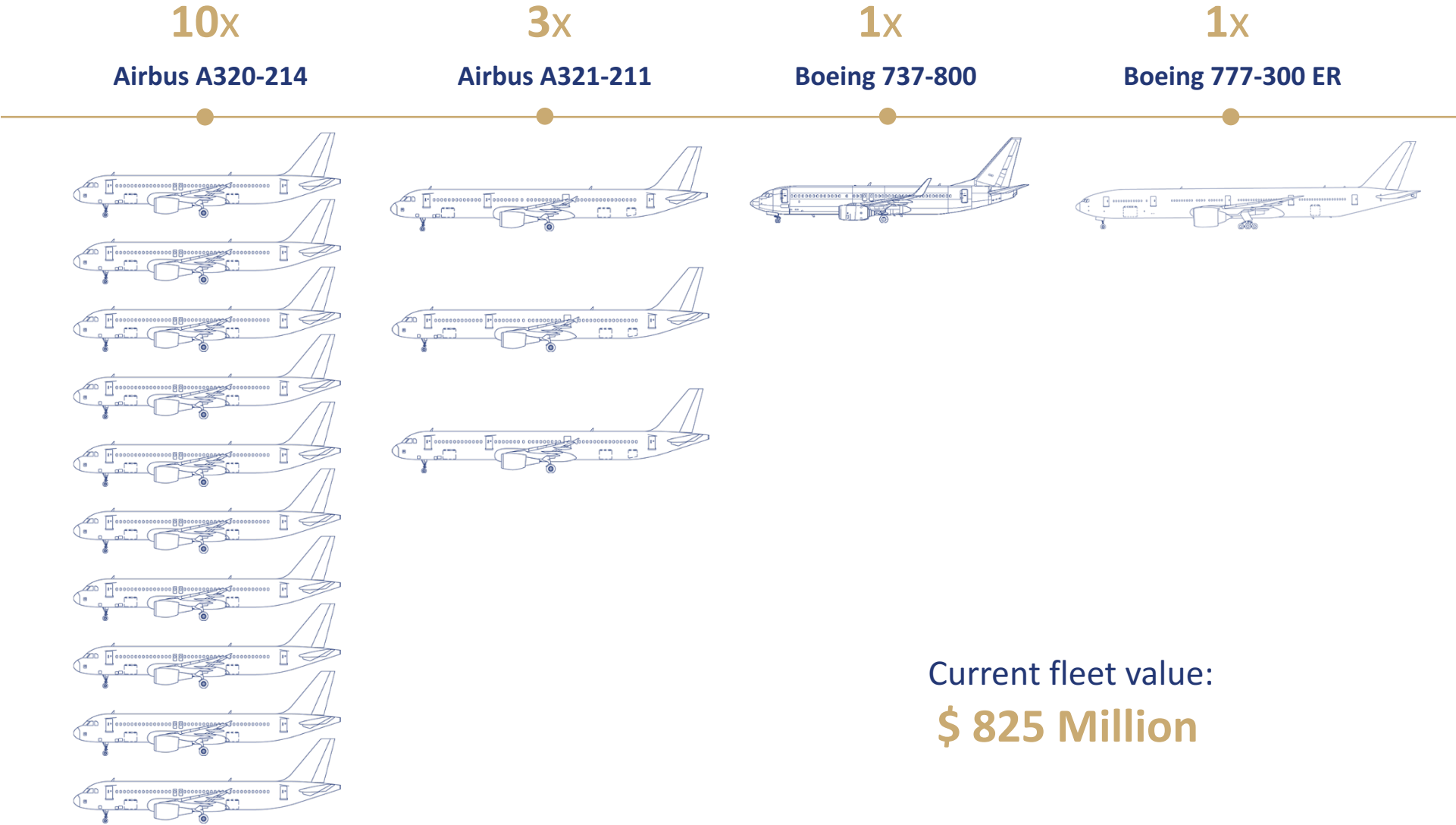
## FURTHER BUSINESS DEVELOPMENT:

- 2018.07** – attracted strategic investor **Ping An Bank**, which provided equity investment of 300 Million RMB
- 2018.09** – delivery of Boeing 737 aircraft to **Chinese Lessee** – Okay Airways , exploring operating lease within China
- 2018.12** – Scheduled delivery of 2<sup>nd</sup> Boeing 737 aircraft to Okay Airways





# CURRENT FLEET



Current fleet value:  
**\$ 825 Million**

# NETWORK: CLIENTS AND PARTNERS











# STRATEGIC PARTNERSHIP ACROSS BELT AND ROAD

BELT and ROAD  
一帶一路

AviaAM  
CHINA | LEASING

- Aviation infrastructure exists in **10 countries**
- Clients in **68 countries**
- Involved more than **60% of world population**
- **60% of world's GRP**
- **35% of world trade**

-  Offices
-  Line Stations
-  Warehouses
-  Pilot Training school
-  AviaAM Financial Leasing China headquarters
-  Clients



COMMERCIAL AIRCRAFT LEASING AND TRADING

# OPPORTUNITIES IN THE MARKET



**Most of the Initiative's countries are not financially interesting to the Western world**



**Challenges in finding financing due to the low credit rating**



**CIS sovereigns, Russia and Ukraine carry positive outlooks**



**High risks lead to expensive financing options**

- 
- China is working hard to establish themselves in the Markets, investing a lot of finance to aviation industry
  - Businesses has strong backing from Government, allowing state and private firms to invest
  - Most of business ventures are based on political will, but not economic factors, thus Government has a great control
  - Economy is in constant growth for past 10 years
  - Most of The Belt and Road Initiative's countries are growing
  - Russia has a great scope, has more than one big airline, thus – great need for fleet expansion
  - Russia has a great impact on the whole economy of CIS
  - No financial crisis in the market for at least 10 years



# INVESTMENT COVENANTS AND TRANSACTIONS

AviaAM China intends to raise capital to be utilized for acquisition and lease of aircraft.

ITEM	DESCRIPTION
Target aircraft types	Narrow-body and Wide-Body
Years of manufacture	2013 – to brand new
Target region	East Asia, Middle East, Asia-Pacific, Europe
Lessees	Profitable or state owned airlines with a fleet of no less than 15 aircraft
Target lease term	60-144 months in average
Lease rate factor	Not less than 0,8
Aircraft residual value	Preserved through strict redelivery conditions and maintenance monitoring
Maintenance events	No major events in 5 years or pre-agreed terms which will cover shortfalls
Maintenance providers	Approved in advance
Monitoring	Aircraft technical condition monitoring, annual airline financial audits

## Use of Proceeds

AIRLINE COUNTRY	AIRCRAFT TYPE	NUMER OF AIRCRAFT	YEAR OF MANUFACTORY	LEASE PERIOD IN YEARS	LEASE RATE FACTOR
AZERBAIJAN	B737, B747	10	2017-2019	12	0,8 – 0,95
QATAR	B777	1	2012	6	0,82
VIETNAM	A321	5	2017	12	0,81
VARIOUS AIRLINES	A321	13	2007-2012	6-8	0,8 – 0,9

# UPCOMING PROJECTS



## PILOT TRAINING SIMULATOR LEASING IN CHINA:

The joint-venture pilot training project between BAA Training and HNCA

- Building pilot and crew personnel training facility
- Equipment of 6 Full Flight Simulators by 2021
- To provide up to 29,994 flight hours training



## RAIL WAGON LEASING TO EUROPE:

The joint-venture wagon leasing project Avia Solutions Group and HNCA

- Investment into 10,000 units wagons
- Financed by China Policy Banks
- For operations in Europe and CIS



## CARGO AIRCRAFT LEASING IN CHINA:

Supported by the HNCA project on joint-venture cargo airline

- Acquiring 3 cargo aircraft by 2020
- Operations from Zhengzhou Airport
- Suitable for worldwide operations



## LOGISTICS AND GROUND HANDLING SERVICE HUB

- Fueling
- Catering
- De-icing



# COOPERATION POTENCIAL

AviaAM Leasing China offers to build a long-term partnership in the fields of aviation financing and aircraft asset management. Combining AviaAM Leasing market expertise together with HNCA know-how with finance industry, joining financial investor could create a unique mutually-beneficial value.

## WE ARE SEEKING

### Equity Financing

Medium-term financiers to finance the acquisition of aircraft or daily cashflow supplement through preferred shares scheme

### Financing Aircraft Leasing

Long-term asset-backed loans (up to 80% of underlying asset value) repayable throughout the lease term.

### Financing of aircraft trades

Short to medium-term bridge loans to finance the acquisition of aircraft targeted for subsequent re-sale.

### Strategic investors

Equity investors in long term leases for proposed aircraft portfolios.

## WE ARE OFFERING

### Access to the market

Sustainable business model with asset-backed investment  
Matching the rental income with the ongoing investors cash flow

### Asset management

Full portfolio of asset management services – lease structuring, contract management, maintenance supervision, re-marketing etc.

### Personal supervision

- Position at board of directors
- Aircraft sale “upside “
- Pledge of free cash-flow



**THANK YOU,  
FOR YOUR KIND ATTENTION!**

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**AviaAM Financial Leasing China**

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China

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