Asian Sky Group Limited ("ASG") is headquartered in Hong Kong with offices throughout China. It has assembled the most experienced business aviation team in the Asia-Pacific region to provide a wide range of consulting services for both fixed-wing and rotary-wing aircraft. Asian Sky Group provides access to a significant customer base around the world with the help of its exclusive partners: Avpro Inc., the largest business jet brokerage firm in the US; and AVIC International Development Corporation, the largest state-owned aviation enterprise in Mainland China.

Asian Sky Group is backed by SEACOR Holdings Inc., a publically listed US company (NYSE: “CKH”) with over US$ 1B in revenue and nearly US$ 3B in assets, and by Avion Pacific Limited, a Mainland China-based general aviation service provider with 20 years of experience and 6 offices and bases throughout China.

Asian Sky Group provides its clients with the following aviation consulting services:

1) AIRCRAFT SALES, such as acquisition or remarketing; selection of aircraft, asset financing, ownership structuring, registration and operator selection; inspections and appraisals; contractual support;

2) COMPLETION MANAGEMENT, such as cabin definition; facility selection; completion oversight; delivery and regulatory compliance; contractual support;

3) OPERATION OVERSIGHT, such as invoice analysis and owner representation;

4) LUXURY CHARTER SERVICES;

5) SPECIAL PROJECTS and

6) TRANSACTIONAL ADVISORY.
INTRODUCTION

ASIAN SKY GROUP (ASG) is proud to present its “Greater China Business Jet Fleet Report” for year-end 2013. This unique report provides complete coverage of the business jet market in the Greater China region, which includes Mainland China, Hong Kong, Macau and Taiwan. The report is the second edition of the Greater China Business Jet Fleet Report following its first publication in March, 2013.

For copies of Asian Sky Group’s business aviation industry reports, please visit www.asianskygroup.com.

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Asian Sky Group would like to graciously acknowledge the contributions made by numerous operators, OEMs and organizations to this report, without which a reasonable level of accuracy could not have been achieved.

The report is nevertheless the second edition of its type and undoubtedly there will be perceived errors. Asian Sky Group welcomes your comments, questions and general thoughts and looks forward to producing an even better version of the report in the future.

Should you wish to reproduce or distribute any portion of this report, in part or in full, you may do so by mentioning the source as: “Asian Sky Group, a Hong Kong based business aviation consulting group”.

Thank you for your interest in this report and we hope you find the information useful. If you would like to receive further information about our services, please contact us at info@asianskygroup.com or visit us at www.asianskygroup.com.
EXECUTIVE SUMMARY

The Greater China business jet fleet grew rapidly over the last two years, rising from 203 business jets in 2011, to 371 aircraft as of year-end 2013. From 2007 to 2013 the Greater China business jet fleet has grown at a Compound Annual Growth Rate of 34%, which is significantly higher than the global rate of 5%.

Of the 371 aircraft, 248 are based in Mainland China, 97 in Hong Kong, 15 in Taiwan and 11 are in Macau.

Demand for business jets is largely driven by robust economic growth, the rising number of high net worth individuals, increasing corporate profits, successful listing of public companies (IPOs) and government support. More and more companies are also increasingly using business jets as a tool to support corporate international growth and integration.

Despite the high growth rate, there have been several factors hampering the growth of business aviation in Greater China. These factors include airspace restrictions; limited regional aviation support infrastructure; a shortage of locally licensed private pilots; plus the difficulty and duration required to qualifying for an Air Operator Certificate (AOC) due to strict regulatory requirements. Other aspects affecting the pace of growth are taxation policies imposed on China-registered aircraft (import duty and Value Added Tax); the expenditure sentiment currently emanating from Beijing as dictated by the Chinese Central Government; and for foreign registered aircraft, operational challenges and costs in Mainland China.

Government support is a key factor in generating continued growth in the China business aviation industry. Some regulations and taxation policies in China are strict, but viewed as necessary by the Civil Aviation Administration of China (CAAC) as a means to control the growth rate and ensure it is matched with sufficient infrastructure such as number of airports, Fixed Base Operations (FBO) facilities, Maintenance Repair and Overhaul (MRO) centers, air traffic control and other qualified aviation personnel. It is expected though that China will further ease some of the current barriers and allow the industry and its supporting infrastructure to grow in levels matching demand. China has 193 civil airports in service, of which 10 were completed in 2013. According to the CAAC, plans are to have 244 airports in service by 2020.

As China continues to ease its airspace flight regulations, more opportunity for smaller-sized business aircraft mainly used for domestic flights should appear in the future. However, the current preference to large cabin is expected to remain strong in the short term. As of year-end 2013, the Greater China fleet was strongly dominated by large cabin and long range aircraft.

China has the second largest economy in the world. It holds nearly 20% of the world’s population, 7% of the world’s billionaires and a 13% wealth annual growth rate, yet it holds less than 2% of the world’s business jets. The business aviation industry however is developing rapidly and signs of a maturing market are evident. Consequently, Asian Sky Group expects high growth to continue in 2014 as the business jet market in Greater China continues to develop and mature.
In this report, aircraft distribution was done according to the aircraft’s base of operation and not by operator location. Some operators may be headquartered in a certain location but their aircraft are based according to the preferences of the aircraft owners themselves.
KEY FINDINGS

The Greater China business jet fleet grew by 21% during 2013 with the total number of aircraft reaching 371 at year-end 2013.

The Original Equipment Manufacturer (OEM) market leader by number of aircraft based and operated in Greater China continues to be Gulfstream with a 38% market share, followed by Bombardier with a 30% market share.

Both Gulfstream and Bombardier’s market share remained unchanged compared with year-end 2012.

The largest market share changes in 2013 were registered by Embraer, Falcon and Hawker.

- Embraer’s fleet doubled in 2013 rising from 8 to 16 aircraft based in Greater China.
- Dassault Falcon’s number of aircraft rose by over 60% with 15 additional aircraft entering into service.
- The Hawker market share in Greater China decreased from 9% to 5%.

The Gulfstream G-550 and G-450 remain the most prevalent models in Greater China with 64 and 46 aircraft respectively representing 30% of the total fleet in numbers.

The model with the highest number of new aircraft delivered in 2013 was the G-450 with 13 new deliveries followed by the Falcon 7X with 11 new aircraft delivered.

Of significant importance, the proportion of pre-owned aircraft delivered in 2013 rose to 47%, clearly demonstrating the increasing acceptance of purchasing pre-owned aircraft. The remaining 53% were new aircraft deliveries.

The 5 largest operators (HNA Group, BAA, TAG Aviation, Metrojet and Jet Aviation) make up 55% of the total number of business jets based and operating in the Greater China region.

Of the 371 aircraft in operation, 73% are under the local registrations of China, Hong Kong, Macau and Taiwan. The remaining 27% are operated under a foreign registry.

Aircraft 5 years old or younger, make up 62% of the fleet and another 20% are between 5 and 10 years old (based on year of manufacture).

While China’s business aviation market experienced robust growth in recent years, its preference for large cabin remained unchanged in 2013. Over 75% of the fleet in Greater China is in the large aircraft size category or above.
FLEET BREAKDOWN BY OEM

371 in Total
<table>
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<tr>
<th>Aircraft Type</th>
<th>Cessna</th>
<th>Hawker</th>
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<th>Airbus</th>
<th>Boeing</th>
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</tr>
</tbody>
</table>
Gulfstream Fleet by Region

- MACAU, 1 (1%)
- HONG KONG, 46 (32%)
- MAINLAND CHINA, 88 (62%)
- TAIWAN, 7 (5%)

142 in Total

Bombardier Fleet by Region

- TAIWAN, 3 (3%)
- MACAU, 6 (5%)
- HONG KONG, 32 (29%)
- MAINLAND CHINA, 70 (63%)

111 in Total

Dassault Fleet by Region

- TAIWAN, 1 (3%)
- MACAU, 1 (3%)
- HONG KONG, 5 (16%)
- MAINLAND CHINA, 24 (78%)

31 in Total
Cessna Fleet by Region

- Hong Kong, 2 (7%)
- Mainland China, 25 (93%)
- 27 in Total

Hawker Fleet by Region

- Taiwan, 2 (11%)
- Macau, 1 (5%)
- Hong Kong, 1 (5%)
- Mainland China, 15 (79%)
- 19 in Total

Embraer Fleet by Region

- Taiwan, 1 (6%)
- Macau, 1 (6%)
- Hong Kong, 3 (19%)
- Mainland China, 11 (69%)
- 16 in Total
Airbus Fleet by Region

TAIWAN, 1 (5%)
MACAU, 1 (5%
HONG KONG, 5 (28%)
MAINLAND CHINA, 11 (61%)

18 in Total

Boeing Fleet by Region

HONG KONG, 3 (43%)
MAINLAND CHINA, 4 (57%)

7 in Total
OEM Market Share - Mainland China

- **Gulfstream, 88 (36%)**
- **Bombardier, 70 (28%)**
- **Gulfstream, 88 (36%)**
- **Bombardier, 70 (28%)**
- **Embraer, 11 (4%)**
- **Airbus, 11 (4%)**
- **Hawker, 15 (6%)**
- **Dassault, 24 (10%)**
- **Cessna, 25 (10%)**
- **Boeing, 4 (2%)**

Total: 248 in China

OEM Market Share - Hong Kong

- **Gulfstream, 46 (48%)**
- **Bombardier, 32 (33%)**
- **Embraer, 3 (3%)**
- **Boeing, 3 (3%)**
- **Cessna, 2 (2%)**
- **Hawker, 1 (1%)**
- **Airbus, 5 (5%)**
- **Dassault, 5 (5%)**

Total: 97 in Hong Kong
OEM Market Share - Taiwan

- AIRBUS, 1 (7%)
- EMBRAER, 1 (7%)
- DASSAULT, 1 (7%)
- HAWKER, 2 (13%)
- BOMBARDIER, 3 (20%)
- GULFSTREAM, 7 (46%)

15 in Total

OEM Market Share - Macau

- AIRBUS, 1 (9%)
- EMBRAER, 1 (9%)
- HAWKER, 1 (9%)
- DASSAULT, 1 (9%)
- GULFSTREAM, 1 (9%)
- BOMBARDIER, 6 (55%)

11 in Total
Gulfstream Fleet Breakdown by Operator

142 in Total
Bombardier Fleet Breakdown by Operator

111 in Total

- TAG Aviation
- China United
- BAA
- Lily Jet
- Donghai Jet
- CARSS
- Metrojet
- Sino Jet
- Jet Aviation
- Vista Jet
- Jet Asia
- Deejet
- Asia Air Medical
- China Eastern
- Executive Aviation
- FreeSky Aviation
- Hanwa Jet
- Nanshan Jet
- Aegle Aviation
- Beijing Airlines
- EVA Airways
- Global Jet
- GoodJet
- Hongkong Jet
- Waterpark
- YiFeng Jet
- Fortuna Jet

**Total:**
- GLEX/XRS/6000: 18
- GL5000: 14
- CL870: 5
- CL850/CRJ200: 25
- CL604/605: 31
- CL300: 9
- LJ35/36/60: 9

**Total:** 111
### Dassault Fleet Breakdown by Operator

**31 in Total**

- **BAA**: 1
- **Beijing Airlines**: 8
- **TAG Aviation**: 6
- **Deer Jet**: 4
- **Minsheng Int’l Jet**: 2
- **Global Jet**: 0
- **Jet Aviation**: 0
- **Macau Jet**: 0
- **Nanshan Jet**: 0

**FALCON 900LX**: 3
**FALCON 900EX**: 1
**FALCON 900DX**: 1
**FALCON 7X**: 7
**FALCON 2000LX**: 3

**Total**: 11 4 4 3 3 2 2 1 1 31

### Cessna Fleet Breakdown by Operator

**27 in Total**

- **CAAC Academy**: 7
- **CAAC Inspection**: 1
- **China United**: 2
- **Zhongfei Aviation**: 2
- **BAA**: 1
- **China Eastern**: 1
- **Zhiyuan Aviation**: 3
- **Jet Aviation**: 1
- **Metrojet**: 1

**750 X**: 1
**650 VI**: 1
**680 SOVEREIGN**: 3
**550 I/I/II**: 2
**560 EXCEL/XLS**: 1
**525 CJ1/2/3**: 7

**Total**: 7 7 3 3 2 1 1 1 1 27
### Hawker Fleet Breakdown by Operator

**19 in Total**

<table>
<thead>
<tr>
<th>Operator</th>
<th>PHENOM 900XP</th>
<th>LINEAGE 1000</th>
<th>LEGACY 650</th>
<th>LEGACY 600</th>
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<td>Sunrise Airlines</td>
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<td><strong>Total</strong></td>
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<td><strong>2</strong></td>
<td><strong>1</strong></td>
<td><strong>1</strong></td>
<td><strong>19</strong></td>
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### Embraer Fleet Breakdown by Operator

**16 in Total**

<table>
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<tr>
<th>Operator</th>
<th>PHENOM 300</th>
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<th>LEGACY 650</th>
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<td><strong>3</strong></td>
<td><strong>3</strong></td>
<td><strong>2</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>
Airbus Fleet Breakdown by Operator

18 in Total

- BAA: 1
- Hong Kong Jet: 2
- China United: 3
- Deer Jet: 3
- Beijing Airlines: 2
- China Eastern: 1
- Comlux Aviation: 1
- EVA Airways: 1
- TAG Aviation: 1

Total: 18

Boeing Fleet Breakdown by Operator

7 in Total

- Deer Jet: 2
- EVA Airways: 1
- Hong Kong Jet: 1
- Metrojet: 1
- Nan Shan Jet: 1
- Beijing Airlines: 1

Total: 7
FLEET BREAKDOWN BY AIRCRAFT SIZE CATEGORY

Over 75% of the Greater China fleet is in the large size category and above. In comparison, the global market share of those categories is closer to 25%.

Aircraft Size Category Breakdown

- **Corporation Airliner**: 28 aircraft (8%)
- **Ultra Long Range**: 109 aircraft (29%)
- **Super-Large**: 70 aircraft (19%)
- **Large**: 77 aircraft (21%)
- **Super-Mid Size**: 35 aircraft (9%)
- **Mid**: 22 aircraft (6%)
- **S-Light**: 11 aircraft (3%)

In total, there are 371 aircraft, with over 75% being large and above.
Corporate Airliner Category Breakdown by Model

ACJ318, 6 (21%)
LINEAGE 1000, 3 (11%)
BBJ, 7 (25%)
ACJ319, 12 (43%)

Ultra Long-Range Category Breakdown by Model

GV, 4 (4%)
GLOBAL XRS, 6 (6%)
GLOBAL EXPRESS, 6 (5%)
GLOBAL 6000, 6 (5%)
FALCON 7X, 22 (20%)
G550, 64 (59%)
G650, 1 (1%)

Super-Large Category Breakdown by Model

FALCON 900DX, 1 (1%)
FALCON 900EX, 1 (1%)
FALCON 900LX, 4 (6%)
GLOBAL 5000, 14 (21%)
G450, 46 (66%)
GIV SP, 1 (1%)
GIV, 3 (4%)

28 in Total
109 in Total
70 in Total
Large Category Breakdown by Model

- FALCON 2000LX, 3 (4%)
- G300, 1 (1%)
- CHALLENGER 601, 2 (2%)
- CHALLENGER 604, 5 (7%)
- LEGACY 650, 9 (12%)
- LEGACY 600, 3 (4%)
- CRJ 200 VIP, 8 (10%)
- CHALLENGER 870, 5 (7%)
- 77 in Total

Super Mid-Size Category Breakdown by Model

- CITATION X, 1 (3%)
- HAWKER 4000, 5 (14%)
- CHALLENGER 300, 9 (26%)
- G200, 20 (57%)
- 35 in Total

Mid-Size Category Breakdown by Model

- LEARJET 60XR, 2 (9%)
- ASTRA, 2 (9%)
- LEARJET 60, 2 (9%)
- CITATION SOVEREIGN, 5 (23%)
- HAWKER 900XP, 4 (18%)
- HAWKER 850XP, 2 (9%)
- HAWKER 800XP, 5 (23%)
- 22 in Total
Super-Lite Category Breakdown by Model

- LEARJET 35A, 3 (28%)
- LEARJET 36A, 2 (18%)
- CITATION CJ1, 7 (37%)
- CITATION CJ1+, 3 (16%)
- PHENOM 300, 1 (5%)
- CESSNA CITATION XLS, 2 (18%)
- CESSNA CITATION S/II, 2 (11%)
- CESSNA CITATION VI, 2 (18%)
- CESSNA CITATION CJ3, 1 (5%)
- CESSNA CITATION EXCEL, 2 (18%)

11 in Total

Lite Category Breakdown by Model

- BEECHJET 400A, 1 (5%)
- HAWKER 400XP, 2 (11%)
- CITATION II, 2 (10%)
- CESSNA CITATION CJ1, 7 (37%)
- HAWKER 400XP, 2 (11%)
- CESSNA CITATION S/II, 2 (11%)
- CESSNA CITATION CJ3, 1 (5%)

19 in Total
FLEET BREAKDOWN BY OPERATOR

There are 45 operators in Greater China, with 26 of them based in Mainland China, 9 in Hong Kong, 6 in Taiwan and 4 in Macau. The 5 largest operators make up 55% of the total number of business jets in Greater China.

In order to operate a locally-registered aircraft in Mainland China, one must first obtain an Aircraft Operator Certificate (AOC) or use the services of an established aircraft management company which has already obtained an AOC.

Total Fleet Breakdown by Operator

45 operators, 371 Aircraft in Total
TOP OPERATORS OVERVIEW

Hainan Airlines Group
Hainan Airlines Group (HNA) is a large privately owned airline group headquartered in Haikou, Hainan Island, China. The company, together with its affiliates and subsidiaries, operates an extensive network of domestic and international aviation services. HNA Group’s business jet operations are carried out by several of its subsidiaries, namely Deer Jet and Hongkong Jet. The company offers aircraft management services, business charter, aircraft leasing, flight support and ground handling services, and is also engaged in airport management, FBO and MRO services. Most of HNA Group’s aircraft are based in Beijing, Shanghai, Tianjin, Hainan Island and Hong Kong. Its total business jet fleet numbers 74 aircraft, which makes HNA Group the largest operator of business jets in Greater China.

BAA
Business Aviation Asia Ltd. (BAA) is a business aviation services provider headquartered in Shenzhen and with bases throughout China and Hong Kong. BAA is the largest operator of privately owned business jets in Greater China. Their 45 business jets are based in various cities including Shenzhen, Hong Kong, Beijing and Taipei.

TAG Aviation Asia
TAG Aviation Asia is headquartered in Hong Kong with a fleet of 34 business jets in Greater China. It provides private aviation services including aircraft charter, aircraft management and maintenance services. TAG’s aircraft are based in Hong Kong, China and Macau.

Metrojet
Established in 1995, Metrojet pioneered business aviation services in Hong Kong, specialising in aircraft management, maintenance, charter, and consultancy services. Metrojet currently manages a fleet of 30 mid and large sized business jets, most of which are based in Hong Kong. Of Greater China’s operators, Metrojet has the largest fleet of aircraft based in Hong Kong. Over the past two years, Metrojet has expanded its footprint in Asia with the establishment of Metrojet Engineering Clark in Clark, The Philippines; Tajair Metrojet Aviation in Mumbai, India; and Metrojet Hanxing Zhuhai in Zhuhai, China.

Jet Aviation HK
The Jet Aviation HK fleet of 22 aircraft in Greater China is primarily based in Hong Kong. Jet Aviation provide aircraft management services together with maintenance and aircraft charter services.
Top 5 Operators Fleet Breakdown by OEM

205 in Total

<table>
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<tr>
<th>Operator</th>
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* Including Hongkong Jet and Deer Jet
HNA Group Fleet Breakdown by Model

74 in Total

Metrojet Fleet Breakdown by Model

30 in Total
### BAA Fleet Breakdown by Model

- **G450**: 8
- **G550**: 8
- **F7X**: 7
- **CL605**: 3
- **CL850**: 3
- **CL604**: 2
- **F900LX**: 2
- **ACJ318**: 2
- **GL6000**: 2
- **G200**: 2
- **H4000**: 1
- **ACJ319**: 1
- **CIT CJ1+**: 1
- **F900EX**: 1
- **L60XR**: 1

Total: 45

**Largest Falcon Operator**

### TAG Aviation Fleet Breakdown by Model

- **GL5000**: 8
- **CL850**: 4
- **CL605**: 3
- **F7X**: 3
- **G450**: 2
- **CL604**: 2
- **GL6000**: 2
- **G550**: 2
- **ACJ319**: 1
- **L650**: 1
- **L1000**: 1
- **F2000LX**: 1
- **GL EX**: 1
- **GL XRS**: 1
- **L60**: 1

Total: 34

**65% Bombardier**

### Jet Aviation Fleet Breakdown by Model

- **G550**: 8
- **G450**: 4
- **CL605**: 2
- **GL5000**: 2
- **G200**: 2
- **CIT CJ3**: 1
- **F7X**: 1
- **F900LX**: 1
- **G650**: 1

Total: 22

**68% Gulfstream**
## Other Large Operators

### CHINA UNITED AIRLINES
- **CRJ 200 VIP**: 7
- **CHALLENGER 870**: 5
- **CITATION S/II**: 2
- **CITATION VI**: 1
- **ACJ319**: 3

### CHINA UNITED AIRLINES EXECUTIVE AIR
- **LEGACY 650**: 3
- **G550**: 3
- **G450**: 2
- **ACJ318**: 1
- **CHALLENGER 300**: 1
- **CITATION SOVEREIGN**: 1
- **GLOBAL EXPRESS XRS**: 1
- **G-200**: 1
- **HAWKER 800XP**: 1

### LILY JET
- **CHALLENGER 850**: 5
- **CHALLENGER 604**: 2
- **CHALLENGER 605**: 1
- **GLOBAL EXPRESS**: 1
- **GLOBAL EXPRESS XRS**: 1
- **G200**: 1

### BEIJING AIRLINES
- **FALCON 7X**: 4
- **G450**: 2
- **ACJ318**: 1
- **ACJ319**: 1
- **GLOBAL EXPRESS**: 1
- **G550**: 1
- **BBJ**: 1

### NANSHAN JET
- **G450**: 3
- **BBJ**: 1
- **CHALLENGER 605**: 1
- **FALCON 7X**: 1
- **GLOBAL EXPRESS XRS**: 1
- **G550**: 1

### SINO JET
- **CHALLENGER 605**: 2
- **CHALLENGER 300**: 1
- **LEGACY 650**: 1
- **GLOBAL 5000**: 1
- **GLOBAL EXPRESS**: 1
- **G200**: 1
- **G550**: 1

### CHINA FLIGHT INSPECTION CENTRE OF CAAC
- **CITATION SOVEREIGN**: 3
- **CITATION XLS**: 2
- **CITATION VI**: 1
- **CITATION X**: 1
- **G450**: 1
FLEET BREAKDOWN BY AIRCRAFT REGISTRATION

When considering the purchase of a business aircraft to be based in Greater China, selection of the country of aircraft registration can be a key decision.

Depending on the owner’s specific needs, there are many factors to be considered which may significantly affect the choice of registration, such as the primary routes the aircraft is intended to fly; the location of the aircraft’s base, the intended ownership period; operational and maintenance requirements; the desired operator; import tax and VAT aspects; aircraft residual values; variable costs and fees; financing requirements; and training requirements.

The operation of foreign-registered aircraft is subject to limitations in Mainland China under China’s ‘Rules Governing Foreign Civil Aircraft’. Limitations include restrictive routings, flight application processing time, application processing fees, airport access restrictions, landing and takeoff slots, and higher fees for navigation, landing, parking, ground handling and fuel.

Of all the aircraft based in Mainland China, 86% are China-registered. In comparison, only 29% of the aircraft based in Hong Kong are registered in Hong Kong.

As one would expect, the majority of aircraft in the Lite size category are locally registered while in the larger categories, they are mostly registered under foreign aviation authorities.
Greater China Fleet Breakdown by Registration

- USA, 55 (15%)
- HONG KONG, 34 (9%)
- CAYMAN ISLANDS, 26 (7%)
- ISLE OF MAN, 9 (2%)
- TAIWAN, 10 (3%)
- BERMUDA, 8 (2%)
- MACAU, 4 (1%)
- AUSTRIA, 3 (1%)
- MALTA, 2

371 in Total
Mainland China Fleet Breakdown by Registration

CHINA, 214 (86%)

TAIWAN, 1

MALTA, 1

ISLE OF MAN, 6 (3%)

CAYMAN ISLANDS, 5 (3%)

HONG KONG, 5 (2%)

USA, 16 (7%)

97 in Total

Hong Kong Fleet Breakdown by Registration

ISLE OF MAN, 2 (2%)

AUSTRIA, 3 (3%)

CHINA, 6 (6%)

BERMUDA, 8 (8%)

CAYMAN ISLANDS, 21 (22%)

HONG KONG, 28 (29%)

USA, 29 (30%)

97 in Total
Taiwan Fleet Breakdown by Registration

- China, 1 (7%)
- USA, 5 (33%)
- Taiwan, 9 (60%)
- Total: 15

Macau Fleet Breakdown by Registration

- Macau, 4 (37%)
- Malta, 1 (9%)
- Isle of Man, 1 (9%)
- Hong Kong, 1 (9%)
- USA, 4 (37%)
- Total: 11
Corporate Airliner Size Category Breakdown by Registration

- **CHINA, 17 (61%)**
- **USA, 17 (15%)**
- **HONG KONG, 15 (14%)**
- **CAYMAN ISLANDS, 13 (12%)**
- **ISLE OF MAN, 3 (3%)**
- **BERMUDA, 5 (18%)**
- **USA, 3 (11%)**
- **CHINA, 17 (61%)**

Total: 28

---

Ultra Long-Range Size Category Breakdown by Registration

- **CHINA, 39 (56%)**
- **USA, 17 (25%)**
- **HONG KONG, 15 (14%)**
- **CAYMAN ISLANDS, 13 (12%)**
- **ISLE OF MAN, 3 (3%)**
- **BERMUDA, 2 (3%)**
- **TAIWAN, 1 (1%)**

Total: 109

---

Super-Large Size Category Breakdown by Registration

- **CHINA, 39 (56%)**
- **HONG KONG, 11 (16%)**
- **USA, 10 (14%)**
- **CAYMAN ISLANDS, 7 (10%)**
- **TAIWAN, 1 (1%)**
- **BERMUDA, 2 (3%)**

Total: 70
Large Size Category Breakdown by Registration

- **China**, 39 (51%)
- **USA**, 15 (20%)
- **Hong Kong**, 25 (39%)
- **Cayman Islands**, 4 (5%)
- **Isle of Man**, 6 (8%)
- **Austria**, 3 (4%)
- **Bermuda**, 1 (1%)
- Total: 77

Super Mid-Size Category Breakdown by Registration

- **Cayman Islands**, 1 (3%)
- **Hong Kong**, 2 (6%)
- **USA**, 7 (20%)
- **China**, 25 (71%)
- Total: 35
Mid-Size Category Breakdown by Registration

- MACAU, 1 (5%)
- USA, 2 (9%)
- TAIWAN, 2 (9%)
- CHINA, 17 (77%)

22 in Total

Super-Lite Size Category Breakdown by Registration

- CHINA, 11 (100%)

11 in Total

Lite Size Category Breakdown by Registration

- CAYMAN ISLANDS, 1 (5%)
- TAIWAN, 2 (11%)
- CHINA, 16 (84%)

19 in Total
Not too surprisingly, the Greater China business jet fleet is a young fleet. Over 60% of the fleet is under 5 years old, with the majority of these aircraft being long-range and large cabin aircraft.

The Greater China business jet fleet only started to grow significantly from 2003. The market initially belonged to the Mid-Size and Super Mid-Size category of aircraft. From 2010 onwards however, the Large category and up began their dominance.

Also of note is that Bombardier was one of the early pioneers in the Greater China market. In more recent years however, it has had to cede this advantage and see Gulfstream’s market share surpass its own. Other early pioneers like Cessna and Hawker have also suffered throughout the years, in this case due to a lack of products in the Large category and up.

The aircraft age distributions shown in the following charts are based on the aircraft’s year of manufacture (YOM) and therefore do not reflect the time of delivery and entry into service of pre-owned aircraft.
Total Fleet Age Distribution

- UNDER 5 YEARS (62%)
- 6-10 YEARS (20%)
- 11-15 YEARS (9%)
- OVER 15 YEARS (9%)

371 in Total

Total Fleet Age Distribution

371 in Total

The GREATER CHINA BUSINESS JET FLEET REPORT – YEAR END 2013
AGE DISTRIBUTION BY CATEGORY

Corporate Airliner - Age Distribution

Ultra Long-Range - Age Distribution

Super-Large - Age Distribution

Large - Age Distribution

28 in Total

109 in Total

70 in Total

77 in Total
AGE DISTRIBUTION BY OEM

Gulfstream Age Distribution

- 142 in Total

Bombardier Age Distribution

- 111 in Total

Dassault Age Distribution

- 31 in Total

Cessna Age Distribution

- 27 in Total
SUPPORT INFRASTRUCTURE

OEMs realize that a key factor in the buyers’ selection of an aircraft is the OEM’s local support infrastructure and regional presence. The following maps show each OEM’s maintenance facilities, training centers, completion centers and their locations in Greater China.

Another important part of the business aviation support infrastructure are FBO facilities and services. Airports in major cities in China, in a bid to attract more business aviation interest, have or are setting up business aviation terminals. Some airports have put in place special channels for business aviation passengers and some others, while having no dedicated facilities, are planning such facilities to support business aircraft requirements. Hong Kong, Macau and Taipei all have fully established FBO facilities in operation. The last map shows the current FBO facilities and their locations in Greater China.

Support Facilities - Bombardier

- **ExecuJet Haite Aviation**
  - Learjet 60, Challenger 604/605, Global
  - Tianjin

- **STAECO**
  - Challenger 604/605, Global
  - Jinan

- **Metrojet**
  - Challenger 300, Challenger 604/605, Global
  - Shanghai

- **Hawker Pacific**
  - Global
  - Hong Kong
Support Facilities - Gulfstream

- Gulfstream Beijing Service Center
  - G200, G450, G550

- Metrojet
  - G100, G150, G200,
  - G300/G400, G350/
  - G450, G500/G550,
  - GIV/GIV-SP, GV

- Flight Safety
  - G450, G550

- Jet Aviation
  - G450, G550, G650

- CAE
  - G450, G550

- Authorized Maintenance Center
- Training Center
Support Facilities - Cessna

- Beijing DINGSI GA Tech Service Center
  - Citation XLS
  - Citation Sovereign
  - Citation X

- Shanghai
  - Citation XLS + family
  - Citation Sovereign
  - Citation X

Authorized Maintenance Center
Support Facilities - Embraer

- Execujet Haite Aviation
  - Legacy 600, Legacy 650, Lineage 1000
- Lufthansa Hainan Airline Center
  - Legacy 650
  - Maintenance level II
  - Training
- Zhuhai Xiyangyi Training Center
  - Legacy 650, Lineage 1000
- Metrojet
  - Legacy 600, Legacy 650, Lineage 1000
- Hainan Airline Training Center
  - Legacy 650, Lineage 1000

Authorized Maintenance Center
Training Center
Support Facilities - Airbus

- Authorized Maintenance Center: AMECO, Lufthansa Technik Components, ST Aerospace Technologies (Xiamen), TAECO
- Training Center: Beijing Training Center, Beijing Airbus Service Center, Shanghai
- Completion Center: Airbus Service Center, TAECO
Support Facilities - Boeing

Authorized Maintenance Center
Training Center
Completion Center
Fixed Base Operations (FBO) - Greater China

- Beijing CJET FBO
- Shanghai Hawker Pacific Business Aviation Center
- Taipei Eva Sky Jet Center
- Taoyuan Business Aviation Center
- Executive Aviation FBO
- Hong Kong BAC
- Deer Jet Shenzhen FBO
- Deer Jet Changsha FBO
- Deer Jet Haikou FBO
- Deer Jet Sanya FBO
- Macau Business Aviation Center
# Global Completion Facilities - OEM Completion Centers

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<td>Montreal, QC, Canada</td>
<td>Challenger &amp; Global</td>
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<tr>
<td></td>
<td>Wichita, KS, USA</td>
<td>Learjet</td>
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<td>Falcon</td>
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<td>Sao Paulo, Brazil</td>
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## Global Completion Facilities - Independent Completion Centres

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<td>Boeing BBJ and 787</td>
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<td>Boeing BBJ and Airbus ACJ</td>
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<td>TAECO Aerospace Company</td>
<td>Xiamen, P.R. China</td>
<td>Boeing BBJ and Airbus ACJ</td>
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# AVIATION FINANCE SERVICE PROVIDERS IN GREATER CHINA

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2013 AND MARKET TRENDS

The Greater China business jet industry has been growing steadily over the past several years with 2013 achieving a 21% growth rate in terms of the number of business jets added to its installed fleet. This growth rate is significantly higher than the global business jet industry growth rate of under 5%.

Of note, 47% of aircraft delivered into Greater China during 2013 were pre-owned aircraft. This number is significantly higher than in recent years and is a sign of a maturing market plus demonstrates the growing acceptance and understanding of the value of pre-owned aircraft. Driving this pre-owned growth are concerns such as new aircraft delivery lead times, pricing and taxation.

Asian Sky Group expects 2014 to show comparable growth to previous years with expectations that the Greater China business aviation market will grow by 20% and reach around 445 aircraft by the end of 2014. This projection is based on orders placed in previous years and expected deliveries.

Hanging over the market in 2014 however, which may significantly impact the number of orders booked and therefore future deliveries, are the taxes and austerity measures put in place by the Central Government in Beijing. These measures will have a direct effect on buying sentiments. Additionally, the tax measures which introduce a more clearly defined tax structure for when business jets are imported into Mainland China, will result in more owners opting for countries of registration other than Mainland China. Given space constraints in Hong Kong and Macau, more buyers may opt for a Taiwanese registration which will still allow direct private flights between Taiwan and Mainland China.

Greater China Fleet Growth 2007-2014*

* Fleet size for year-end 2012 is based on ASG revised numbers.
## Aircraft Additions in 2013

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**Additions are defined as an operator or owner receiving an aircraft. Deductions being an operator losing an aircraft.**

**New and Pre-Owned Aircraft Additions 2013**

- **New, 56 (53%)**
- **Pre-Owned, 50 (47%)**

Total: 106 in Total
Aircraft Additions and Deductions in 2013

64 Net Additions

Aircraft Deductions 2013 by Type

42 in Total
Gulfstream, Bombardier and Airbus maintained their market shares during 2013. Embraer and Dassault saw a significant rise in relative numbers, while Hawker continued to see a decrease in their market share. The Embraer fleet added 8 aircraft, doubling its Greater China fleet.
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