How to use Huawei’s financing capabilities to build a more connected Caribbean?
Content

Who we are?

Who are our financing partners?

What financing solutions could we offer?
Triple -Win Strategy

To support customer’s success and growth

- **What we do**
  Provide customized financing solutions and specialized financial service with consideration of all balance-sheet requirement in order to meet customer business and accounting requirements.

- **Achievements**
  - Cooperation with 90+ financing institutions;
  - **Over 500 key financing projects** have been accomplished with diversified tailor-made solutions by Huawei and its partners.
  - **55.3 Billion USD** arranged by Huawei for our Customers in last 5 years.
  - 9 deals have been awarded **“Deal of the Year”** in Trade Finance in the last 5 years.
Worldwide Sales Financing Footprint

- Financing centers in Shenzhen, Beijing, Hong Kong, London & Singapore communicate with customers and banks.
- 300+ Financing & Credit Managers in 14 Regions and 100+ Branch Offices respond to Customer financing requirements.
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## Chinese Financing Partners

### 1. Sinosure
- A Policy Bank that supports Chinese export and equally provides Concessional Credits from Chinese and Local Government.
- ICT is one of the factors which plays an important role in Economic growth and is well supported by Donor and Recipient Government.
- As the ECA of China (state funded policy oriented), Sinosure is designated to support the export of a High Tech enterprise such as Huawei.
- Credit insurance coverage for Commercial Risk and Political Risk
- Cooperating with Huawei since it’s established in 2001.

### 2. China Development Bank
- Long term and Large Facility provider. Leader of syndicated loans
- Supports High Tech enterprises to go abroad.
- Develops the Market globally together with Huawei by US$ 17 Bn in loans to Huawei customers till 2016.

### 3. ICBC
- Strategic cooperation relationship with Huawei in multiple aspects.
- Has developed leading operators in ICT industry globally through cooperation with Huawei.
The Export-Import Bank of China

Huawei & The Export-Import Bank of China Cooperation

- Huawei & China Ex-Im bank started cooperation in 2003. So far over 70 concessionary loans and Preferential Buyer’s Credits have been finalized, totaling over USD 4.5 billion.
- Huawei helped arrange most government supported loans among all Chinese Enterprises.
- Cooperation scope across Africa, Asia, Middle Asia, Middle East and Latin America.

A State Bank which was established in 1994 in Beijing.
- 100% owned by Government and implement State Foreign Affairs Policy.
- The same Credit Rating as China Sovereign Credit.
- The sole bank authorized by the Chinese government to implement government facilities.

<table>
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<tr>
<th>Financing product</th>
<th>Concessional Loan</th>
<th>Preferential Buyer’s Credit</th>
<th>Commercial Loans</th>
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<tr>
<td>Currency</td>
<td>RMB</td>
<td>USD</td>
<td>RMB/USD/EUR</td>
</tr>
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<td>Financing Amount</td>
<td>100% contract amount</td>
<td>85% contract amount</td>
<td>Usually 85% contract amount</td>
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<tr>
<td>Tenor</td>
<td>Up to 20 years</td>
<td>Up to 20 years</td>
<td>5-8 years</td>
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<tr>
<td>Interest rate</td>
<td>Fixed rate 2%~3%</td>
<td>Fixed rate 2%~3%</td>
<td>Market rate</td>
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</table>
Representative Government Loan Arranged by Huawei

- **Suriname**
  - **NBN project**
  - Preferential Export Buyer’s Credit
  - USD 116M / 15 years 2016
- **Ghana**
  - **E-government**
  - Preferential Export Buyer’s Credit
  - USD 128M / 20 years 2011
- **Bengal**
  - **Teletalk Project**
  - Preferential Export Buyer’s Credit
  - USD 211M / 20 years 2011
- **Guyana**
  - **E-Government**
  - Concessional Loan
  - USD 32 M / 20 years 2011
- **Cameroon**
  - **Camtel Project**
  - Concessional Loan
  - USD 82M / 20 years 2015
- **Nigeria**
  - **Galaxy project**
  - Preferential Export Buyer’s Credit
  - USD 100M / 20 years 2013
- **Pakistan**
  - **Safe City Project**
  - Concessional Loan
  - USD 124M / 20 years 2011
- **Senegal**
  - **NBN project**
  - Concessional Loan
  - USD 86M / 20 years 2015

Our Achievements
Global Financing Partners

- Collaboration with 80+ Global, Regional and Local Financial Institutions as well as Multilateral Financial Institutions with strong recognition and reputation.
- Deal with 50+ Financial Institutions with volume of more than 4 Billion US dollars every year on Sales Financing Transactions worldwide.
- Established Long Term Relationship between Huawei and Financial Institutions based on Mutual Trust and Frequent High Level Communication.
- Dedicated Team looking after Bank Relationship to support both Sales Finance and Treasury activities.

### Asia-Pacific Banks
- ANZ
- Nomura
- Maybank
- OCBC Bank
- Mizuho
- Westpac
- HSBC
- UOB
- DBS
- SMBC

### European Banks
- BNP Paribas
- Natixis
- BBVA
- Standard Chartered
- Commerzbank
- Barclays
- UniCredit
- Banco Santander
- Deutsche Bank
- UBS
- Banca Intesa

### American Banks
- JPMorgan Chase
- Bank of America
- Merrill Lynch
- Citibank

### Commercial insurance companies
- AIG
- Zurich
- Lloyd's

### Multilateral Development Banks
- European Bank
- IDB
- IFC
- MIGA
- ADB
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Wide Portfolio of Tailor-Made Financing Solutions

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<td>Cash Flow Optimization</td>
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<td>Inventory financing</td>
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Create Value to Customer
Sample Case 1 – Chinese Preferential buyer’s credit loan

**Chinese Government**
- China Exim Bank
- Drawdown
- HW

**S Government**
- Ministry of Finance
- Repay
- Operator

**Loan Agreement**

**Characteristics**
- Tenor: as long as 15(5+10) years
- Low interest rate: Fixed [2.0% - 3.0% p.a]
- Amount: min USD 20MM
- Financing amount: 85% of contract amount

**Preconditions**
- Ministry of Finance of S government as borrower
- Supportive Letter from China Embassy
- Signed Supply Contract
- Environment Evaluation Report
- Project Feasibility Report

**Cooperation**
- Good political relationship between China and S is the basis of success
- Operator and HW make efforts respectively in its government relationship and support of project
Sample Case 2—Down Payment Financing under preferential buyer’s credit loan

Background

- China EXIM provided a Preferential Buyer’s Credit to finance 85% of the Supply Contract.
- Due to lack of the remaining 15% funding, operator was unable to start up the project.

Key Response

- Huawei arranged SCB who operated business locally to finance 15% down payment.
- The support for the down payment financing kicks off the whole project.
The main process of Preferential Buyer’s Credit

1. Find suitable project
2. Prepare 5 documents for China loan application
3. Signing financing agreement and preparing funds drawdown docs
4. Take funds from bank for Implementation of project
5. Gov. issue it directly or as per environment report

- Huawei support local Gov. to apply this letter
- Huawei invite professional Co. to finish this job
- Support Letter from China Government
- Project Feasibility Report
- Environment Certificate

- Huawei will do this job with Sponsor/state Co.
- Loan Application Letter
- Commercial Contract of project

Reliable Huawei, always work and cooperate with you together!
Sample Case 3—Commercial Buyer’s Credit Loan

Advantages to Customer:
• Middle to Long-term, low cost financing.
• Cash flow optimization, and ROE improvement.
• Efficient operation.
• Huawei will help to keep improving the conditions for Customer.

Tailor Made solution

- **Amount:** 30M -100M USD up to 85% of the supply contract of next 3 years.
- **Tenor:** Up to 3+7 years
- **Grace (Availability) period:** Up to 3 years
- **Repayment Period:** 7 years (14 equal and consecutive semi-annual installments)
- **Interest rate:** USD 6 M Libor+3.0%p.a. (indicative offer)
- **Guarantee:** as required by the lender to get a credit enhancement.
Sample Case 4 — Leasing and Trust Structure

**Tailor Made solution**
- **Amount:** 20 MM USD (equipment & installation services)
- **Tenor:** Up to 36 months
- **Guarantee Deposit:** 1 monthly payment
- **Commission:** 1.0%
- **Residual Value:** 1.0%
- **Credit enhancement:** pledge of collection rights under the E&S agreement with Government (last source of payment)
- **Resource Admin:** establishment of an admin trust

**Advantages to Customer:**
- Out of balance financing
- Higher credit limit approval
- Benefit from government risk enhancement
- Low cost of funds

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**Cash Flow**

- **Bank**
  - 1. Commercial Contract
  - 2. Equipment & Service Agreement
  - 3. Lease Contract
  - 4. Funding Contract
  - 5. Equipment & Service Pledge assignment
  - 6. Funding
  - 7. Funding
  - 8. Payment
  - 9. Monthly Rent
  - 10. Repayment

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**Contract Flow**

- **Customer** (Government Entity)
- **Integrator** (Huawei Business Partner)
- **Leasing Company**
“Open, Cooperation and Win-win” are in the core values of Huawei, we pursue the cooperation within the industry chain, build up a market ecosystem oriented towards resource, risk and benefit sharing.

Realizing the Win-win Status and Grow with our Partner are our main principles.