



Continental Motors Group

News Release

Continental Motors Group and Qingdao Jiutian International Flight School announce a Jet-A engine fleet conversion program for its 21 C172 aircraft

Zhuhai, China Airshow, November 7, 2018 — Continental Motors Group Ltd. (CMG) an AVIC International Holding (HK) LTD company (HKEX: 232.HK), announced that they have signed a fleet conversion agreement with Qingdao Jiutian International Flight School. This converts their current fleet of Cessna® 172 aircraft equipped with gasoline engines, to Jet-A burning engines manufactured by Continental Motors®. Furthermore, after receiving extensive technical training, Qingdao Jiutian International will become a Master Installation Center for CMG's range of Jet-A engines, allowing the company to perform retrofits and engine maintenance in China.

Qingdao Jiutian operates a vast fleet of training aircraft that includes Cessna® C172 and Diamond DA40 aircraft. By converting their gasoline-powered Cessna® 172s to the Jet-A CD-155, the flight school will streamline their fleet's maintenance, operations, and training needs, as both airframes will be equipped with the same engine type. Furthermore, increasing maintenance intervals from 50 hours to 100 hours for converted aircraft will increase flight availability of the aircraft allowing more training time per aircraft. As a Master Installation Center for China, Qingdao Jiutian will offer retrofits, engine exchanges, and services not only for the Cessna® 172 but also for the Piper PA28 Jet-A CD-100 series and the Diamond DA40 airframes.

Continental Motors Group is the undisputed leader and manufacturer of piston Jet-A engines for general aviation. We offer 7 different models of Jet-A engines, for fixed wing and rotary wing applications. Since 2002, we have delivered more than 5,500 units of our CD-100 series (CD-135 and CD-155) globally and accrued more than 5.8 million flight hours. CD-100 engines have enjoyed a great success in China and are widely used by Chinese flight schools.

"As one of the leading flight training schools, Qingdao Jiutian will benefit from improved availability on the flight line and reduced operational costs by using Continental Jet-A engines", said Yu Xiaodong, EVP of Continental Motors Group. *"Partnering with Qingdao Jiutian's service and maintenance capabilities will also help CMG to enhance the support and service offerings in China",* he added.

Qingdao Jiutian operates 35 aircraft, all devoted to professional pilot training to more than 100 customers in China and operates IASCO Flight Training (IFT) in the United States. IASCO, founded in 1971, is a PART-141 flight academy, certified by FAA and CAAC. The company has a long tradition of excellence in flight training and offers training in an international environment to Chinese students. Since its establishment, Qingdao Jiutian has been focusing on the pilot training market. The company always provides top-level services and customized training products to our customers. They are always looking for ways to enhance their level of service, training methodology and are willing to adopt the best that new technology has to offer, in order to always exceed their customers' expectations. The cooperation with Continental Motors Group is another demonstration of their commitment to excellence, as are our Czech University of Technology project and the "No Failure Release" Program.

"After long discussions within our team and a detailed analysis of the options available on the market, we decided to cooperate with CMG, based on Continental engine's excellent quality



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and reliability and their ability to provide us with a real partnership”, said Mr. Zhu Zhaobin, General Manager of Qingdao Jiutian. “CMG not only provides engines but becomes a strategic partner, allowing us to develop our offerings further, in China and abroad. We are convinced that it will improve our operational efficiency and capacities. This partnership becomes a part of Qingdao Jiutian’s long-term strategy. This is a win-win solution for both partners”.

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Continental Motors Group, Ltd. of Hong Kong, China 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.continentalmotors.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 through four 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. The Knitting and Textile segment is engaged in the production and distribution of knitting and textile products, knitted fabrics and clothing. The Trading segment is engaged in the trading of raw materials and auxiliary materials.

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