

Emefcy Announces Second Commercial Deployment Contract in China

Win In Competitive Tender Confirms Recognition of Emefcy Value Proposition In China

May 23, 2017

Melbourne, Australia and Caesarea, Israel: Emefcy Group Limited (ASX: EMC), a global leader in energy-efficient wastewater treatment solutions, today announced it entered into a binding purchase agreement with Shanghai Winner Environmental Technologies Co., Ltd ("Shanghai Winner") to develop a commercial wastewater treatment plant in China for VOSS of Norway ASA ("VOSS"). The plant is anticipated to be the first of many in a long-term cooperation agreement between Emefcy and Shanghai Winner.

Shanghai Winner was awarded the wastewater treatment project based on Emefcy's superior MABR solution, and Winner's strong EPC capabilities, beating three other contenders offering the MBR technology in the competitive tender. VOSS, owned by Beijing-based Reignwood Group, is currently building a new water factory located in Shiyan in Hubei Province to support its rapid expansion in the fast-growing Chinese market, where Reignwood owns exclusive rights to Red Bull energy drinks and has a large distribution network.

Mr Richard Irving, Chairman of Emefcy, commented, "We are excited to partner with Shanghai Winner to build our second commercial deployment in China. This project win validates the superior performance of our MABR technology with a marquee client with well-established knowledge of the water sector. This project is an excellent example of our 'packaged solution' designed to enable a scalable business roll out in China, whereby we provide all the necessary design tools and plant specifications, plus our proprietary MABR modules, enabling our partner to assemble the wastewater treatment plant. We expect the plant to be an important reference site for us and our existing partners in China. We look forward to continuing to capitalize on the enormous market opportunity in China."

Mr. Jack Zhang, Founder, Chairman and Chief Technology Officer of Shanghai Winner, stated, "Emefcy's MABR solution represents a new generation in wastewater treatment technologies. The combination of being able to achieve Class 1A quality effluent at 50% lower operating costs compared to other conventional treatment methods presents tremendous value for our clients and specifically VOSS. For the past 16 years, Winner has always been in the technical forefront of implementing new processes. The cooperation with Emefcy certainly leverages our strengths and differentiated offerings to the market. We are very confident that this project will be the first of many that we will jointly execute in the future."



Under the terms of the binding purchase agreement, Emefcy team will provide the technical information (including process and instrument drawing (P&ID), process flow diagrams (PFDs), general layout, the requisite number of MABR modules and associated controls), enabling Shanghai Winner to assemble the plant. The Emefcy engineering team will support Shanghai Winner during the installation, start-up and commissioning process.

The MABR wastewater treatment plant is expected to have a treatment capacity range of 40,000 liters per day and be commissioned by Q4 2017.

About Emefcy Group Limited

Emefcy develops, manufactures and markets new, energy-efficient MABR based wastewater treatment solutions, aiming to change the economics of various markets and addressing the growing global demand for clean water in municipal and industrial plants.

With several global innovation awards and a strong scientific background, Emefcy is at the forefront of the next generation of MABR based wastewater treatment. Additional MABR based wastewater solutions out of Emefcy's extensive R&D operations are expected to be announced in the coming year.

Emefcy Group Limited (ASX: EMC) is a public company traded on the Australian Stock Exchange. Visit our website: <u>www.emefcy.com</u>

About Shanghai Winner Environmental Technologies Co., Ltd.

Shanghai Winner is a Shanghai-based solution integrator dedicated to solving the toughest water industrial pollutions in China, focusing on electroplating, microelectronics, battery, food & beverage, pesticides, chemicals, pharmaceuticals, metal packaging, automotive and synthetic fibers production. Established in 2001, Shanghai Winner received the national "High-Technology Company" status in 2013 and maintains the ISO 9001 and ISO 14001 certifications. Its team of 70 employees delivers turn-key EPC industrial water solutions and O&M services throughout China to domestic companies, multinational companies and state-owned enterprises.

http://www.winner-hitech.com/en/index.aspx

Any forward-looking statements in this announcement 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, its directors and management.



For further information, please contact: USA Richard Irving, Executive Chairman E: richard@emefcygroup.com T: +1 408 382 9790 Israel Eytan Levy, Managing Director & CEO E: eytan@emefcygroup.com T: +972 4-6277555 Australia Ross Kennedy, Company Secretary and Advisor to the Board E: rossk@emefcygroup.com T: +61 409 524 44