



Continental Motors Group

Continental Motors Group® Announces New Factory and global investment plan

Continental Motors Group to build a new factory and corporate office in Mobile, AL, and invest globally in the future of General Aviation

Mobile (AL, USA), March 27th, 2017—Continental Motors Group® Ltd (CMG), an AVIC International Holding Corporation® company, announced it has chosen the city of Mobile, Alabama, USA for the first step of a 3-year global investment plan to take its manufacturing, customer service and engineering infrastructure to the next level. This first step will build a new, state of the art manufacturing facility and corporate office located at the Mobile Aeroplex at Brookley and will replace the company's current 11 building footprint with a single, state-of-the-art facility designed for lean manufacturing and office systems.

The Company has spent the past year working with manufacturing experts, conducting benchmarking visits and planning an investment program that renews its commitment to not just assembling aviation piston engines, but also manufacturing the core parts that make the engines. The new facility will be nearly 225,000 square feet (21,000 m²) with the majority being dedicated to advanced engine and parts manufacturing. The facility will be populated with new manufacturing equipment and include a special area designated for evaluation of new manufacturing techniques and processes, including additive manufacturing and automation.

"We currently occupy 11 buildings on 44 acres at the Mobile Aeroplex at Brookley, with most of the buildings built before the second World War. The current operation being spread throughout multiple buildings, drives many challenges and inefficiencies," said Mr. Michael Skolnik, Executive Vice President Global Operations. "Continental Motors® has been a big part of the local Mobile community for over 50 years and is pleased with the community support that allows us to renew our commitment to the region and our great team members for many years to come. The "greenfield" facility will modernize our manufacturing processes into a world class, high productivity, vertically integrated

center of manufacturing excellence in the new center of aviation in Mobile, Alabama, USA.”, he finished.

Building a new factory is only one part of the plan to profoundly transform Continental Motors and the way the company designs, manufactures, certifies, and support products. CMG will build a new customer and technical service infrastructure and environment that will allow assisting customers through phone, email, and app support, regardless of their location in the world, 24/7/365. Furthermore, Continental Motors will increase its capacity to develop new products and expand China market access with a new engineering and design service center based in China.

“Continental Motors has been supported by its excellent team members and the community of Mobile, Alabama for over 50 years. We are pleased today to announce a renewed partnership with all to secure the company’s future for another 100 years. Further, I am pleased to announce our commitment to our global team members and customers with a firm investment to modernize our facilities, products and support.”

said Rhett Ross, President and CEO of Continental Motors Group, Ltd.

“Continental Motors has been an outstanding partner to our community for many years. We are pleased to support them in making this major investment in the City of Mobile,” said Mayor Sandy Stimpson. *“Mobile is open for business, and it’s a great time to invest in Mobile.”*

Continental Motors will finish building design and equipment selection in 2017 and will move into its new North American facility in 2019.

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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, the assets of AVIC International represent up to 280 billion RMB. The company has over 100,000 employees across 400 subsidiaries, is located in over 60 countries, and possesses eight publicly listed companies. 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 TM, Ltd. of Hong Kong, China is a subsidiary of AVIC International Holding Corporation of Beijing, China. Its mission is to provide advanced gasoline and Jet-A piston engine products, spare parts, engine and aircraft services, avionics equipment and repairs as well as pilot training for the general aviation marketplace. Continental is an international operation employing approximately 460 team members in Mobile, Fairhope and Miami, USA; 200 team members in St. Egidien, Germany; and 8 team members in Beijing, China. More information can be found at www.continentalmotors.aero.

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