

Altech Chemicals Ltd

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Altech Chemicals satisfies conditions for German project equity strategy

Altech Chemicals Ltd (ASX:ATC) has satisfied all conditions precedent for both transactions which form its German project equity strategy and will now proceed to complete the transactions.

The strategy involves the acquisition of 29% of the shares of Frankfurt Stock Exchange-listed Youbisheng Green Paper AG, which will be re-named Altech Advanced Materials AG (AAM).

It also includes the sale by Altech of a right to AAM to acquire 49% of Altech's high purity alumina (HPA) project for US\$100 million.

"Pleasing to have documented both transactions"

Altech's managing director Iggy Tan said: "It is pleasing to have documented both transactions of our German equity strategy in a very short timeframe and to have satisfied all of the conditions precedent items within four weeks of signing the agreements.

"The next step following transaction completion is for AAM to appoint a German bank and brokers to manage a Europe marketing campaign for its pre-approved capital raise.

"We understand that there has already been interest in the proposed raise from potential European investors attracted by the guaranteed year-6 buy-back and agreed return.

"Altech's German equity strategy does not stop any of the other joint venture partner initiatives that are also underway, nor does it replace the mezzanine debt work that is progressing with Macquarie Bank."

Cash payment of £500,000

To complete its acquisition of 29% of the shares of AAM, Altech will make a cash payment of £500,000 and issue £1,000,000 of Altech fully paid ordinary shares to the vendor - Deutsche Balaton AG.

A balance of £1,229,000 cash consideration is also due on March 1, 2020.

To complete Altech's sale of the right to AAM, AAM will make a non-refundable cash payment of £500,000 to Altech.

Resulting steps

The satisfaction of all conditions precedent has resulted in:

- Appointment of Altech's managing director Iggy Tan and alternate non-executive director Uwe Ahrens to the management board of AAM;
- Appointment to the supervisory board of AAM, Altech's nominee Dieter Rosenthal with two additional Altech nominees to be appointed to the five-member board in due course;

Price: A\$0.1

Market Cap: A\$73570300M

1 Year Share Price Graph



Share Information

Code: ATC

Listing: ASX

52 week High Low
A\$0.16 A\$0.08

Sector: Mining

Website: www.altechchemicals.com

Company Synopsis:

Altech Chemicals Ltd (ASX:ATC) is focused on advancing its high purity alumina (HPA) project in Western Australia.

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- Shareholders approving the change of company name to Altech Advanced Materials AG;
- Shareholders approving a capital increase of up to £63,102,080; and
- Altech's satisfaction with all of its due diligence inquiries of AAM.

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