



Emefcy Group Limited (ASX: EMC) Announces Signing of Strategic China Regional Partnership with Jiangsu Jinzi – Opening Access to Key Southern Provinces

November 2, 2016

Melbourne, Australia and Caesarea, Israel: Emefcy Group Limited (ASX: EMC) (“Emefcy”) is pleased to announce the signing of a distribution & deployment partnership for Emefcy’s Membrane Aerated Biofilm Reactor (“MABR”) based wastewater treatment solutions with Jiangsu Jinzi Environmental Technology Company, Ltd. (“Jinzi”), a leading environmental protection company focusing on the design, building and operation of wastewater treatment systems for rural communities in the Central and Southern Provinces of China. The memorandum of understanding with Jinzi will open access to several key southern provinces in China.

This is the third Chinese relationship that the Company has entered into in recent months; a testament to the growing recognition of Emefcy’s technology as a credible solution to China’s need for scalable, cost effective, energy-efficient wastewater treatment solutions in rural areas.

The program roll-out will begin with an immediate MABR deployment with a treatment capacity of 20,000 litres per day at a technical college in Changzhou, Jiangsu Province. The system is planned to demonstrate the ability of the technology to meet Class 1A effluent quality at low operating costs. Once regional certification is achieved, the partnership allows Jinzi to deploy Emefcy plants in regions where total potential demand for Emefcy product under the current Five Year Plan amounts to an estimated A\$2.5B.

Jinzi operates in several Provinces including Zhejiang, Guizhou, Fujian and Ningxia, and has already installed approximately 1,000 wastewater treatment plants in China. Jinzi plans to apply the MABR technology in larger wastewater treatment plants; with each treating a projected 100 -200 m³/day, addressing a population of 56 million who do not have access to wastewater treatment services.

“We are excited to team up with Jinzi to deploy the most efficient wastewater treatment solution in the market today. Jinzi brings hands-on market and project execution experience to enable rapid deployment of MABR systems throughout the Southern Provinces,” said Richard Irving, Executive Chairman of Emefcy. Jinzi intends to deploy MABR-based wastewater treatment systems to rural communities throughout Central and Southern China. For all joint future contracts, Jinzi will purchase MABR modules from Emefcy, integrate them under Emefcy’s technical guidance into a complete treatment system and provide on-going plant maintenance and related services.

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. Emefcy, as previously announced, is in



the process of seeking license approvals and establishing manufacturing facilities in Jiangsu Province. The first manufacturing line in China is anticipated to be in place by the second quarter of calendar 2017.

The first Jinzi installed MABR-based system is scheduled to be commissioned during the first quarter of 2017.

"We have been building and operating wastewater treatment systems for many years and have not seen such an effective biological treatment technology until now," said Mr. Xie, President of Jinzi. "What impresses us about Emefcy's MABR system is the highly effective yet simple design of the membrane, which uses minimal energy to deliver the highest oxygen content to the biofilm layer, resulting in the lowest operating cost and most importantly meeting class 1A discharge guidelines for the China market."

About Emefcy Group Limited

Emefcy develops, manufactures and markets innovative, energy-efficient MABR based wastewater treatment solutions, aiming to change the economics of various markets and addressing the growing global demand for clean water for municipalities, resorts, commercial properties, and industrial plants.

Emefcy's advanced manufacturing facility in Israel is equipped with state of the art production machinery, and is currently producing second generation MABR based wastewater solutions enabling the Company to control the quality and meet the quantity requirements of its current global markets and initial anticipated orders for China. Higher volume manufacturing facilities are being implemented in 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. MABR-based wastewater treatment plants have been operating in Israel for up to two years, and customer contracts have been signed in the US Virgin Islands, Ethiopia, and China. Additional MABR based wastewater solutions from Emefcy's extensive R&D operations are anticipated 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

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.

Jiangsu Jinzi Environmental Technology Company. Ltd.

Jiangsu Jinzi Environmental Technology Company Ltd ("Jinzi ") was founded in 2006. Jinzi is a high technology company delivering environmental protection technology and solutions. As an EPC company, Jinzi focuses on the design, build and operation of rural wastewater treatment plants.



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