

**ADVANCED CARD SYSTEMS HOLDINGS LTD:
YER PAYS YER MONEY; AND, YER TAKES YER CHANCES !**

Within one month of this company, going public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd, Advanced Card Systems Holdings Ltd announced that it was moving its Head Office from a 3,528-square-foot unit in an industrial building in Kowloon Bay to a posh office in Central Hongkong.

At the time of Advanced Card Systems, going public on The GEM, it had no debt.

And, as at April 30, 2003, it had \$HK1,441,000 in cash and bank balances, and \$HK3,528,000 in Accounts Receivable.

The Total Assets of this Company, as at April 30, 2003, were about \$HK14,565,000, of which figure, \$HK7,728,000 was listed as being a Non-Current Asset: '*Development Costs*' – which could never be included in the calculation of the Adjusted Net Tangible Assets, of course.

It would appear that, as soon as Advanced Card Systems got its hands on \$HK16.50 million, being the net proceeds from the Placing of 78 million, 10-cent Shares at a Premium of 22 cents per Share, Management made the decision to improve the profile and image of the Company by moving from its dumpy offices in Kwuntong, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), to a swank, Central Hongkong office.

This Company only just managed to squeeze through in its desire to Place the requisite, minimum number of shares with independent third parties, not associated with the Directors or Substantial Shareholders, in order to qualify for a Place on The GEM list, with 62.70 percent of the total number of Shares on Offer, ending up in the hands of just 40 shareholders.

As at November 6, 2003, there were only 199 shareholders of this Company, not taking into account, Substantial Shareholders' Shares and those Shares, held by certain staff members, all of which are locked up for the next year, in any event, in accordance with the rules and regulations of The Stock Exchange of Hongkong Ltd, those rules and regulations, governing a listing on The GEM.

Advanced Card Systems claimed, in its Placing Prospectus of October 31, 2003, that it was Placing 78 million of its Shares in order to net about \$HK16.50 million, that money to be used for the following purposes:

1. \$HK8.40 million to enhance existing products and to develop new products;
2. \$HK4 million to be used to recruit new sales and marketing staff and other personnel;
3. \$HK800,000 in order to register its patents, copyrights and trademarks;
4. \$HK1 million to upgrade Management's information systems;
5. \$HK600,000 to relocate its office '*to cater for the anticipated expansion of the group's business*'; and,

6. \$HK1.70 million to be used as Working Capital.
Well, it appears that Management kept ... [CLICK TO ORDER FULL ARTICLE](#)

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