



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

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ALTECH MAKES FINAL INSTALMENTS FOR JOHOR HPA SITE

Highlights

- Final instalments for Malaysian high purity alumina (HPA) plant site now paid
- Secures the 4ha industrial land site within the Tanjung Langsat Industrial Complex
- 30 year lease with option to renew for an additional 30 years

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that it has paid the final instalments totalling AU\$5.1 million for ~4 hectares of industrial land within the Tanjung Langsat Industrial Complex, Johor, Malaysia. The final payments secure the site for the Company's proposed high purity alumina (HPA) plant. The Company expects to receive a deed of title from the Johor state government for the land (30 year lease, with the option to renew for an additional 30 years) within the coming month.

The ~4 hectare industrial site is located in a section of the Tanjung Langsat Industrial Complex that is designated for chemical processing facilities. As previously announced, the Company selected Johor, Malaysia as the location for its proposed HPA plant based on significant economic and development benefits, including the ready availability of required consumables such as hydrochloric acid, limestone, quicklime, power and natural gas – all at highly competitive prices. The availability of skilled labour, proximity to an international container port and international airports (Johor Bahru and Singapore), and the various investment incentives on offer such as a 5-year corporate tax benefit are other important advantages of the selected location.

Figure 1. Altech's proposed HPA plant site, Tanjung Langsat Industrial Complex, Johor, Malaysia



About Johor

Renowned as being the most sought-after location for industries in Malaysia, Johor is a dynamic and vibrant industrial corridor for the world's manufacturing hub, the south-east Asian region. The only state in Malaysia with three ports and an international airport for cargo, Johor is the international metropolis for investment providing political and social stability, fully-developed industrial parks, a growing English-speaking workforce, supportive government policies with attractive tax incentives and low inflation rates. Johor has the largest concentration of the world's leading manufacturers and exporters of electronic products such as semiconductors and synthetic sapphire products; solar panel and glass products; textiles, rubber and wood products.

About Tanjung Langsat Industrial Complex

The Tanjung Langsat Industrial Complex is located approximately 40km to the south-east of the capital city of Johor Bahru, and it caters to light, medium to heavy industries. The industrial complex contains multinational production groups from petrochemical, oil and gas, resource-based, ferrous and non-ferrous metal, biofuel, marine, palm oil and oleochemicals. Major companies currently 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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Wir sprechen Deutsch.

About Altech Chemicals Ltd (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)** (Al₂O₃).

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 substitution 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 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 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.