



PRESS RELEASE

Rostec signs strategic partnership agreement with leading Chinese carbon producer

Investment holding company RT-Business Development, which is wholly owned by State Corporation Rostec, and Ingenious Ene-Carbon New Materials Co., Ltd. (China) have signed a memorandum of understanding on pursuing investment projects in the field of carbon materials. The document was signed by Andrey Korobov, general director of RT-Business Development, and Fan Zhiming, president of Ingenious Ene-Carbon New Materials Co., Ltd.

The sides agreed to set up a management company on a fifty-fifty basis that will invest in various Russian and international projects involving carbon materials (including PAN precursors, carbon fibers, and graphene). Its investment fund, totaling up to \$500 million, will be secured by Chinese financial institutions and large private investors.

"Our company is expanding its involvement in international investment projects in the field of industry and technologies and is strengthening its business links with Chinese partners. The memorandum we signed today is a major step in what is for the Corporation the highly important area of developing new materials and composites for Russian industrial companies. We are looking forward to our Chinese partner enabling us to reach out to the Chinese market and providing us with access to financing by Chinese investors," **Andrey Korobov, general director of RT-Business Development**, said.

The memorandum is yet another step in increased cooperation between State Corporation Rostec and its Chinese partners that is bound to become a growth driver in attracting foreign investment in Rostec projects and enlarging the order portfolios of the companies under the corporation umbrella.

RT-Business Development has a track of successful cooperation with Chinese business organizations, in particular the China Baoli transaction involving the sale of Yota Devices stock in 2016. In June 2016 RT-Business Development and China CYTS Industrial Development signed a memorandum on creation of an investment fund of up to \$500 million to invest in Russian IT and high-tech projects.



Background

RT-Business Development LLC is a wholly owned subsidiary of State Corporation Rostec that specializes in asset management and financial and industrial project implementation. Under its three-year strategy and initial operating program, the company will move over to a direct investment fund model of operation by 2017-2018. Its strategic objectives are to increase the capitalization of the assets it manages and to implement large-scale financial and industrial projects in various economic sectors. The company's principal goal during its current stage of development is to maximize the investment attractiveness of its existing projects and partially monetize them in order to seek out new investment partners and reap the financial rewards of its operations.

Ingenious Ene-Carbon New Materials is one of the leaders in the sale of carbon-based products in China. It offers a variety of innovative materials, such as graphite, graphene, nano-carbon, as well as other composite materials. In addition, it involves in the real estate development as well as hotel investment and operation. At the moment, there are two commercial residential projects in Shenyang and Shanghai. Ene-Carbon is quoted on the Shenzhen Stock Exchange with market capitalization of \$1,5 billion. In 2015 the company had reported the Revenue of \$170m and Net Income of \$340k