



**COOPERATION AGREEMENT SIGNED BETWEEN
KONČAR AND CHINA XD ELECTRIC CO.**

Xi'an (China), 12 June 2018 – The Joint Venture Shareholders' Agreement for the production of high voltage SF₆ gas insulated switchgear (GIS) from 170 to 420 kV was signed today between KONČAR – Electrical Industry Inc. and China XD Electric Co.

The joint venture partners, with their head offices in Zagreb, will each have 50% ownership of 'KONČAR-XD High Voltage Switchgear'. The investment is estimated at around 120 million kuna, of which 60% is allocated to the new company equity.

New products will supplement the existing KONČAR production range, primarily intended for the European market. New production facilities will be located on KONČAR site in Sesevski Kraljevac employing 60 new professional and highly educated workers. First products will reach the market in 2020.

China XD Electric Co. was founded in 1959. Listed on the Shanghai Stock Exchange and employing 14,000 workers, it represents one of world's major companies for the production of electric power equipment.

KONČAR Management Bord