

project.
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Germans anchor Altech raising

SEAN SMITH

German investors have anchored an \$18 million share placement by Altech Chemicals that maintains construction momentum at its high-purity alumina plant in southern Malaysia.

Emerging from a trading halt yesterday, Altech said German investment companies Deutsche Balaton and Delphi would each take up \$5.42 million of new shares at 10.85¢ each for a combined 13.6 per cent of the WA company.

Existing investors Melewar Group and SMS Investments will also each take up \$2 million of shares, with the balance of the \$18 million to come from other shareholders via a share purchase plan.

Altech said the proceeds would fund further engineering and construction works on the plant, maintaining the momentum of the \$US298 mil-



Iggy Tan.

lion (\$417 million) project as the company works towards finalising the final elements of its funding package.

HPA is used in producing synthetic sapphire, which in turn is used in LED lights, scratch-resistant wristwatch faces and mobile phone components.

Altech's HPA will be sourced from kaolin clay mined from the company's deposit at

Meckering in the Wheatbelt.

Altech has already secured deals for \$US280 million of debt and mezzanine funding from Germany's kfw IPEX-Bank and Macquarie Bank.

It is also exploring raising further cash via a partial sell-down of its project, preferably to a bigger industry player.

The company's managing director of nearly five years, former Galaxy Resources chief Iggy Tan, said the sell-down depended on flushing out the right partner.

Altech has found it difficult to attract investor attention for its HPA value-adding play in its home State, where gold and iron ore mining dominate.

However, Mr Tan said he had similarly found it difficult in his early days at Galaxy to generate interest in lithium, now a boom commodity.

Altech shares closed unchanged at 13¢, capitalising the group at \$74 million.