



Emefcy Group Ltd (ASX:EMC) ASX Appendix 4C Statement of Cashflows

Melbourne, Australia and Caesarea, Israel, 22 July, 2016

The Company's ASX Appendix 4C Statement of Cashflows for the quarter ended 30 June 2016 is attached.

Key achievements since 1 April 2016 for the combined group included:

- Receipt of a key part of the cash from the first contract signed outside of Israel at Saint Thomas, US Virgin Islands.
- Second contract signed outside of Israel for wastewater treatment using Emefcy MABR modules at Mekelle, Ethiopia, being an important reference site for Africa. Initial receipt of cash is expected in October 2016.
- The first payment for the Ha-Yogev project is expected to be received next month.
- Substantial progress made in relation to the execution of the Chinese strategic plan. The plan includes registering a Chinese WFOE, selecting Chinese partners and proposed establishment of initial Chinese manufacturing plant to address rapidly growing Chinese and expanding Global market demand.
- "Water as a Service" business model independently validated with potential financial partners, as well as with resorts & commercial buildings.

There were no extraordinary payments during the June 2016 quarter. The cash position as at 30 June 2016 was US\$6,097,000 (31 March 2016: US\$7,160,000) and was higher than internal expectations reflecting tight cost controls and improved purchasing efficiencies.

The detailed statement is attached.

Appendix 4C – 2nd Quarter

Quarterly Report for Entities Admitted on the Basis of Commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of Entity:

EMEFCY GROUP LIMITED (ASX: EMC)

ABN:

52 127 734 196

Quarter Ended ('Current Quarter')

30 June 2016

Consolidated Statement of Cash Flows

<u>Cash Flows Related to Operating Activities</u>		Current Quarter \$USD'000	Year-to-Date (6 months) \$USD'000
1.1	Receipts from customers	203	203
1.2	Payments for:		
	(a) staff costs (including R&D staffing costs)	(334)	(684)
	(b) advertising/marketing/investor relations	(109)	(140)
	(c) research and development (excluding R&D staffing costs)	(228)	(390)
	(d) leased assets	(32)	(71)
	(e) other working capital and cost of goods sold	(635)	(1381)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes refund	-	-
1.7	R&D Tax Concession refund	-	-
Net Operating Cash Flows		(1,135)	(2,460)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly Report for Entities
Admitted on the Basis of Commitments

		Current Quarter \$USD'000	Year-to-Date (6 months) \$USD'000
1.8	Net Operating Cash Flows (carried forward)	(1,135)	(2,460)
<u>Cash Flows Related to Investing Activities</u>			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
Net Investing Cash Flows		-	-
1.14	Total Operating and Investing Cash Flows	(1,135)	(2,460)
<u>Cash Flows Related to Financing Activities</u>			
1.15	Proceeds from issues of shares, options, etc.	88	88
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (Capital Raising Costs)	-	(21)
Net Financing Cash Flows		88	67
Net Increase / (Decrease) in Cash Held		(1,047)	(2,393)
1.21	Cash at beginning of quarter/year to date	7,160	8,511
1.22	Exchange rate adjustments to item 1.21	(16)	(21)
1.23	Cash at End of Quarter	6,097	6,097

+ See chapter 19 for defined terms.

Payments to Directors of the Entity and Associates of the Directors

Payments to Related Entities of the Entity and Associates of the Related Entities

		Current Quarter \$USD'000
1.24	Aggregate amount of payments to the parties included in item 1.2	86
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
Item 1.24 Reflects amounts paid to directors including director's fees, salaries, superannuation, bonuses and consulting fees (excluding reimbursements).		

Non-Cash Financing and Investing Activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	-
2.2	Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest	-

Financing Facilities Available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount Available \$A'000	Amount Used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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Quarterly Report for Entities
Admitted on the Basis of Commitments

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$USD'000	Previous Quarter \$USD'000
4.1 Cash on hand and at bank	6,097	7,160
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other – Restricted cash	-	-
Total: Cash at End of Quarter (item 1.23)	6,097	7,160

Acquisitions and Disposals of Business Entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4 Total net assets	-	-
5.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign Here:

Print Name:

Peter Marks

Date:

22 July 2016

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.