



Of stock shares and ships and cattle trading

PUNTER

GUESS what, folks? CropLogic (ASX code CLI) has raised \$2.6 million by offering a vast number of new shares at a very generous discount, but only to the rich and well connected.

Mum-and-dad investors miss out again.

Raising money when your shares are worth only a couple of cents each is always difficult.

Companies may argue that they cannot afford to extend a share purchase plan to all shareholders, given the amount of paperwork re-

quired by the regulators and the cost of posting out the documentation to everyone.

Moreover, smaller shareholders are often reluctant to increase their investment. But it is another example

of how the whole stock exchange game is weighted against the small player.

CropLogic sold the new shares at 1.5c each – 40 per cent below the market price at the time of the announcement, and 85 per cent below the high for the year. To raise the \$2.6m, CLI will issue 173.33m new shares.

That more than doubles the number of CLI shares and effectively halves their value for small shareholders.

Shareholders will have to approve the bulk of the fundraising at an extraordinary general meeting next month, but this is likely to be a formality. Ship owner and cattle trader Wellard (WLD) has been on the Punter's watchlist for some time.

Following the reassuring presentation at the AGM last Friday, the Punter bought

50,000 WLD for \$2,120. Yes, the social licence for the live trade is a concern, yes, the stock market is still looking

shaky, yes Australia cattle prices seem to be rising, and yes, it is little wonder that the shares are down 75 per cent this year to their all-time low.

However, the turnaround in the company's fortunes has been significant and has continued in the latest three months. Net tangible assets per share are estimated at 16.7c a share – four times the share price.

■ The Punter has no financial qualifications and no links to the financial services industry. He owns shares in a number of companies featured in this column.



Punter bought 50,000 Wellard (WLD) for \$2,120 as the ship owner and cattle trader has been on his watchlist for some time.