

27 October 2017

## ALTECH – SUCCESSFUL A\$17 MILLION SHARE PLACEMENT

### Highlights

- Successful A\$17 million share placement
- US\$4.0 million (~A\$5.1 million) commitment from German engineering firm SMS group
- A\$3.0 million commitment from Melewar Group
- Significant demonstration of confidence in Altech and its HPA project

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that it has received commitments to raise \$17.2 million (before costs) through the placement of ~122.9 million fully paid ordinary shares at an issue price of \$0.14 per share (the Placement) to continue the development of its high purity alumina (HPA) project.

The Placement was corner-stoned by German engineering firm SMS group GmbH (SMS) with a US\$4.0 million (A\$5.1 million) commitment, and an A\$3.0 million commitment from entities associated with Altech non-executive director Tunku Yaacob Khyra (Melewar Group).

The issue price of \$0.14 per share represents a 17% discount to the 15-day volume weighted average price (VWAP) of the Company's shares as traded on the ASX to the close of trade on Friday, 20 October 2017. The issue of Placement shares to Melewar Group and SMS will be subject to shareholder approval at the Company's annual general meeting to be held on Thursday, 30 November 2017. All other Placement shares will be issued from the Company's share placement capacity under ASX Listing Rules 7.1 (44,118,337 shares) and 7.1A. (21,824,224 shares).

Proceeds from the Placement will be used to continue the development of the Company's HPA project. This will include payments for land at Meckering, Western Australia and Johor, Malaysia; detailed engineering design; working capital and general corporate purposes.

Commenting on the cornerstone equity investors' support, Altech managing director Mr Iggy Tan said, *"The Company very much welcomes the direct investment by SMS in Altech; it strongly demonstrates their commitment and confidence as EPC contractor to the project. The ongoing support of Melewar Group is equally important; the group has supported the Company since 2015 and is a strong believer of our HPA project and the construction of the high purity alumina plant in Malaysia. The Placement leaves us well capitalised to complete the optimal funding arrangements for the HPA project in 2018"*, he said.

- Ends -

For more information, please contact:

**Corporate**

**Iggy Tan**

Managing Director  
Altech Chemicals Limited  
Tel: +61 8 6168 1555  
Email: [info@altechchemicals.com](mailto:info@altechchemicals.com)

**Shane Volk**

Company Secretary  
Altech Chemicals Limited  
Tel: +61 8 6168 1555  
Email: [info@altechchemicals.com](mailto:info@altechchemicals.com)

**Investor Relations (Europe)**

**Kai Hoffmann**

Soar Financial Partners  
Tel: +49 69 175 548320  
Email: [hoffmann@soarfinancial.com](mailto:hoffmann@soarfinancial.com)  
*Wir sprechen Deutsch.*

**About Altech Chemicals (ASX:ATC) (FRA:A3Y)**

**Altech Chemicals Limited** (Altech/the Company) is aiming to become one of the **world's leading suppliers of 99.99% (4N) high purity alumina (HPA)** ( $Al_2O_3$ ).

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of synthetic sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at a compound annual growth rate (CAGR) of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use expensive and highly processed feedstock materials such as aluminium metal to produce HPA. Altech has completed a Final Investment Decision Study (FIDS) for the construction and operation of a 4,500tpa HPA plant at the Tanjung Langsat Industrial Complex, Johor, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in 2018.



**Forward-looking Statements**

There is no certainty that German government project finance export credit cover (ECA) and/or project debt finance will be approved. The Company makes no representations or warranties whatsoever as to the outcome of the ECA application process.

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.