



9 January 2018

## ALTECH – MALAYSIAN MANUFACTURING LICENCE APPLICATION LODGED

### Highlights

- Manufacturing licence application submitted
- “Pioneer Status” investment incentive (5-year tax exemption)
- High technology manufacturing of advanced material
- 1.2 billion ringgit investment in Malaysia

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that its wholly owned Malaysian subsidiary, Altech Chemicals Sdn Bhd has submitted a manufacturing licence application to the Malaysian Investment Development Authority (MIDA), for its proposed high purity alumina (HPA) plant.

Application has also been made to MIDA for the HPA project to be afforded “Pioneer Status” (High Technology) investment incentive classification. A project approved as Pioneer Status (High Technology) will benefit from income tax exemption of 100% of its statutory income for a period of 5 years from the commencement of commercial production. In addition, any accumulated losses and unabsorbed capital allowance (depreciation) during the Pioneer Status period can be carried forward and deducted from post Pioneer Status period income.

Altech has been liaising with MIDA about its proposed HPA project since 2015 and recently met with MIDA representatives in Kuala Lumpur, Malaysia to finalise the applications. Altech was not previously in a position to submit the manufacturing licence and Pioneer Status applications as the project capital cost and engineering, procurement and construction (EPC) contract had not been finalised.



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Altech's proposed HPA project represents an investment of approximately 1.2 billion ringgit in Malaysia. The advanced manufacturing technology that will be employed in Altech's HPA plant and the strategic nature of the finished product is consistent with the type of high technology manufacturing projects that Malaysia is promoting via MIDA and its various investment incentives. The project has been previously presented to the Minister of International Trade and Industry, Dato' Sri Mustapa bin Mohamed and Chairman of MIDA, Tan Sri Amirsham Abdul Aziz.

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*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 (BFS) 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**

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.