



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

19 July 2019

YOUBISHENG – APPROVAL OF ALTECH BOARD NOMINEES AND COMPANY NAME CHANGE

Highlights

- Altech nominees appointed to Youbisheng Green Paper AG (YAG) management board
- Mr Iggy Tan and Mr Uwe Ahrens appointed to three member board
- Change of company name to Altech Advanced Materials AG approved by shareholders
- Capital increase of up to 63,102,080 Euro
- Widening of the supervisory board to five members

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that the shareholders of Frankfurt listed Youbisheng Green Paper AG (YAG) have approved the appointment to its management board of Altech's nominees Mr Iggy Tan and Mr Uwe Ahrens. The third member of the management board is Mr Hansjoerg Plaggemars.

YAG shareholders, amongst other resolutions, have also approved the change of company name to Altech Advanced Materials AG; a capital increase of up to 63,102,080 Euro; and the increase in size of its supervisory board to five members. Already one Altech nominee Mr. Dieter Rosenthal, has been voted on to the supervisory board, with a plan to have two more nominees of Altech nominated in due course.

Each of the above actions are conditions precedent to the Company's agreement to acquire 29% of YAG, and to the Company's agreement to sell to YAG a non-exclusive right for it to acquire up to 49% of the Altech's HPA project for US\$100 million. The agreements are the basis of Altech's European equity strategy, whereby investors will be provided a means to acquire a shareholding in up to a 49% direct interest in the Company's high purity alumina (HPA) project via subscribing to shares in Frankfurt Stock Exchange listed YAG (now approved to be renamed Altech Advanced Materials AG) (refer ASX Announcement of 18 July, 2019 for details).

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For more information, please contact:

Corporate

Iggy Tan

Managing Director
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Shane Volk

Company Secretary
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Investor Relations (Europe)

Kai Hoffmann

Soar Financial Partners
Tel: +49 69 175 548320
Email: 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. Construction of the Company's HPA plant in Johor, Malaysia has commenced with the execution of agreements with its appointed EPC contractor SMS group for Stage 1 and Stage 2 of construction.

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.