

**PROSTICKS INTERNATIONAL HOLDINGS LTD :**  
**DÉJÀ VU TO YOU, TOO**

About the only thing, going for ProSticks International Holdings Ltd, is that the Directors have mountains of chutzpah.

Little else has this Company or its products, computer software, which, simply put, converts data into tables and charts, computer software that nearly everybody and his cat utilises, using internationally tested software, developed by the giants of the industry, and usually forming part of a windows application software.

ProSticks International was one of those public listings on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, which just managed to get in before the month of November ran out.

Designated GEM Stock Code Number 8055, the Company Placed a total of 100 million, one-cent shares at a Premium of 32 cents per share.

The Company has a history, going back to August 1997, but, at that time, it was not engaged in its current business, but operated an investment fund, capitalised at about \$US1.40 million.

It was not until February 2000 that the software, bearing the Company's name, was completed and launched.

Since that time, the Company has done quite poorly.

And that is the reason that, on Wednesday, December 5, it went to The GEM, which is the speculative bourse of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), whose motto is: *'A "Buyers Beware" Market for Informed Investors'*.

The Company raised about \$HK25.50 million, and this money, the Placing Prospectus states at Page 116, is expected to be used for the following purposes:

1. \$HK13.50 million for advertising and promotion;
2. \$HK8 million for research and development; and,
3. \$HK4 million to be tipped into the General Working Capital Account.

The use of the proceeds will be spread out over a period of the next 2 years, it is stated.

Since launching its computer software, ProSticks has done extraordinarily poorly, as the following table, taken from Page 152 of the Prospectus, indicates:

	Financial Year ended December 31		Five Months
	1999	2000	to May 31 2001
Turnover	Nil	\$HK820,862	\$HK1,665,310
Cost of Sales	Nil	(\$HK979,287)	(\$HK870,552)
Gross Profit/(Loss)	Nil	(\$HK158,425)	\$HK794,758
Other Revenue	\$HK497,831	\$HK836,061	\$HK84,160

Advertising and Promotional Costs	(\$HK15,400)	(\$HK2,107,744)	(\$HK219,230)
Administrative Expenses	(\$HK1,241,393)	(\$HK8,239,623)	(\$HK3,791,929)
Other Operating Expenses *	Nil	(\$HK3,214,208)	Nil
Net Loss Attributable to Shareholders	(\$HK758,962)	(\$HK12,883,939)	(\$HK3,132,241)

\* This item is explained on Page 154 in Note C, which states that the sum of \$HK3,416,485 was 'Loss on Disposal of Other Investments'.

The accounts of this Company show that, in the past, it had been dabbling in the purchase and sales of listed investments.

Wheeling and dealing in stocks and shares has, now, ceased, it is stated at Page 154.

For the Current Financial Year, ended December 31, 2001, the Loss Attributable to Shareholders of ProSticks International should be not less than ... [CLICK TO ORDER FULL ARTICLE](#)

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