



Emefcy Group Limited (ASX: EMC) Announces Signing of First China Regional Partnership Contract – Opening Access to Estimated Potential Market of Over A\$1 Billion Over Five Years

August 15, 2016

Melbourne, Australia and Caesarea, Israel: The Directors of Emefcy Group Limited (ASX: EMC) (“Emefcy” or the “Company”) are pleased to announce the signing of Emefcy’s first Chinese sales distribution partnership for Emefcy’s Membrane Aerated Biofilm Reactor (“MABR”)-based wastewater treatment solutions with Wuxi Municipal Design Institute, one of the top institutes in China. The parent company of Wuxi Municipal Design Institute is Wuxi Guolian Environmental & Energy Group Co. Ltd. (“Wuxi Guolian”), a leading state-owned enterprise and provider of environmental protection services throughout Jiangsu, mainland China, and international markets.

When commissioned, the initial Emefcy MABR-based system, which is to be paid for by Wuxi Municipal Design Institute, is anticipated to treat an initial 24,000 litres per day and provide sufficient data to obtain provincial certification throughout the Jiangsu Province. According to the Chinese Government’s Five-Year Plan (the “Plan”) announced earlier this year, new rural wastewater treatment plants supporting an estimated population of some twenty-two million people in Jiangsu Province are expected to be built over the next five years. The total revenue potential accessible to Emefcy is estimated at over A\$1 billion in this Province alone. Importantly, Wuxi Guolian has its own financial arm to support the financing of plant deployments.



Wuxi Guolian is proposing to deploy Emefcy’s solutions throughout China, including both the current MABR product and the upcoming SUBRE product which targets the additional market of centralized municipal plants. For all joint future contracts, Wuxi Guolian will purchase MABR modules from Emefcy, will integrate them under Emefcy’s technical guidance into a complete treatment system and provide on-going plant maintenance and/or related services.

Future MABR-based system sale contracts in this Province are anticipated to have revenue contract values to Emefcy ranging from A\$50,000 up to A\$300,000 each. SUBRE projects are anticipated to be considerably larger. Importantly, once the full rollout commences it is expected that the total value of contracts entered into will begin to increase rapidly.

The Emefcy MABR modules initially will be produced at the Company’s manufacturing facility in Israel, and are scheduled to ship before the end of this calendar quarter. The Wuxi Guolian installed MABR-based system is scheduled to be commissioned by the end of this calendar year. Critically, Provincial certification is anticipated to be completed in the first half of calendar 2017, thereby enabling the broader sale of



Emefcy's MABR products throughout Jiangsu Province. This initial Wuxi Guolian demonstration system, which aims to treat typical municipal wastewaters to class A1 effluent standards, represents an essential reference site as part of the required Jiangsu Province certification process as well as being an important reference site for other Provinces in China.

"We are very pleased to sign our first contract in China with such an experienced, proven partner in a province with such a large potential for Emefcy's solution," said Richard Irving, Executive Chairman of Emefcy. "With Provincial certification anticipated to be obtained in the first half of 2017, and once our China manufacturing facility is up and running, we expect to be taking orders and potentially shipping plants made in China by the end of next calendar year. The city of Wuxi is in one of China's most progressive Provinces and our partner Wuxi Guolian, represents a preferred profile of partnership in China. We anticipate Wuxi Guolian's reputation will help significantly in accelerating deployments throughout other Provinces."

"The fact that Emefcy's solution uses 90% less energy than conventional wastewater treatment systems while being capable of meeting the stringent Chinese Class A1 effluent standard, saves the need for additional electricity power generation capacity. This and our very attractive costs meant that Emefcy, with the strong support of its strategic Chinese advisor, was selected to win this contract and sign this important regional partnership," said Eytan Levy, CEO of Emefcy. "We expect this to be the first of several regional partnerships in China and are very pleased to be working with this well regarded and experienced commercial team."

"We are excited to have teamed up with Emefcy to bring this innovative and highly efficient MABR based wastewater treatment system to China. This solution will be demonstrated at the wastewater treatment facility in Wuxi in the coming months through the Wuxi Municipal Design Institute. We look forward to this being a valuable solution to address the stringent wastewater effluent guidelines and reuse needs for China, all with substantially reduced energy costs", said Mr. Li, Executive VP Wuxi Goulian.

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.

Emefcy's advanced manufacturing facility in Israel is equipped with state of the art production machinery, enabling the company to control the quality and meet the quantity requirements of its markets outside of China.

With several global innovation awards and a strong scientific background, Emefcy is at the forefront of the next generation of MABR based wastewater treatment. Customer contracts have already been signed in Israel, US Virgin Islands, Ethiopia, and now China. Additional MABR-based wastewater solutions from Emefcy's extensive R&D operations are scheduled 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: www.emefcy.com

About Wuxi Guolian Environment & Energy Group Co., Ltd

Wuxi Guolian Environment & Energy Group Co., Ltd. is a state-owned enterprise focusing on green energy, environment protection and urban infrastructure construction in the context of industrialisation development.

Led by advanced and new technology, linked by clean energy, devoted to the harmless treatment of urban living garbage and sludge as well as resource comprehensive utilization, cogeneration equipment design and fabrication, cogeneration project construction and operation, and urban infrastructure, the company has set up integrated operating systems including project development, operation of investment and financing, boiler design, fabrication and installation for large-scale power plant, power project design, full set of equipment supply, construction and operation of environment protection power plant, design and training, etc., forming a highly effective industry chain developed in a continuous way.

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.

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