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## **UNITED COMPANY RUSAL PLC**

*(Incorporated under the laws of Jersey with limited liability)*

**(Stock Code: 486)**

### **CONTINUING CONNECTED TRANSACTIONS SALE OF RAW MATERIALS**

Reference is made to the announcements of the Company dated 23 December 2014, 13 September 2016, 30 December 2016, 28 February 2017 and 10 March 2017 in relation to the Previously Disclosed Raw Materials Supply Contracts.

The Company announces that on 5 December 2017, a member of the Group, as seller, entered into the Additional Agreement to the Raw Materials Supply Contract with an associate of En+, as buyer.

### **THE ADDITIONAL AGREEMENT TO THE RAW MATERIALS SUPPLY CONTRACT**

Reference is made to the announcements of the Company dated 23 December 2014, 13 September 2016, 30 December 2016, 28 February 2017 and 10 March 2017 in relation to the Previously Disclosed Raw Materials Supply Contracts.

The Company announces that on 5 December 2017, a member of the Group, as seller, entered into an additional agreement to the original contract dated 25 December 2014, with an associate of En+, as buyer, with major terms set out below (the “Additional Agreement to the Raw Materials Supply Contract”):

| Date of the additional agreement   | Seller (member of the Group)                               | Buyer (associate of En+) | Raw materials to be supplied | Estimated delivery volume for the year ending 31 December 2017 | Estimated consideration payable for the year ending 31 December 2017 excluding VAT (USD) | Scheduled termination date  | Payment terms   |
|--|--|--------------------------|------------------------------|--|--|---|---|
| 5 December 2017, which is the additional agreement to the original contract dated 25 December 2014 | Joint-stock company “United Company RUSAL - Trading House” | “KraMZ” Ltd.             | Silicon                      | Approximately 40 tons  | 86,899<br><i>(Note 1)</i>  | 31 December 2017. The additional agreement may be extended automatically for the following calendar year if neither party declares its intention to terminate the additional agreement in writing prior to the expiry of the additional agreement | 100% advance payment upon signing of the additional agreement |
| <b>Total estimated consideration payable for the year</b>  |  |                          |                              |  | 86,899   |   |   |

*Note:*

1. The contract price is agreed between the parties according to market price and based on per unit price of up to USD2,173/ton (including transportation costs).

The consideration under the Additional Agreement to the Raw Materials Supply Contract is to be paid in cash via bank transfer.

**THE ANNUAL AGGREGATE TRANSACTION AMOUNT**

Pursuant to Rule 14A.81 of the Listing Rules, the continuing connected transactions contemplated under the Additional Agreement to the Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts should be aggregated, as they were entered into by members of the Group with the associates of Mr. Deripaska/En+, and the subject matter of each contract relates to the supply of raw materials by the Group to the associates of Mr. Deripaska/En+.

The annual aggregate transaction amount that is payable by the associates of Mr. Deripaska/En+ to the Group under the Additional Agreement to the Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts for the financial year ending 31 December 2017 is estimated to be approximately USD16.049 million.

The consideration payable under the Additional Agreement to the Raw Materials Supply Contract is calculated by multiplying the unit price by the volume. The unit price is set out in the note to the table above.

The consideration payable under the Additional Agreement to the Raw Materials Supply Contract has been arrived at after arm's length negotiation with reference to the market price and on terms no less favourable than those prevailing in the Russian market for raw materials of the same type and quality and those offered by members of the Group to independent third parties customers. The annual aggregate amount is the maximum amount of consideration payable under the terms of the Additional Agreement to the Raw Materials Supply Contract based on the delivery volume estimated by Directors and the demand from the buyer.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Directors consider that the entering into of the Additional Agreement to the Raw Materials Supply Contract is for the benefit of the Company as the sale is profitable and the Group is assured of payment on a timely basis and there are less financial risks. In addition, the Additional Agreement to the Raw Materials Supply Contract was entered into in order to comply with the requirements of the Federal Antimonopoly Service of the Russian Federation. As the Federal Antimonopoly Service of the Russian Federation instructs, the Group is required to supply certain raw materials to local consumers.

The Directors (including the independent non-executive Directors) consider that the Additional Agreement to the Raw Materials Supply Contract is on normal commercial terms which are fair and reasonable and the transactions contemplated under the Additional Agreement to the Raw Materials Supply Contract are in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Additional Agreement to the Raw Materials Supply Contract, save for Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova who are directors of En+, being the holding company of “KraMZ” Ltd. Mr. Deripaska is also indirectly interested in more than 30% of the issued share capital of “KraMZ” Ltd. Accordingly, Mr. Deripaska, Mr. Vladislav Soloviev, Mr. Maxim Sokov, Ms. Olga Mashkovskaya and Ms. Gulzhan Moldazhanova did not vote on the Board resolution approving the Additional Agreement to the Raw Materials Supply Contract.

## **LISTING RULES IMPLICATIONS**

“KraMZ” Ltd. is held by En+ (a substantial shareholder of the Company) as to more than 30% of the issued share capital. En+ is in turn held by Mr. Deripaska as to more than 50% of the issued share capital. “KraMZ” Ltd. is therefore an associate of Mr. Deripaska and of En+, and is thus a connected person of the Company.

Accordingly, the transactions contemplated under the Additional Agreement to the Raw Materials Supply Contract constitute continuing connected transactions of the Company.

The estimated annual aggregate transaction amount of the continuing connected transactions under the Additional Agreement to the Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts for the financial year ending 31 December 2017 is more than 0.1% but less than 5% under the applicable percentage ratios. Accordingly, pursuant to Rule 14A.76 of the Listing Rules, the transactions contemplated under these contracts are only subject to the announcement requirements set out in Rules 14A.35 and 14A.68, the annual review requirements set out in Rules 14A.49, 14A.55 to 14A.59, 14A.71 and 14A.72 and the requirements set out in Rules 14A.34 and 14A.50 to 14A.54 of the Listing Rules. These transactions are exempt from the circular and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Details of the Additional Agreement to the Raw Materials Supply Contract and the Previously Disclosed Raw Materials Supply Contracts will be included in the relevant annual report and accounts of the Company in accordance with Rule 14A.71 of the Listing Rules where appropriate.

## **PRINCIPAL BUSINESS ACTIVITIES**

The Company is principally engaged in the production and sale of aluminium, including alloys and value-added products, and alumina.

“KraMZ” Ltd. is principally engaged in aluminium processing.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

|                                     |  |
|-------------------------------------|--|
| “associate(s)”                      | has the same meaning ascribed thereto under the Listing Rules.   |
| “Board”                             | the board of Directors.  |
| “Company”                           | United Company RUSAL Plc, a limited liability company incorporated in Jersey, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited. |
| “connected person(s)”               | has the same meaning ascribed thereto under the Listing Rules.   |
| “continuing connected transactions” | has the same meaning ascribed thereto under the Listing Rules.   |
| “Director(s)”                       | the director(s) of the Company.  |
| “En+”                               | En+ Group Limited, a company incorporated in Jersey, a substantial shareholder of the Company.   |
| “Group”                             | the Company and its subsidiaries.  |
| “Listing Rules”                     | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.  |
| “Mr. Deripaska”                     | Mr. Oleg Deripaska, an executive Director.   |
| “percentage ratios”                 | the percentage ratios under Rule 14.07 of the Listing Rules.   |

|   |  |
|---|--|
| “Previously Disclosed Raw Materials Supply Contracts” | the raw materials supply contracts entered into between members of the Group and the associates of Mr. Deripaska/En+, pursuant to which members of the Group agreed to sell raw materials to associates of Mr. Deripaska/En+ in 2017, as disclosed in the announcements of the Company dated 23 December 2014, 30 December 2016, 28 February 2017 and 10 March 2017. |
| “substantial shareholder”                             | has the same meaning ascribed thereto under the Listing Rules.   |
| “USD”   | United States dollars, the lawful currency of the United States of America.  |
| “VAT”   | value added tax.   |

By Order of the Board of Directors of  
**United Company RUSAL Plc**  
**Aby Wong Po Ying**  
*Company Secretary*

6 December 2017

*As at the date of this announcement, the executive Directors are Mr. Oleg Deripaska, Mr. Vladislav Soloviev and Mr. Siegfried Wolf, the non-executive Directors are Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Mr. Ivan Glasenberg, Mr. Maksim Goldman, Ms. Gulzhan Moldazhanova, Mr. Daniel Lesin Wolfe, Ms. Olga Mashkovskaya, Ms. Ekaterina Nikitina and Mr. Marco Musetti, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Mr. Philip Lader, Dr. Elsie Leung Oi-sie, Mr. Mark Garber, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.*

*All announcements and press releases published by the Company are available on its website under the links <http://www.rusal.ru/en/investors/info.aspx>, <http://rusal.ru/investors/info/moex/> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.*