

For Immediate Release

Continental Aerospace Technologies™ and Cape Air® Announce Signing of Continental® Fleet Shield Program™

Oshkosh, Wisconsin July 22, 2019 — Continental®, an AVIC International Holding (HK) LTD company (HKEX: 232.HK), announces that Cape Air® has selected the Continental® Fleet Shield Program™ to manage its piston engine MRO needs for its Cessna® 402 twin engine aircraft fleet.

Cape Air®, as a commercial airline operator, requires high reliability and high utilization of its aircraft. Continental® worked with Cape Air® to customize its Fleet Shield Program™ offering to meet their unique needs. The program manages all aspects of Cape Air®'s engine major repair and overhaul requirements, including maintaining engines in stock, guaranteed turn times for the overhauled engines, engine exchange for engines beyond economic overhaul, shipment logistics, and pre-installation kitting.

"The Fleet Shield Program™ is a perfect complement to Cape Air®'s aircraft fleet operations and maintenance system. We are pleased they chose Continental® as a partner on Cape Air®'s team." said Chris Kuehn, Vice-President, Sales, Marketing and Customer Support, Continental®.

Continental®'s Fleet Shield Program™ is a fleet engine management program that provides aircraft fleet owners, with large or small fleets, tailor made MRO support for all piston engines in their fleet regardless of the engine brand. The basics of the Fleet Shield Program™ include parts and engine stocking, guaranteed turn times on engine MRO work, custom maintenance work to fit the fleet, and no hassle pricing to name just a few attributes. Contact your Continental® Regional Sales Manager for more information (<http://www.continental.aero/company/contact-us.aspx#>).

Backgrounder

Founded in 1905, Continental® is recognized as the forerunner in engine manufacturing for general aviation. Over the years, Continental® established itself as the industry technological leader, introducing turbo-charging, fuel injection, balanced fuel injectors, liquid cooling, Full Authority Digital Engine Control (FADEC), and many other innovations for general aviation engines.

Today, Continental® announces its fourth family of piston engines, among the current lineup of both certified and experimental, allowing for continued operations of legacy and current production airframes:

- **PRIME™ Certified Engine Line:** is a family of certified engines, direct replacement for LYCOMING®* engine installations. Already selected by Piper Aircraft® to power the Pilot 100, Pilot 100i trainer aircraft (and will be offered as an alternative on Piper® Archer LX and TX aircraft). Installed on Piper Aircraft® under the original TC of the aircraft. Performance enhancing STC's also soon available for various airframes. **PRIME™** engines are aggressively priced to enhance customer value proposition. The **PRIME™** family benefits from Continental's experience over 114 years in building OEM aviation engines. **PRIME™** engines offer reliability, performance, and durability required by fleet operators, with power options ranging from 185–195 HP.
- **Continental® Certified Legacy AvGas Line:** is a family of AvGas burning engines ranging from 90 to 375 HP. (Cessna®152/C170/C172/C182/C206/C207/TTX, Columbia® 300/400 series, Mooney® 20R, Acclaim®, Piper® Malibu/PA-28, Arrow Turbo®, Seneca®, Beechcraft® Bonanza/Baron, and Cirrus® SR20/SR22/SR22T).
- **TITAN™ Experimental Engine Line:** is recognized by home aircraft builders as the ideal fit for airframes such as the Vans® kits, Zenith®, Just Aircraft®, TopCub®, and other leading experimental aircraft.
- **Jet-A Fueled Engine Line:** Continental® is also the undisputed leader in Jet-A fueled engines, with the widest product range (including seven different engines, offering a power output of 135 to 300 HP), over 6,000 engines delivered to the field and more than 7,000,000 hours in service. These engines are the primary choice of airframe manufacturers for their Jet-A offering: Piper Aircraft®, Robin Aircraft®, and Glasair®. Retrofit solutions are also available for popular airframes such as the Cessna® C172 Skyhawk, Piper® PA-281 and Diamond® DA-40/-42.
- **PRIME™ FAA-Approved PMA Parts:** as an OEM manufacturer, offers a full range of FAA-Approved PMA parts. The Continental **PRIME™** family of products is specifically designed for Lycoming®* engines and is manufactured in our modern manufacturing sites to the same exacting standards used for Continental® parts. Continental® stands behind the **PRIME™** family of products and offers a comprehensive industry leading warranty on all **PRIME™** products and extremely attractive pricing.
- **Accessories:** Continental® also designs, manufactures, and distributes key accessories for general aviation power solutions such as fuel systems, ignition systems (formerly known as "Bendix® magnetos"), alternators and turbos for Jet-A engines, and Full Authority Digital Engine Control (FADEC) systems for both gasoline and Jet-A engines.
- **Services:** Over the years, Continental® has also built a service offering for aircraft operators and owners. These services include engine overhauls at the Continental® factory service center (Continental®, **TITAN™**, and LYCOMING®* engines), factory overhauls for Continental® AvGas engines, shock inspections, fleet overhaul programs, Jet-A burning engine retrofits, airframe and power plant maintenance (Beechcraft®, Cessna®, Diamond®, and Piper®), PT6 turbines overhauls and repairs, and avionics and interiors installation and services.

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Cape Air®, founded in 1989, provides year-round scheduled flights across the Northeast, Caribbean, Midwest, and Montana. The company operates a fleet that includes 83 Cessna® 402 twin-engines, 4 Britten-Norman Islanders and 11 Cessna® Caravans.

Continental Motors Group, Ltd. of Hong Kong, China, doing business as Continental Aerospace Technologies™, is a subsidiary of AVIC International Holding (HK) LTD, a publicly traded company on the Hong Kong stock exchange (HKEX ticker: 232). Its mission is to provide advanced gasoline and Jet-A piston engine products, spare parts, engine and aircraft services, avionics equipment and repairs for the general aviation marketplace. Continental® is an international operation employing approximately 675 team members in the USA, Germany, and China. More information can be found at www.continental.aero.

AVIC International Holding (HK) Limited is a Hong Kong-based investment holding company engaged in aviation, property, textile and trading businesses. The Company operates two business segments. The Aviation segment is engaged in the development, manufacturing, and support of advanced power system solutions for general aviation aircraft. The Property Development and Investment segment is engaged in the development of residential and commercial properties.

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- I. Projected financial performance of the Company;
- II. Completion of, and the use of proceeds from, the sale of the shares being offered hereunder;
- III. The expected development of the Company's business, projects and joint ventures;
- IV. Execution of the Company's vision and growth strategy, including with respect to future M&A activity and global growth;
- V. Sources and availability of third-party financing for the Company's projects; (
- VI. Completion of the Company's projects that are currently underway, in development or otherwise under consideration;
- VII. Renewal of the Company's current customer, supplier and other material agreements; and
- VIII. Future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guaranteeing future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.