



**Altech Chemicals**  
Limited

## ASX ANNOUNCEMENT AND MEDIA RELEASE

9 June 2016

# ALTECH SECURES ANOTHER QUALITY CORNERSTONE INVESTOR

### Highlights

- Altech secures Malaysian publicly listed MAA Group Berhad (MAAG) as cornerstone investor
- MAAG is an insurance, investment, credit and finance group with total assets of RM1.45 billion
- Placement of \$1.0 million of March 2016 shortfall shares
- A total of ~\$5.0 million raised since March 2016

**Altech Chemicals Limited** (Altech/the Company) (ASX: ATC) is pleased to announce that it has secured another quality cornerstone investor, MAA Group Berhad (MAAG), which will subscribe to \$1.0 million of Altech shares (March 2016 placement shares).

MAAG is a Malaysian publicly listed insurance, investment, credit and finance group with total assets of RM1.45 billion and annual turnover of RM484 million. Altech agreed with MAAG for participation in the in March 2016 share placement, but its participation was subject to the completion by MAAG of internal governance requirements and due diligence processes, all of which have now been satisfied.

A total of 11,627,907 shares will be issued to MAAG at \$0.086 per share, which was the March 2016 share placement price. The issuing of the shares will be subject to the approval of Altech shareholders as Tunku Ya'acob bin Tunku Tan Sri Abdullah (a non-executive director of Altech) is the executive chairman and a majority shareholder of MAAG.

Upon approval of the share issue, MAAG will hold approximately 6% of the issued shares of Altech. Melewar International Investment Company Limited, a company also controlled by Tunku Ya'acob bin Tunku Tan Sri Abdullah, will hold approximately 9% of the Company.

The share issue to MAAG will bring the total amount raised by the Company since March 2016 to approximately \$5.0 million (including \$2.0 million from the sale of an exploration licence). All funds raised will be applied towards finalising the detailed design of Altech's proposed Malaysia high purity alumina (HPA) plant, finalising debt funding for the HPA project, and for general working capital purposes.

Altech managing director, Mr Iggy Tan said, *"We are very excited to have a cornerstone investor with the pedigree of MAAG join our register. Altech continues to be most appreciative of the support for the Company and its HPA project by Tunku Ya'acob bin Tunku Tan Sri Abdullah and his associated companies"*, Mr Tan concluded.

- Ends-

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

**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 artificial sapphire. Artificial sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant artificial sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of artificial sapphire.

Global HPA demand is approximately 19,040tpa (2014) and demand is growing at an annual rate of 28%, 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. HPA demand is expected to at least double over the coming decade.

Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, 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 German KfW IPEX-Bank.



**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 our 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.