

AVIC International Announces the Founding of the Continental Motors Group and Expands Operations Into China

Friedrichshafen, Germany on April 10, 2014 – AVIC International Holding Corporation (AVIC Int'l) today announced that it is consolidating its aircraft engine businesses under a single corporate structure to continue to build a global, customer service oriented one-stop-shop for aircraft engines. The newly established “Continental Motors Group, Ltd.,” as a wholly-owned subsidiary of AVIC Int'l, is based in Hong Kong to integrate the marketing, sales, service, manufacturing, and development activities of its aircraft engine businesses. Our goal is to think globally and act locally and operate as one integrated team marketed as one brand.

In 2011 AVIC Int'l acquired the American based, world famous, piston engine manufacturer, Continental Motors, Inc. (CMI) and its sister division Mattituck Services, Inc. (MSI), a recognized provider of aircraft and engine MRO services to the piston powered aircraft fleet. In 2013 the assets of the innovative German based Thielert Aircraft Engines were acquired by AVIC Int'l and incorporated under the name Technify Motors GmbH (TMG). Finally, in early 2014, AVIC Int'l has formed Continental Motors Beijing Corporations, Ltd. in Beijing, China to act as the marketing, sales, service, and distributor of the products and services offered by the different members of the Continental Motors Group. Now, possessing four major business units in three global operating bases, CMG is the only global player capable of designing, manufacturing and maintaining both gasoline and diesel piston engines.

“AVIC Int'l highly values business development of its aviation engine business,” said Mr. Yu Yimin, Chairman of CMG and Senior Vice President of AVIC Intl. “The successful integration of our acquisitions under CMG allows us to focus the exceptional talent and technology in these businesses to deliver the advanced engine technologies and services that our customers want. As the parent company, AVIC Int'l will continue to finance CMG's research and development as well as marketing to lead the industry,” he went on to say.

“Our global strategy says: Think globally, act locally as one team under one brand. The foundation of the Continental Motors Group will ensure our customers benefit from each units expertise: CMI's 100 year history and customer relationships, TMG's R&D capability in Diesel engines and CMB's access to the Chinese market,” said Rhett Ross, Vice

President, AVIC Int'l, Director of CMG and President of CMI. "To maximize the group's profit and common growth we will effectively share resources and operations through cooperation between the independent subsidiaries. This means that marketing and product development will be managed as common CMG functions to align the operating units and leverage the efficiencies achievable through multiple time zone operations," he added.

"AVIC Int'l is committed to the global market, but has a special place and obligation to bring General Aviation products to China. By forming Continental Motors Beijing, we intend to ensure the Chinese market receives the exceptional products and services offered by the Continental Motors Group," said Mrs. Tian Shan, President of CMB and Director of CMG.

"Today, we see true growth opportunity in China, with the final comprehensive opening of nationwide, low-altitude airspace expected in 2015. The huge potential for civil and business flights will soon lead to an increasing number of aircraft in service. As a gasoline and diesel engine manufacturer, maintenance and training service supplier, we are prepared for this historic opportunity," Mrs. Tian Shan added.

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AVIC International Holding Corporation was set up in 1979, with majority shares owned by Aviation Industries of China (AVIC). Headquartered in Beijing, AVIC International delivered over 147 billion RMB (€ 17.5B) in revenue in 2013. The company has over 70,000 employees across 400 subsidiaries and is located in over 50 countries. AVIC International is a well-diversified company, with holdings in International Civil Aviation, Trade & Logistics, Retail & High-end Consumables, Real Estate and Hotel Management, Electronics Manufacturing, and Natural Resource Development. More information can be found at www.avic-intl.cn.

Continental Motors Group is a subsidiary of AVIC International Holding Corporation. Its mission is to provide advanced gasoline and Jet-A engine products, spare parts, engine and aircraft services, and pilot training for the general aviation marketplace. The operating units include Continental Motors, Inc., Technify Motors GmbH, Continental Motors Beijing, Ltd., Mattituck Services, Inc., and Zulu Flight Training, Inc. with major business operations in the US, Germany and China. More information can be found at www.continentalmotors.aero.

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