

L.MASSE AVIATION SOLUTIONS INC.

Huadu General Aviation Development Project

FBO Business Plan

Luc Masse

1/31/2013



Business Aircraft Service Requirements

Ground Handling

Fuelling

First Line Maintenance

Passenger Handling/Services

Maintenance Support

Crew Services



L. Masse Aviation Solutions Inc.

Home Page

L. Masse Aviation Solutions is about helping the business aviation community and business aircraft users find the right solution for their travel needs.

Introduction

With over 10 years of experience at two of the biggest aircraft management companies in Canada, L. Masse Aviation Solutions has the in-depth knowledge of all facets of aircraft operations:

- Business aviation center development and management
- FBO operations
- Business aircraft buying, selling and operations;
- Aircraft management support;
- Traveler needs and market analysis;
- Strategic orientation and planning;
- Operating cost analyses and operations audits;

Profile – About Luc Masse

Luc Masse knows business aviation. From humble beginnings in 1978 as a contract analyst at Canadair (now part of Bombardier Inc.) he has been in the business for over 34 years. He spent the first 22 years with Bombardier Inc. In various management roles with responsibilities in strategic planning, market research, marketing administration, sales support, business planning and sales contracts negotiation and management.

He then moved on to the operational side of business aviation, first with Skyservice Business Aviation for 8 years followed by Starlink Aviation for just over 2 years. His leadership at Skyservice guided the growth of the managed aircraft program from 7 aircraft in 2000 to 46 in 2008.

Services

Business and Corporate Aviation Solutions

Working with an experienced and impartial advisor is the only reliable approach to take when assessing transportation and aircraft needs. Don't risk making a major financial investment decision without first evaluating all your options.

L. Masse Aviation Solutions Inc. – Company Profile

We can help you make the right decision applicable to your specific needs and objectives:

- Needs analysis and recommendations;
- Aircraft comparisons and assessments, including operating cost analysis;
- Aircraft sourcing and acquisitions;
- Supplier evaluation and selection;
- Entry into service support;
- Aircraft management support

Owner & Traveler Solutions

Owning and operating a business aircraft is somewhat complex and has many facets. Purchasing and financing options, ownership structures with tax and liability implications, regulatory requirements, staffing, home base location and insurance are just a few of the pieces of the puzzle.

We can help formulate and obtain answers to these questions:

- Are you maximizing the usage and availability of your aircraft?
- Do you have the right aircraft for your current and expected or future travel requirements?
- Are operating costs as low as they can be?
- Have you planned for future major maintenance events with significant cost impact?
- Are you aware of upcoming and future regulatory changes that impact aircraft usage and its future resale value?
- Does your aircraft management company fully meet your needs and expectations?

Industry Solutions

L. Masse Aviation Solutions can offer the combination of both in-depth knowledge and experience from both the manufacturer and operator sides of business aviation. We can provide insight and support in the following areas of expertise:

- Strategic orientation;
- FBO, maintenance center and aircraft operations development
- Project management;
- Market and competitive analysis;
- Business development and marketing;
- Entry into service;
- Client management programs.

Signature Flight Support



Signature Flight Support is the world's largest and market leading fixed base operation (FBO) network for business aviation. It provides high quality, full service support for business and general aviation travel focused on passenger handling and customer amenities such as refuelling, hangar and office rentals, and other technical services.

Signature has over 110 locations focused on regions with high business jet populations including primary business and leisure destinations in North and South America, Europe and Asia.

Signature is a highly recognized brand in the global business aviation market and , over time, has grown through the acquisition of new locations and the development of strong customer relationships with both individual and network customers. Signature handles around 1 million aircraft movements every year and sells approximately 160 million gallons of fuel.

Hangar space for the entire network totals over 10 million square feet.

Signature employs over 2,000 people throughout its network around the world.

Performance

Signature's revenue in 2012 totalled US\$952.9 million, an increase of 1% over 2011 revenues. (2011: \$946.4 million) Continued share gains broadly offset market softness and weakness in fractional flying, which is a greater proportion of Signature's business than it is of the broader market, due to the location of Signature's FBOs.

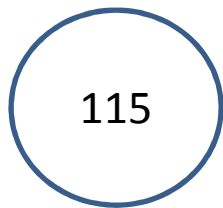
Signature continued to expand its network both by way of acquisition and through the increasingly successful Signature Select TM initiative, adding four locations during the year in Daytona, Florida, Green Bay, Wisconsin, Edmonton, Canada and Fort Worth, Texas. All of these locations have been integrated into the existing network successfully and are performing as expected. Additionally the network was extended in Germany with an operation at Berlin-Schönefeld.

Signature Flight Support – Company Profile

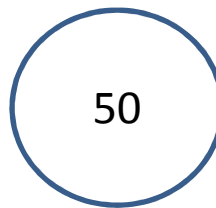


Revenue	2012 \$m	2011 \$m	Inc/(dec) %
USA	788.9	773.0	2%
Europe & ROI	164.0	173.4	(5)%
Total	962.9	946.4	1%

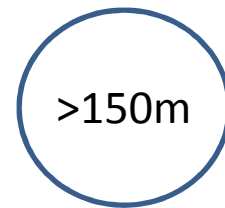
Key facts



A truly international
FBO network – 115
Locations worldwide



Unique network – 50
FBOs in top US
Metro locations



Over 150 million
Gallons of aviation
Fuel sold per annum

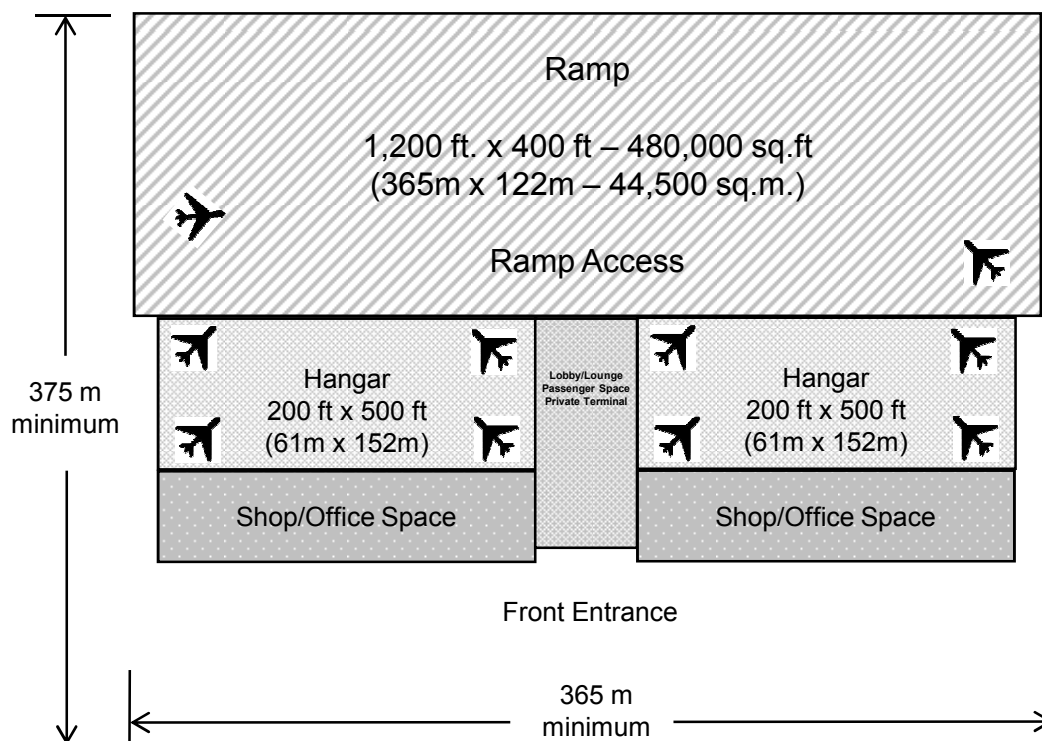
FBO Summary

A fixed-base operator (FBO) or private aviation terminal is a commercial business located on the airport and provides aeronautical services such as fuelling, hangaring, tie-down and parking, aircraft maintenance and international customs clearance. In common practice, an FBO is a primary provider of support services to general aviation operators at a public-use airport located on airport leasehold property.

Proposed Facility

Typical FBO facilities include a passenger area or terminal, an aircraft hangar or hangars, adjacent office and shop space an aircraft parking ramp with access to airport runways. The proposed facility will be comprised of 200,000 square feet of hangar space, adjacent passenger facilities (lounge, reception, private rooms, etc), offices and shop space.

Preliminary FBO layout:



Overall land area required for the above layout is 136,875 square meters or 34 acres.

FBO Sections

The FBO facility will include the following areas:

- Lobby/reception area
- Hangar
- Aircraft Ramp
- Shop space
- Office space
- Conference rooms
- Lounge/waiting area
- Crew rest area
- Crew planning area
- Parking area

Lobby/Reception Area:

Area includes:

- Entrance
- Reception desk
- Rest rooms
- Waiting area
- Beverage/food service area

Hangar:

Hangar configuration:

- Minimum door height of 28 ft. (8.5m) for largest business jet (Gulfstream G550 or Bombardier Global Express)
- Minimum door height of 43 ft. (13m) if to accommodate a Boeing BBJ.
- Minimum door width of 125 ft. (38m) to accommodate a Boeing BBJ.
- Overall size of 200,000 sq.ft. separated in to two distinct hangars of 100,000 sq.ft. each.
- Includes provisions for:
 - Compressed air
 - Electrical power outlets for GPU connections
 - At least eight 28.5 V DC connections
 - Fire extinguisher/suppression system that meets Western standards

Shop Space:

- Space adjacent to the hanger to accommodate:
 - Equipment repair room
 - Maintenance shop
 - First line maintenance at a minimum
 - Could be scaled to include full maintenance services
- Commissary stock
- Customer storage areas

Office Space:

- To accommodate FBO administration and support staff
- Guest offices for passengers and visitors
- Conference rooms

Ramp:

- Minimum ramp space of 480,000 sq.ft (44,600 m2)
- Surface made of concrete per airport standards.
- Equipment required to support aircraft movements:
 - Tugs: ideally should have 2 to start operations, one with a 130,000 lbs / 58,967 kgs towing capacity to handle up to BBJ sized aircraft and one with a 75,000 lbs / 34,019 kgs towing capacity for most business jets (up to G450).
 - Tow bars and heads for most aircraft types.
 - At least 2 ground power unit (GPU), 28.5V DC Power, preferable with diesel engines for durability

Parking:

- Need adequate parking space for employees and passenger cars.
- Need open area at front entrance for limo and/or bus circulation

Other:

Crew rest area

- Lounge
- Snooze/sleep area
- Work/flight planning area
- Male and female rest rooms with shower facilities

Conference rooms

- Large meeting room (capacity for 12-16 people) with multimedia provisions
- Smaller meeting room (6 to 8 people)
- Private passenger lounge

Kitchen

- To prepare catered meals
- Support to visiting aircraft

Customs clearance area – per Chinese regulatory requirements

Services:

Ancillary services offered by the FBO:

- Catering services
- Ground transportation services
- Car rental services
- Passenger car valet service

Airport Interface Considerations

Electrical Power Connections

Water Connections

Taxiway links to Ramps

Nav Aid links/Connections

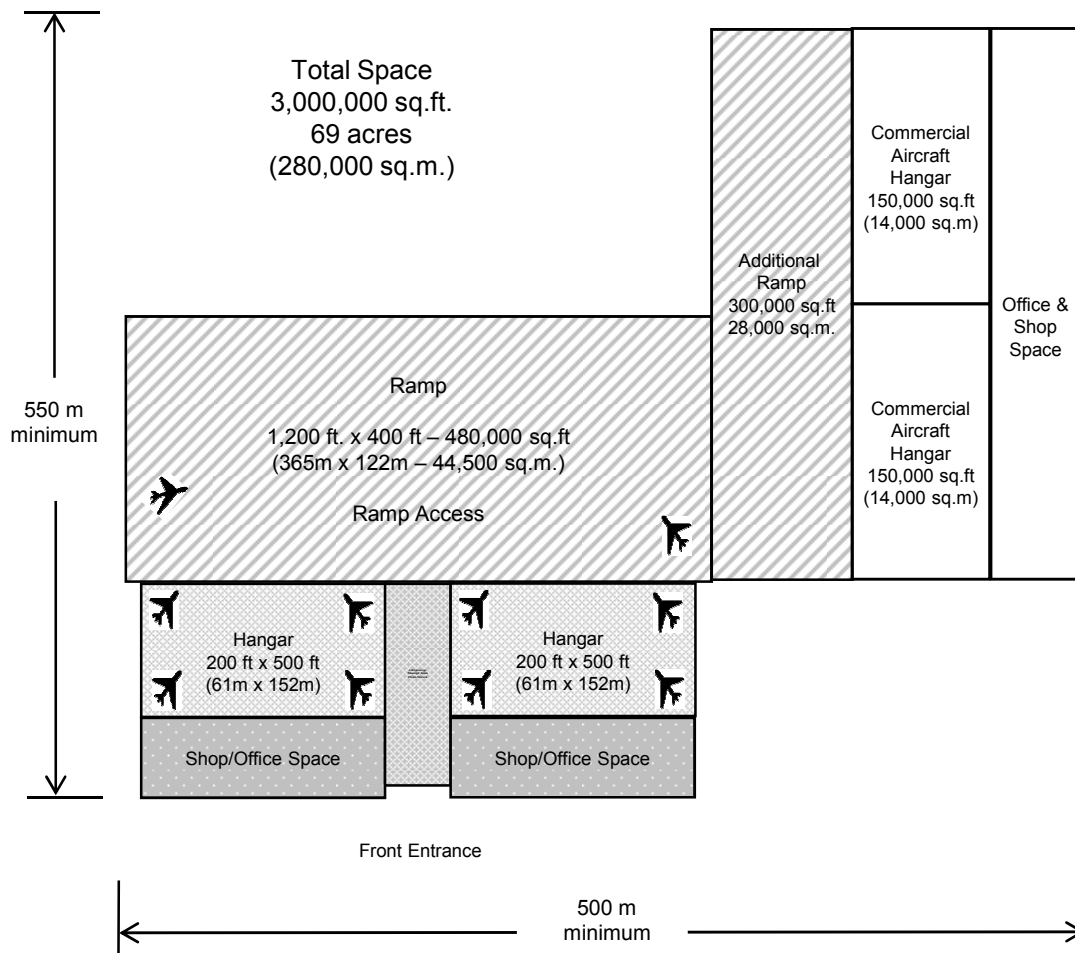
Estimated Costs

The estimated cost to build the facility is CA\$61,500,000 broken down as follows:

Business Aviation Facility		Base Cost	unit	Qty	Total
Buildings					
Hangar Structure		\$ 100.00	sq.ft	200,000	\$ 20,000,000
Fire Safety Equipment		\$ 25.00	sq.ft	200,000	\$ 5,000,000
Passenger Lounge		\$ 150.00	sq.ft	10,000	\$ 1,500,000
Offices		\$ 100.00	sq.ft	75,000	\$ 7,500,000
Shop space		\$ 100.00	sq.ft	100,000	\$ 10,000,000
Storage space		\$ 100.00	sq.ft	25,000	\$ 2,500,000
Sub-total					\$ 46,500,000
Parking					
Aviation Ramp		\$ 25.00	sq.ft	480,000	\$ 12,000,000
Vehicle parking		\$ 15.00	sq.ft	120,000	\$ 1,800,000
Fencing		\$ 10.00	ft	1,000	\$ 10,000
Ramp/parking Lighting					
Sub-total					\$ 13,810,000
Equipment					
Aircraft Tugs		\$ 50,000.00	ea	2	\$ 100,000
Ground Power Units		\$ 35,000.00	ea	4	\$ 140,000
Fuel Truck/Bowser		TBD	ea	2	
Tow Bars/wheel chocks		\$ 35,000.00	lot	1	\$ 35,000
Hydraulic Carts		\$ 5,000.00	ea	2	\$ 10,000
Lav Carts		\$ 5,000.00	ea	2	\$ 10,000
Nitrogen carts		\$ 2,500.00	ea	3	\$ 7,500
Aircraft Cleaning Equipment		\$ 25,000.00	lot	1	\$ 25,000
Lounge equipment/furniture		\$100,000.00	lot	1	\$ 100,000
Office Furniture		\$150,000.00	lot	1	\$ 150,000
Office Equipment		\$150,000.00	lot	1	\$ 150,000
Phone System		\$ 10,000.00	lot	1	\$ 10,000
Computer System/Software		\$250,000.00	lot	1	\$ 250,000
Basic Shop Equipment		\$150,000.00	lot	1	\$ 150,000
Maintenance Shop Equipment		TBD	lot	1	
Sub-total					\$ 1,137,500
Grand Total:					\$ 61,447,500

Commercial Maintenance Facility

Preliminary layout:



Commercial Maintenance Facility

	Base Cost	unit	Qty	Total
Buildings				
Hangar Structure	\$ 125.00	sq.ft	300,000	\$ 37,500,000
Fire Safety Equipment	\$ 25.00	sq.ft	300,000	\$ 7,500,000
Customer Offices/Lounge	\$ 150.00	sq.ft	10,000	\$ 1,500,000
Offices	\$ 100.00	sq.ft	75,000	\$ 7,500,000
Shop space	\$ 100.00	sq.ft	125,000	\$ 12,500,000
Storage space	\$ 100.00	sq.ft	50,000	\$ 5,000,000
Sub-total				\$ 71,500,000
Parking				
Aviation Ramp	\$ 25.00	sq.ft	300,000	\$ 7,500,000
Vehicle parking	\$ 15.00	sq.ft	50,000	\$ 750,000
Fencing	\$ 10.00	ft	2,500	\$ 25,000
Ramp/parking Lighting				
Sub-total				\$ 8,275,000
Equipment				
Aircraft Tugs	\$ 75,000.00	ea	2	\$ 150,000
Ground Power Units	\$ 50,000.00	ea	8	\$ 400,000
Fuel Truck/Bowser	TBD	ea	2	
Tow Bars/wheel chocks	\$ 35,000.00	lot	1	\$ 35,000
Hydraulic Carts	\$ 10,000.00	ea	3	\$ 30,000
Lav Carts	\$ 10,000.00	ea	2	\$ 20,000
Nitrogen carts	\$ 7,500.00	ea	3	\$ 22,500
Aircraft Cleaning Equipment	\$ 50,000.00	lot	1	\$ 50,000
Lounge equipment/furniture	\$100,000.00	lot	1	\$ 100,000
Office Furniture	\$150,000.00	lot	1	\$ 150,000
Office Equipment	\$150,000.00	lot	1	\$ 150,000
Phone System	\$ 10,000.00	lot	1	\$ 10,000
Computer System/Software	\$500,000.00	lot	1	\$ 500,000
Basic Shop Equipment	\$250,000.00	lot	1	\$ 250,000
Maintenance Shop Equipment	TBD	lot	1	
Sub-total				\$ 1,867,500
Grand Total:				\$ 81,642,500



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