

# THE PASSIONATE INVESTOR

SEEKING PROFITABLE INVESTMENT IN INVENTIONS FOR A BETTER WORLD

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August 26, 2016

## ***Points to Ponder***

### **Inventions + people power can save our world - "there is no Planet B"**



**August 25: Open letter to Prime Minister Turnbull from 154 Australian scientists:**

**"..governments worldwide are presiding over a large-scale demise of the planetary ecosystems .. we call on the Australian government to tackle the root causes of an unfolding climate tragedy and do what is required to protect future generations and nature ..while there is still time" .**

#### **The rise of citizen science**

##### **ABC's Wildlife Spotter, Launched August 1**

The ABC's citizen science project was launched August 1 2016 as part of National Science Week. Researchers are asking for the public's help to identify animals in over 1 million camera trap images.



This study involves six regions: Tasmanian nature reserves, far north Queensland, south central Victoria, Northern Territory arid zone, and New South Wales coastal forests and mallee lands.



Discovery Circle's Oaklands Wetlands Bioblitz 2014 (Oaklands, South Australia)

Whether using their device on the couch, tram or at the pub, citizen scientists can help by building up a detailed picture of what animals are living in the wild and our cities, and in what numbers.

#### **More on citizen science**

##### **Yale Environment 360 Interview**

**By Diane Toomey, Jan 28 2014, (abridged)**

In an interview with Yale Environment 360, biologist Prof. Caren Cooper of the Cornell Lab of Ornithology on January 28 said when she carries out her avian studies, she's aided by thousands of assistants, none of whom are paid for their work.

But, as Cooper notes, the uses of citizen science now go way

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***Inventions + people power can save our world***

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## Companies Featured

### GREAT AUSSIE COMPANIES IN WASTE MGT, AG SECTOR AND AG TRANSPORT

#### AnaeCo Ltd

##### ANQ: COMPANY TRANSFORMED!

ANQ HAS 35 GRANTED PATENTS , 55 PATENT APPLICATIONS FOR WORLD LEADING AUTOMATED RECYCLING OF MISCELLANEOUS HOUSEHOLD WASTE IN MUNICIPAL TIPS INTO USEFUL PRODUCTS. PRESTIGIOUS AND TENACIOUS MANAGEMENT. ANQ WILL EMERGE DEBT FREE, WITH \$4.1M IN CASH AFTER MONADELPHOUS, A SUPPORTIVE SHAREHOLDER SINCE 2010 AND CHINA BASED XEPTC EMERGE WITH 30% AND 55% RESPECTIVELY

**AnaeCo Ltd's** automated and patented hybrid Bioconversion process, now called the AnaeCo System, has been developed over 15 years.



AnaeCo has benefitted from strong and patient support from Western Metropolitan Regional Council (WMRC) and the City of Stirling at a municipal dump just 6 km from the Perth CBD.

Loans from Monadelphous, a highly respected engineering group, have enabled AnaeCo to develop both the prototype and the final product, with Monadelphous responsible for the engineering content. MND became a major shareholder in AnaeCo in 2010.

But the long years spent in development with major expenditure and no income, with cost and time over runs, has meant that AnaeCo's share price had fallen to just 0.1c with the company heavily indebted and with negative shareholder funds at end June 2016.

##### Company transformed!

On August 5 ANQ announced a deal - one year in negotiation - with Xiaoqing Environmental Protection Technology Company, subject to shareholder approval, that will see it emerge with 55% of ANQ, Monadelphous will have 30% of AnaeCo, all debt will be forgiven and AnaeCo will emerge with \$4.1 million in liquid assets including cash and will be debt free.

The transformation is expected to occur by November this year, subject to shareholder approval.

As part of the deal AnaeCo will also issue 112.48 million new shares, representing 82.4% of the expanded share capital.

In the August 5 announcement AnaeCo included, "The transaction involves XEPT purchasing part of a loan owed by AnaeCo to Monadelphous Group Limited (MND), and converting it to equity. MND will also convert the remaining loan to equity, resulting in MND's shareholding in AnaeCo increasing to 30%.

"The issue of shares to both XEPT and MND will require shareholder approval and a meeting will be convened for this purpose. The estimated date for holding the extraordinary general meeting of shareholders is around the end of September 2016 and meeting materials will be dispatched shortly. The AnaeCo Board supports the transaction and will be recommending shareholders approve the resolutions.

"XEPT, based in Beijing and led by Chairman Han Xiaoqing is a privately owned hi-tech enterprise established in 1989. Its focus has been on the design, construction and operation of water and waste water treatment plants, solid waste treatment and renewable energy projects in China. XEPT has been recognised as one of the earliest companies engaged in environmental engineering and protection projects in China. It has developed a number of proprietary technology solutions which it applies in its business in China.

## Companies Featured

### AnaeCo Ltd (cont'd)

“Chairman Han Xiaoqing said, “We intend to combine the technical and commercial skills of XEPT who currently only operate in mainland China with those of AnaeCo to expand both businesses in Australia, China and South East Asia. I am looking forward to working with AnaeCo, and particularly their technical team, to expand and develop their operations in both Australia and elsewhere.”



Image: A truck loaded with waste is seen at the Malagrotta landfill near Rome, December 11, 2013. REUTERS/Alessandro Bianchi

#### The global opportunity is huge

As urbanisation grows rapidly in countries around the world, particularly in China, the need to recycle household waste becomes a priority. All developed countries and many developing nations are working to reduce the amount of waste going into landfill, and recycle as much of that waste as possible.

The World Bank, in an August 20 2015 report entitled, ""What a Waste: A Global Review of Solid Waste Management" By Paul Muggeridge,

included, "By 2025 there will be 1.4 billion more people living in cities worldwide, with each person producing an average of 1.42kg of municipal solid waste (MSW) per day – more than double the current average of 0.64kg per day.

Annual worldwide urban waste is estimated to more than triple, from 0.68 to 2.2 billion tonnes per year...

New Zealand (3.68kg), Ireland (3.58kg), Norway (2.80kg), Switzerland (2.61kg) and the United States (2.58kg) were the top five producers (of urban waste) in the developed world" ...

#### Waste disposal in Australia

MRA Consulting / April 20, 2016

By Mike Ritchie – Director, MRA Consulting Group  
(abridged)

"On 16 February 2016, the Australian population reached 24 million people. Waste generation rates are a function of population growth, the level of urbanisation and per capita income and Australians now produce about 50 million tonnes of waste each year, averaging over 2 tonnes per person. There are more of us and we generate more waste per person, each year.

In the period 1996-2015 our population rose by 28% but waste generation increased by 170%. Waste is growing at a compound growth rate of 7.8% /Year.

On the positive side, recycling is growing at a faster rate and since 2005 we have actually seen (for the first time) a decline in tonnages of waste sent to landfill (in the most progressive States).

"We now recycle approximately 58% of all the waste we generate and landfill the rest".

#### The AnaeCo system - automated, scalable waste separation and recycling

The AnaeCo™ System is next generation technology that combines proven material recovery, anaerobic digestion and aerobic composting processes to recycle household waste into a quality organic fertiliser, renewable energy and recyclable plastics, metals and glass.

It recycles 75% + of household waste in landfills (subject to composition) into valuable resources - in a 21 day processing cycle. It is scalable with a small footprint and low environmental impact.

\*It does away with the need for separate collection of environmental and other household waste, and the need

## Companies Featured

### AnaeCo Ltd (cont'd)

for manual separation (subject to composition).

The Shenton Park project involved the construction of a plant to process 55,000 tpa of municipal solid waste (MSW) for the Western Metropolitan Regional Council (WMRC) and the City of Stirling using the Group's proprietary AnaeCo™ System. This project was developed by Palisade Investment Partners Limited's Regional Infrastructure Fund. The Design & Construct services were delivered jointly by AnaeCo Ltd and Monadelphous Group Limited (MND), with AnaeCo responsible for design and commissioning and Monadelphous responsible for construction and procurement.

All work under the Design & Construct contract was completed and the project was handed over to the client in April 2016.

Up to 75% of the inputs (subject to composition) become usable outputs, such as renewable energy, high quality organic fertiliser in 21 days (that can also be pelletised and used as a RDF (Refuse Derived Fuel)) and recyclables (plastics, glass and metals).

### Financials

Code	ANQ		
Last traded price cents	0.3		
Shares Issued (billion)	15.2		
Market Cap (\$m's)	45.5		
Year ended June 30, Values in \$000's			
<b>INCOME</b>		<b>2016</b>	<b>2015</b>
Op Revenue		12	22
Op Profit (Loss)		(7,320)	(7,808)
Net profit (loss)		(7,320)	(7,808)
Earnings (Loss) PS (Cents)		(0.3)	(0.0)
<b>BALANCE SHEET</b>	<b>Pro-forma</b>	<b>2016</b>	<b>2015</b>
Current Assets	8,980	6,807	5,313
Non Current Assets..	2,958	2,958	3,855
Current Liabilities	5,998	22,154	14,458
Non Current Liabilities	324	324	275
Net Assets & Shareholders' Funds	5,616	(12,713)	(5,565)
Intangibles	2,949	2,949	3,821
Net Tangible Assets	2,667	(15,662)	(9,386)
Gearing (Net of Cash) %	nil	100	100
NTA per share (cents)	0.018	(0.59)	(0.36)
Shares Issued (m's)	15151.5	2672.2	2610.3
<b>Cash Flows:</b>	<b>Pro-forma</b>	<b>2016</b>	<b>2015</b>
Cash on hand (at open)	611	729	1,642
Operating Activities		(6,311)	(6,658)
Investing		(7)	(140)
Financing Activities	3,089	6,200	5,885
Exchange Rate Impacts			
Cash on hand at Year end	3,700	611	729
The significant point is that 12.484 billion shares were issued at 0.138 cents per share after the year 2016 balance date.			

### Board and Management

**Shaun Scott** – Chairman of the Board, BBus(Acc), BA(Rec Admin)

Mr. Scott is a chartered accountant with over 25 years of upstream and downstream experience in the oil, gas and energy sector in Australia, Asia and the United States. He previously held the roles of Chief Executive Officer, Chief Commercial Officer and Chief Financial Officer with Arrow Energy Ltd. Prior to joining Arrow in 2004, his career spanned appointments as Group Finance Manager at Energy Developments Limited, Project

## Companies Featured

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### AnaeCo Ltd (cont'd)

#### Board and Management (cont'd)

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Finance Director at NRG and Manager of ARCO's International oil and gas M&A team. He also serves as a director of the following other ASX listed companies: Dart Energy Ltd, Site Group International Limited and Titan Energy Services Ltd.

#### **Les Capelli**, Non-Executive Director

In 1989 Mr. Capelli established Vector Lifting and has overseen its subsequent growth to become a major supplier of specialised and sophisticated lifting and railway maintenance equipment. The company has successfully completed projects in Australia, China, Taiwan, Indonesia, Hong Kong, Singapore, Malaysia and the Middle East. Vector Lifting has designed and manufactured specialized equipment for a wide range of Australian and international clients including; BHP Billiton, Rio Tinto, Woodside Petroleum, most Australian rail authorities, Taiwan High Speed Rail and IHI and TTK of Japan. Mr. Capelli brings to the AnaeCo Board his skills and experience in engineering design and manufacture as well as project management and customer service delivery.

#### **David Lymburn** – Managing Director & Chief Executive Officer, ACA

Mr. Lymburn is a Chartered Accountant with more than 25 years experience in accounting and corporate management. Qualifying in Scotland, he spent nine years in the accounting profession in both Europe and Australia. Subsequently he has held positions as CFO/Company Secretary with small to medium sized public listed companies involved in engineering, technology development and mineral exploration. In these roles, he has gained a broad exposure to initial public offerings, corporate strategic planning, mergers, acquisitions and divestments, as well as managing the traditional areas of financial and corporate compliance. Prior to his appointment as Chief Executive Officer effective July 2013, he had been CFO and Company Secretary of AnaeCo since January 2004. Mr. Lymburn was appointed Managing Director in May 2014.

## Senior Management

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#### **Trevor Ward**, Chief Technology Officer, B.Sc(Hons), PMP

Mr. Ward has over 25 years experience in the fields of Project Management, Systems Engineering and Business Development, with the successful development, production and commercialisation of a wide range of innovative products and services into the Defence, Offshore and Mining industries internationally. He previously held the role of Production & Engineering Manager for Thales Australia, where he managed a program of Engineering, Production, Supply and Support of Deployable Command, Control and Intelligence gathering systems for the Australian Defence Forces. His career has spanned project and technical management roles with Immersive Technologies Pty Ltd, L-3 Nautronix Ltd in Australia, Scanmar in Norway and British Aerospace. Mr. Ward has been Chief Technology Officer at AnaeCo since February 2013.

## Substantial Shareholders

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Xiaqing Environmental Protection Technology Company's (XEPTC) of China will emerge with 55%  
Monadelphous 30%

OzEquities Week's Special dated May 7 2010. ANQ was trading at 20c.