



Altech Chemicals
Limited

22 January 2020

Mr Sean Maloney
ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Dear Sean,

Altech Chemicals Limited (the Company or ATC) – Response to ASX Aware Letter

We refer to your letter dated 20 January 2020 and respond to your questions as follows:

- 1. Does ATC consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

The Company was not of the view that the content of the 20 January 2020 ASX Announcement titled “*Altech Advanced Materials AG Rights Offer Result*” would have a material effect on the price or value of its securities. The announcement was provided as an update to the market.

During the morning of 20 January 2020, the Company became aware of the large volume of its shares being traded on ASX and a drop in the share price. Internal discussions took place to try and understand what may be causing the volume and price movements – as at the time the Company was of the view that there was no information about ATC that had been released, or could be released, that a reasonable person would expect to have a material effect on the price or value of its securities.

The Company was aware of an article titled “*Lynas hit with fresh legal action over Malaysian plant*” that was published in various newspapers on Monday, 20 January 2020 and considered that perhaps this article may have been impacting the ATC share price and volume.

The Company had prepared a draft of the ASX Announcement “*Altech Advanced Materials AG Rights Offer Result*” on Friday 17 January 2020, as an update to the market which it had proposed to lodge with ASX following formal notification from Altech Advanced Materials AG (AAM) of the registration of the €2.0 million rights offer, which the Company understood was a formality and was expected to be received over the weekend of January 18/19 2020. In light of the ATC share price and volume movements the Company made the decision to lodge the announcement that it had prepared at approximately 9:50 (WST) on Monday 20 January 2020.

On the afternoon of Monday 20 January 2020 (WST), the Company was informed by AAM that it had been unsuccessful in registering the €2.0 million rights offer shares. This is the first time that the Company became aware of this information. However, unbeknown to the Company, AAM had published an announcement titled “*Altech Advanced Materials AG does not implement capital increase*” at noon (Central European Time, 7pm WST) on Friday 17 January 2020. This announcement advised that AAM had been unsuccessful in registering the rights offer shares. In response to this breakdown in communications, effective immediately, the Company and AAM have agreed to a new set of protocols and procedures for the communication of information between AAM and the Company.

For personal use only

2. ***If the answer to questions 1 is no, please advise the basis for that view.***

When initially considering whether the content of the ASX Announcement titled “*Altech Advance Materials AG Rights Offer Result*” would have a material effect on the price or value of its securities, the Company was of the view that the content of the announcement would not have a material effect on the price or value of its securities because:

- a. AAM had made a public announcement on 13 January 2020 that its rights offer had closed with subscriptions of €2.0 million;
- b. on 15 January 2020 AAM announced the result of its Extraordinary General Meeting; and
- c. there had not been a significant price/volume movement in ATC shares following the 13 January 2020 or 15 January 2020 announcements by AAM, which is what the Company had anticipated at that time and this remained the Company’s view on Monday morning 20 January 2020.

3. ***When did ATC first become aware of the Information?***

On 13 January 2020 and 15 January 2020 – as per question 2.

4. ***If the answer to question 1 is “yes” and ATC first became aware of the Information before the relevant date, did ATC make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ATC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ATC took to ensure that the information was released promptly and without delay.***

Not Applicable

5. ***Please confirm the ATC is complying with the Listing Rules, and in particular, Listing Rule 3.1***

Yes

Effective immediately, the Company and AAM have agreed to a new set of protocols and procedures for the communication of information between AAM and the Company.

6. ***Please confirm that ATC responses to the questions above have been authorised and approve in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ATC with delegated authority from the board to respond to ASX on disclosure matters.***

Yes, the response has been circulated to the board of directors of the Company and is authorised by the Managing Director – Mr Iggy Tan.

For personal use only





20 January 2020

Reference: 12764

Mr Shane Volk
Company Secretary
Altech Chemicals Ltd

By email: shane@altechchemicals.com

Dear Mr Volk

Altech Chemicals Ltd ('ATC'): Aware Query

ASX refers to the following:

- A. ATC's announcement entitled "Altech Advanced Materials AG Rights Offer Result" lodged on the ASX Market Announcements Platform and released at 12:51 PM AEDT today 20 January 2020 (the 'Announcement'), disclosing the following:
- (i) Altech Advanced Materials AG ("AAM") was advised by the Mannheim Local Court on 10 January 2020 that the court would not support the proposed extension deadline in relation to the capital increase being undertaken by AAM as announced on the ASX Market Announcements Platform on 2 December 2019 ('Capital Increase');
 - (ii) An updated prospectus is required for lodgement with the Federal Financial Supervisory Authority ('BaFin') in conjunction with shareholder re-approval of the Capital Increase for the stage 2 (external parties) fund raising; and
 - (iii) AAM has further advised ATC that at this point in time it does not anticipate that the preparation of an updated prospectus or the convening of another shareholder Extraordinary General Meeting will result in a delay in the timeframe for the planned stage 2 capital raise, (together, the 'Information').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

- E. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks ATC to respond separately to each of the following questions and requests for information:

1. Does ATC consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did ATC first become aware of the Information?
4. If the answer to question 1 is “yes” and ATC first became aware of the Information before the relevant date, did ATC make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ATC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ATC took to ensure that the information was released promptly and without delay.
5. Please confirm that ATC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ATC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ATC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Thursday, 23 January 2020**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ATC’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ATC to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ATC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ATC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ATC's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)

For personal use only