



27 July 2018

ALTECH COMPLETES HPA SITE CLEARANCE WORKS AT JOHOR, MALAYSIA

Highlights

- Altech completes HPA site clearance works at Johor, Malaysia
- Key development milestone for Altech's HPA project

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that it has completed clearing the ~4Ha site for its proposed high purity alumina (HPA) plant in Johor, Malaysia. Site clearance commenced earlier this month following the execution of the stage 1 construction agreement for the HPA plant with appointed German engineering, procurement and construction (EPC) contractor, SMS group (SMS).

Clearing of the site predominantly involved the removal of secondary re-growth vegetation; this activity was the first task in the detailed schedule of works for stage 1 construction. The completion of site clearance is another key development milestone for the Company's proposed Malaysian HPA plant; other key Malaysian development milestones are listed in the table below:

Date	Development Milestone (Malaysia)
20 Nov 2014	Following a global search, Altech selects and secures a ~4Ha site at Johor, Malaysia for its proposed HPA plant
19 Jun 2015	Environmental approval (PAT) to develop the HPA plant received
2 Nov 2016	Altech opens an office for its Malaysian subsidiary in Johor (Tanjung Langsat)
25 Nov 2016	Official lease signing ceremony with Johor Corporation, managers of the Tanjung Langsat Industrial Complex
16 May 2017	SMS group appointed as EPC contractor for Altech's HPA plant
20 Oct 2017	Design of HPA plant finalised
21 Feb 2018	Manufacturing licence for HPA plant approved
22 May 2018	Final payment instalments made for HPA plant site, securing the site via a 30-year lease
12 Jul 2018	Altech executes stage 1 construction agreement with SMS group
27 Jul 2018	Site clearance completed at HPA plant site

Figure 1 – Johor HPA plant site before clearing work commenced



Figure 2 – Completion of site clearance work at the Johor HPA site



The Company's HPA plant site is located in a section of the Tanjung Langsat Industrial Complex in Johor that is designated for chemical processing facilities. 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 profits tax relief period are other important advantages of the selected location.

Renowned as being the most sought-after location for industries in Malaysia, Johor is a dynamic and vibrant industrial corridor and a manufacturing hub in 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.

Altech's managing director Iggy Tan, commented: "The site clearance caps off an exciting 12 month period for Altech as we take another step towards our goal of becoming a major producer of high purity alumina".

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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)** (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 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 and recently announced the execution of an agreement with its appointed EPC contractor SMS group, for stage 1 construction of the HPA plant at Johor, Malaysia.



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.