



ASX Code: **PHK**

Share Price: **A\$0.11**

52 Week High: **A\$0.125**

52 Week Low: **A\$0.045**

Issued Shares: **367.9m**

Market Cap: **A\$40.5m**

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PHOSLOCK BLOG on Water  
Issues: [www.phoslock.com.au](http://www.phoslock.com.au)

## ASX ANNOUNCEMENT

Tuesday 11<sup>th</sup> April, 2017

### New China Manufacturing Facility

#### Key Points:

- **New 100% owned modern factory**
- **Efficiencies in production**
- **Multiple production lines for Phoslock and Zeolite**
- **New products in development**

Phoslock Water Solutions Limited (ASX: PHK) is pleased to advise it is in the final stage of establishing a multi-purpose manufacturing facility in Changxing, Zhejiang province, 150km from Shanghai, China.

Current China production, via an outside provider, is costly, inefficient and unable to meet growing international demand for Phoslock and related products. A rapidly growing order pipeline has necessitated the decision to construct a purpose-built, fully owned manufacturing facility strategically located in the Chinese economic zone of Changxing, in the centre of the zone Shanghai - Nanjing – Hangzhou. Ref map page 3.

The new factory has the capacity to meet rapidly expanding global demand for anti-pollution measures. In particular, the Chinese Government's stated aim of targeting waterborne pollution adds substantially to demand.

Chairman, Laurence Freedman AM stated: *"This is the next stage of the transformation of PHK to an independent, fully integrated manufacturer of multiple products for water remediation. The benefits are already flowing, not only in relation to our dramatically expanding Chinese business but also globally"*.

Phoslock production will commence at the rate of 5,000tpa. Factory capacity will initially be 15,000tpa with the ability to rise to 45,000tpa. Operating costs are expected to be lower than the current toll treatment plant. Ultimate costs of production will be determined by the product volume. This is the first time that PHK will have complete control over all aspects of the manufacturing operation.

The facility will also manufacture modified zeolite, which is used to remediate nitrogen. An additional number of new water treatment products are now in development to cope with complex water pollution. These include several forms of bacteria for CoD (Chemical Oxygen Demand) and BoD (Biochemical Oxygen Demand) that are also added to the Phoslock process.



## Location of Manufacturing Facility - Changxing, Zhejiang



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## ABOUT PHOSLOCK WATER SOLUTIONS LIMITED (PHK)

PHK produces *PHOSLOCK*, a patented technology which was developed by the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”). PHK has lodged a subsequent patent application to protect the core *PHOSLOCK* technology which is in an advanced stage of being granted in approx. 50 countries, with the intention of extending the core *PHOSLOCK* technology to 2033.

PHK is headquartered in Sydney, Australia and has offices in Brisbane, Beijing (being opened), Shanghai & Changxing (manufacturing facility), China and Bremen, Germany covering Europe and South America. PHK is represented by licensees, distributors and agents in ten other countries including SePRO Corporation in the United States and HidroScience in Brazil.

PHK recently forming a new company, Phoslock (Beijing) Environment Engineering Technology Co., Ltd that will focus on both engineering solutions for water environment projects as well use of water remediation products such as Phoslock, zeolites and other solutions in China. Phoslock Beijing will be able to undertake design, engineering, implementation and use of remediation materials for river, canal and lake projects in China. This is a significant broadening of the current PHK business base and will allow it to undertake a broader array of projects in China, supplying services and materials. PHK has also signed six agreements in China with a number of environmental companies to gain access to its clients for work on lake, river and canal remediation projects.

*PHOSLOCK* is a certified NSF/ANSI Standard 60 product - North American Drinking Water (see websites [ansi.org](http://ansi.org) and [scc.ca](http://scc.ca)). This certification enables *PHOSLOCK* to be applied to water bodies used for human consumption.



*PHOSLOCK* has been certified by Chinese Research Academy of Environmental Sciences (CRAES). *PHOSLOCK* is classified as a general environmental substance. It is neither hazardous nor harmful to the environment. *PHOSLOCK* has low risk to hydro ecological system.



**Phoslock Water Solutions Limited is listed on the Australian Stock Exchange (ASX Code: PHK).**

For more information about *PHOSLOCK* Water Solutions and *PHOSLOCK* please visit our websites: [www.PHOSLOCK.com.au](http://www.PHOSLOCK.com.au) or [www.PHOSLOCK.eu](http://www.PHOSLOCK.eu) (Spanish, Italian, Dutch and German) or [www.PHOSLOCK.com.br](http://www.PHOSLOCK.com.br) (Portuguese) or [www.PHOSLOCK.cn](http://www.PHOSLOCK.cn) (Chinese).

**PHOSLOCK BLOG** on PHOSLOCK news and current Water Issues – see [www.PHOSLOCK.com.au](http://www.PHOSLOCK.com.au) and look for PHOSLOCK BLOG icon in top right corner of the Home Page.

## **ABOUT PHOSLOCK – the Product**

*PHOSLOCK* is a unique water treatment product that binds phosphorus in water bodies such as lakes and dams. It provides a protective permeable layer to sediments, permanently preventing the re-release of phosphorus.

Retention of phosphorus reduces the level of algae by depriving it of nutrients. This in turn improves water quality, both for human use and aquatic life as well as preventing and controlling Harmful Algal Blooms (HAB).

*PHOSLOCK* is primarily used as an in-water solution for lakes, drinking water reservoirs and other recreational water bodies. It is also used as a preventative product to absorb phosphorus before it is transported into water bodies by being applied in storm water basins and inflow channels, rivers and canals.

*PHOSLOCK* is approved for use in North American Drinking Water Reservoirs via NSF/ANSI Standard 60 Certification. **This certifies that *PHOSLOCK* is safe for use in drinking water.**

*PHOSLOCK* has been certified by Chinese Research Academy of Environmental Sciences (CRAES). *PHOSLOCK* is classified as a general environmental substance. It is neither hazardous nor harmful to the environment. *PHOSLOCK* has low risk to hydro ecological system.

*PHOSLOCK* has been used on many of high profile water bodies in Europe/UK, North America and Australia. To date over 300 initial and follow-up applications have been successfully made.

Over 50 peer reviewed scientific and technical papers, have been published on *PHOSLOCK* in leading scientific journals. For access: [www.PHOSLOCK.com.au](http://www.PHOSLOCK.com.au)