



25 November 2016

## **ALTECH – LEASE SIGNING CEREMONY SECURES JOHOR HPA SITE**

### **Highlights**

- Lease signing ceremony secures HPA site at Johor
- 20-year lease agreement, with 20-year renewal option
- Johor is the ideal location for HPA production and distribution

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to advise the attendance of managing director Iggy Tan at the Johor Corporation official lease signing ceremony. The lease is for the land Altech has secured at the Tanjung Langsat Industrial Complex, Johor, Malaysia as the site of its proposed high purity alumina (HPA) plant.

The Company executed a 20-year lease agreement, which includes a 20-year renewal option, with TPM Technopark Sdn Bhd, a wholly-owned subsidiary of Johor Corporation.

The lease signing and presentation ceremony was held in Johor, Malaysia on 23 November 2016, at which the president and chief executive officer of Johor Corporation, YB Dato Kamaruzzaman Abu Kassim formally presented Altech managing director Iggy Tan with the lease documents.



YB Dato Kamaruzzaman Abu Kassim and Iggy Tan



Lease signing ceremony, Johor, Malaysia

The site that the Company has secured at Johor, Malaysia is in the established Tanjung Langsat Industrial Complex; the site is approximately 4 hectares in size and is in a section of the industrial complex specifically reserved for chemical facilities. The site was selected for its proximity to hydrochloric acid, lime and limestone plants – all required consumables for the Company's proposed HPA plant. Reticulated natural gas and high voltage power is also readily available to the site, as is access to processing water. In addition the kaolin feedstock for the proposed HPA plant will be shipped in sea containers from the port of Fremantle, Western Australia to the nearby container port of Tanjung

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Pelepas. Final HPA product from the HPA plant will also be distributed through Tanjung Pelepas, which is the 17<sup>th</sup> largest port in the world, shipping more than 7 million sea containers annually.

Altech managing director Mr Iggy Tan commented, *“Johor is currently the preferred destination for business investment in Malaysia. Costs of business in Johor are estimated at 30% less than in Kuala Lumpur and 60% less than in Singapore. With three ports; low cost and established power, gas, road, telecommunications and other business infrastructure and its proximity to Singapore, Johor is the ideal site for Altech’s downstream high value-add HPA processing plant.*

*“We firmly believe that the benefits of locating our HPA plant in Johor will enable Altech to position itself in the lowest quartile of the world’s HPA producers. This is important when you are competing in a global market”* he concluded.

### **About Tanjung Langsat Industrial Complex**

The Tanjung Langsat Industrial Complex is located approximately 40km to the south-east of the city of Johor Bahru and caters to light, medium to heavy industries. The industrial hub contains multinational production groups from petrochemical, oil and gas, resource-based, ferrous and non-ferrous metal, biofuel, marine, palm oil and oleochemicals. Major companies operating within the Tanjung Langsat Industrial Complex include major Spanish steel manufacturer Acerinox Group; Titan Petrochemicals; Kiswire; Dairen Chemicals; Dialog and Lion Eco Chemical.

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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 25,315tpa (2016) and demand is growing at an annual rate 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 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 the aim of commencing project development in Q2-2017.



**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.