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**UNITED COMPANY RUSAL, INTERNATIONAL  
PUBLIC JOINT-STOCK COMPANY**

*(Incorporated under the laws of Jersey with limited liability and continued in the  
Russian Federation as an international company)*

**(Stock Code: 486)**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF 30% EQUITY INTEREST IN  
HEBEI WENFENG NEW MATERIALS CO., LTD.**

On 23 October 2023, the Purchaser entered into the Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Acquired Interest, which represents 30% of the entire equity interest of HWNM, for a consideration of CNY 1.911 billion (equivalent to approximately USD 266,899,441 at the exchange rate of 7.16 USD/CNY).

As a part of the transaction, the Vendor, HWNM, the Controlling Person and the Purchaser will enter into the Shareholders' Agreement to regulate the respective rights and obligations of the shareholders of HWNM and the conduct of the affairs (including but not limited to the ownership, management and operations) of the HWNM.

HWNM owns and operates an alumina refinery located in the Hebei Province, Caofeidian District with a nameplate annual capacity of 4.8 million tonnes of metallurgical grade calcined alumina. Both the Purchaser and the Vendor will share the produced alumina pro rata to their respective equity interests.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition (taking into account the Consideration and the Guarantee) is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**As the completion of the Agreement is subject to the satisfaction or waiver (as applicable) of certain conditions precedent stated in the Agreement, the Acquisition may or may not proceed. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **THE AGREEMENT**

On 23 October 2023, the Purchaser entered into the Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Acquired Interest, which in total represents 30% of the entire equity interest of HWNM.

Set out below is a summary of the principal terms of the Agreement:

### **Date**

23 October 2023

### **Parties**

- (1) the Purchaser;
- (2) the Vendor; and
- (3) the Controlling Person.

### **Subject matter of the transaction**

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the Acquired Interest, which in total represents 30% of the entire equity interest of HWNM.

The Controlling Person undertakes to procure the Vendor to fulfill its respective obligations contemplated under the Agreement, and is jointly and severally liable with the Vendor in respect of any of the undertakings, obligations and liabilities under the Agreement.

## **Consideration**

Subject to the terms and conditions of the Agreement, the purchase price is CNY 1.911 billion (equivalent to approximately USD 266,899,441 at the exchange rate of 7.16 USD/CNY) (the “**Initial Purchase Price**”) which may be adjusted depending on the HWNM’s working capital and debt as of closing and any outstanding or unsettled indemnification claim in accordance with the terms and conditions of the Agreement as of closing but is expected not to exceed CNY 2.5 billion (equivalent to approximately USD 349,162,012 at the exchange rate of 7.16 USD/CNY) (the “**Consideration**”).

The Consideration shall be paid on the first business day of the month following the satisfaction of all agreed conditions precedent or waiver thereof. The Consideration will be settled in cash.

The Consideration was determined and agreed between the Vendor and the Purchaser at arm’s length negotiations following a thorough due diligence exercise conducted by the Purchaser with support from engaged professional advisers and with reference to the financial benefits that the Purchaser anticipates to receive from owning the Acquired Interest.

## **Guarantee**

The Purchaser will provide the Guarantee of up to CNY 1.605 billion (equivalent to approximately USD 224,162,011 at the exchange rate of 7.16 USD/CNY) to the Vendor in support and in connection to the Vendor’s 30% guarantee obligations issued as security to the bank loans granted to HWNM (the “**Bank Loans**”). The Guarantee will be in effect as long as the Vendor’s guarantee obligations remain in force, unless otherwise agreed between the Vendor and the Purchaser, and will be reduced over time as HWNM repays the Bank Loans.

Completion of the Agreement shall be conditional upon a number of conditions precedent, including but not limited to approval or clearance of the PRC or other authorities, corporate approvals and consents from the creditors of the HWNM.

## **COMPLETION**

Subject to the fulfillment or waiver (as the case may be) of the conditions precedent, Closing Date of the Agreement shall take place on the first business day of the month following the last outstanding condition precedent (other than those conditions precedent which are only capable of being fulfilled upon completion) shall have been fulfilled or waived (or such other date as the Company and the Purchaser may agree in writing) on which completion is to take place, but no later than 13th business day of such fulfillment or waiver. Following Closing Date and upon receipt of the Initial Purchase Price by the Vendor, the Closing shall occur.

## SHAREHOLDERS' AGREEMENT

The Vendor, HWNM, the Controlling Person and the Purchaser will enter into the Shareholders' Agreement to regulate the respective rights and obligations of the shareholders of HWNM and the conduct of the affairs (including but not limited to the ownership, management and operations) of the HWNM.

### Call Option Right

Pursuant to the Shareholders' Agreement, if the shareholding percentage held by the Vendor in HWNM becomes less than 50%; any fact, event or circumstance that may cause or lead to the change of control over HWNM occurs; or Wenfeng Tegang is subject to an insolvency event or a change of control as defined in the Shareholders' Agreement, then the Purchaser and HWNM shall have a call option right of requiring the Vendor and the Controlling Person to procure (i) Wenfeng Tegang to sell to HWNM the Option Power House and (ii) if the call option right is exercised by HWNM, the directors of HWNM nominated by the Vendor shall vote in favor of the acquisition of the Option Power House ("**Call Option Right**"). The consideration for the acquisition of the Option Power House by HWNM from Wenfeng Tegang shall be equal to the net book value of the Option Power House, determined based on the latest accounting statements of HWNM for the relevant accounting/financial period preceding the date of HWNM executing the Call Option Right.

### Open Put Option

Pursuant to the Shareholders' Agreement, at any time within the period starting on the date following the Closing Date and ending on the earlier of: (a) the date falling three years following the Closing Date; or (b) the date when the amount of dividends distributed by HWNM to the Purchaser becomes equal or exceeds the Consideration under the Agreement, and regardless of occurrence of an Exit Event, the Purchaser shall have a right of requiring the Vendor and the Controlling Person to purchase all of the Purchaser's equity interests in HWNM ("**Open Put Option**") at a price equal to the Consideration under the Agreement (i) reduced by the amount of the dividends distributed by HWNM to the Purchaser as of the date when the Open Put Option notice was sent by the Purchaser to the Vendor or the Controlling Person and (ii) increased by the amount of payments made by the Purchaser to the Vendor or the Controlling Person or third parties under the Guarantee, the replacement guarantees or any other guarantees that the Purchaser may provide to the Vendor, HWNM or for their benefit, subject to compliance with the requirements applicable to the Purchaser (including its holding companies and affiliates) under the Listing Rules.

## **Exit Put Option and Exit Call Option**

Pursuant to the Shareholders' Agreement, if an Exit Event occurs, without prejudice to the Purchaser's other rights or remedies available to it, the Purchaser shall have an option (subject to compliance with the requirements applicable to the Purchaser (including its holding companies and affiliates) under the Listing Rules) of requiring each or both of the Vendor and the Controlling Person, as the case may be, to:

- (a) purchase any and all of the Purchaser's equity interests in HWNM at a price equal to fair market value as determined by an independent appraiser or equal to the Consideration under the Agreement, in the Purchaser's sole discretion, plus 10% (the "**Exit Put Option**"); or
- (b) sell any and all of the Vendor's equity interests in HWNM to the Purchaser or its designee at a price equal to fair market value (as agreed between the parties or, if the parties fail to agree on such price, as determined by an independent appraiser) minus 10% (the "**Exit Call Option**").

## **Selling restrictions**

Each of the Purchaser, the Vendor or the Controlling Person is entitled to transfer, whether in a direct or indirect way, only all (but not part) of the equity interest in HWNM held by the respective party and only for cash (not in-kind) consideration.

After having given at least 30 days prior notice to the other parties, the Purchaser may at any time transfer all of its equity interests of HWNM to any of its affiliates, provided that such transfer meets certain requirements as specified in the Shareholders' Agreement. Selling restrictions applicable to the Vendor and the Controlling Person are set out in the Shareholders' Agreement.

## INFORMATION ABOUT THE TARGET COMPANY

HWNM is principally engaged in production of calcined metallurgical grade alumina.

The financial information of HWNM for the two years ended 31 December 2022 based on its audited accounts is as follows:

	<b>For the year ended 31 December 2021 (audited)</b>	<b>For the year ended 31 December 2022 (audited)</b>
Net profit before taxation	As HWNM commenced operations only in 2022, 2021 figures are not available	CNY 372,804,765 (equivalent to approximately USD 52 million at the exchange rate of 7.16 USD/CNY)
Net profit after taxation	As HWNM commenced operations only in 2022, 2021 figures are not available	CNY 281,254,671 (equivalent to approximately USD 39 million at the exchange rate of 7.16 USD/CNY)

The audited net asset value of HWNM as at 31 December 2022 was approximately CNY 2,912,254,671 (which equals to approximately USD 407 million at the exchange rate of 7.16 USD/CNY).

## REASONS FOR AND BENEFITS OF THE TRANSACTION

As HWNM is engaged in alumina production, the Directors consider that the Acquisition will allow the Company to gain access to alumina at a competitive cost and secure its key raw material supply.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement and the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## INFORMATION ABOUT THE PARTIES

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

The Vendor is a holding company principally engaged in production of metallurgical grade calcined alumina, cast iron and steel, transshipment of lumber and provision of logistics services.

Mr. Jeff Liu, is the Controlling Person of each of the Vendor and HWNM, who indirectly owns 90% of the entire equity interest of HWNM, by directly holding 90% of the equity interest of the Vendor.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner, Mr. Jeff Liu, are third parties independent of the Company and its respective connected persons.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition (taking into account the Consideration and the Guarantee) is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**As the completion of the Agreement is subject to the satisfaction or waiver (as applicable) of certain conditions precedent stated in the Agreement, the Acquisition may or may not proceed. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Acquired Interest by the Purchaser from the Vendor pursuant to the Agreement.
“Acquired Interest”	30% of the entire equity interest of HWNM, which the Vendor agreed to sell and the Purchaser agreed to acquire pursuant to the Agreement.
“Agreement”	sale and purchase agreement dated 23 October 2023 entered into between the Vendor and Purchaser pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Acquired Interest.

“Board”	the board of Directors.
“Closing”	the completion of the sale and purchase of the Acquired Interest in accordance with the Agreement, subject to receipt by the Vendor of the Initial Purchase Price.
“Closing Date”	the first business day of the following month after the last outstanding conditions set out in the Agreement have been satisfied or waived.
“CNY”	Chinese Yuan Renminbi, the lawful currency of the People’s Republic of China.
“Company”	United Company RUSAL, international public joint-stock company, incorporated under the laws of Jersey with limited liability and continued in the Russian Federation as an international company, 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.
“Controlling Person”	Mr. Jeff Liu, who as at the date of this announcement directly holds 90% of the equity interest of the Vendor, and hence indirectly owns 90% of the entire equity interest of HWNM.
“Director(s)”	the member(s) of the Board of the Company.
“Exit Event”	an exit event as defined in the Shareholders’ Agreement, including, amongst others, a material breach under the Agreement or the Shareholders’ Agreement which, if capable of remedy, has not been remedied (subject to the Purchaser’s reasonable opinion and determination) within 20 business days after being served with written notice identifying the breach and requiring to be remedied by the Purchaser; the Vendor, HWNM or a permitted transferee is subject to a change of control (as defined in the Shareholders’ Agreement); or the Vendor or the Controlling Person is subject to an insolvency event (as defined in the Shareholders’ Agreement).



“Guarantee”	a corporate guarantee of CNY 1.605 billion (equivalent to approximately USD 224,162,011 at the exchange rate of 7.16 USD/CNY) provided by the Purchaser to the Vendor in support and in connection to the Vendor’s 30% guarantee obligations issued as security to the bank loans raised by HWNM
“HWNM”	Hebei Wenfeng New Materials Co., Ltd., a limited liability company established under the laws of the People’s Republic of China, which is wholly owned by the Vendor as of the date of this announcement.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Option Power House”	the power house legally and validly owned and operated by Wenfeng Tegang which supplies steam to HWNM.
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules.
“PRC”	The People’s Republic of China.
“Purchaser”	the Company.
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Vendor, HWNM, the Controlling Person and the Purchaser in connection with the conduct of the affairs of HWNM.
“USD”	United States dollars, the lawful currency of the United States of America.
“Vendor”	Hebei Wenfeng Industrial Group Co., Ltd., a limited liability company established under the laws of the People’s Republic of China.

“Wenfeng Tegang”

Tangshan Wenfeng Special Steel Co., Ltd., an affiliate of HWNM which is controlled by the Controlling Person.

For and on behalf of  
**United Company RUSAL,**  
**international public joint-stock company**  
**Evgenii Nikitin**  
*General Director, Executive Director*

24 October 2023

*As at the date of this announcement, the members of the Board of Directors are the following: the executive Directors are Mr. Evgeny Kuryanov, Mr. Evgenii Nikitin and Mr. Evgenii Vavilov, the non-executive Directors are Mr. Mikhail Khardikov, Mr. Vladimir Kolmogorov and Mr. Semen Mironov, and the independent non-executive Directors are Mr. Christopher Burnham, Ms. Liudmila Galenskaia, Mr. Kevin Parker, Mr. Randolph N. Reynolds, Dr. Evgeny Shvarts, Ms. Anna Vasilenko and Mr. Bernard Zonneveld (Chairman).*

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