

**LINEFAN TECHNOLOGY HOLDINGS LTD :
NO MORE FREE LUNCHES, FOLKS**

It is only too apparent that 'free' lunch money permitted Linefan Technology Holdings Ltd to turn in a positive Bottom Line for the 18 months, ended June 30, 2001.

And the person, giving the Company this lunch money was, most likely, its Chairman and Founder, Mr Zhu Zhao Fa.

While the Placing Prospectus does not name the benefactor of Linefan Technology, over the years, it is safe to assume the Chairman Zhu has been 'Mr Moneybags', at least over the past 26 months or so.

Linefan Technology describes itself as being '*an enterprise software applications and technology provider in Hong Kong and the PRC (the People's Republic of China). The Group is principally engaged in the sale, development and implementation of KM (Knowledge Management) systems and the provision of system integration and IT (Information Technology) related services ...*'.

The history of this Company goes back to May 1995 when Chairman Zhu and a Mr Xue Shu Qing entered into a partnership in order to engage in computer software development.

As the years progressed, the emphasis of the Chairman was on, what he terms, **Knowledge Management Systems**.

Which is where we are today.

From owning nearly all of the Issued Share Capital of the original 1995, PRC corporate entity, Chairman Zhu, today, owns just 21.57 percent of Linefan Technology, along with his wife, Ms Xue Wan Juan.

Other large shareholders, according to Page 189 of the Prospectus, are:

Ocean Grand Holdings Ltd, a member of the Main Board of T he Stock Exchange of Hongkong Ltd, being Stock Code 1220	18.57 percent
Mr Ng Siu Kei	10.10 percent

Linefan Technology went to The GEM in order to Place 200 million, one-cent shares at a premium of 23 cents per share.

The net proceeds from the Share Placements, amounting to about \$HK35 million, are to be utilised as follows:

1. \$HK3 million for the advancement of the Company's KM products;
2. \$HK11 million to be spent on research and development;
3. \$HK9.80 million to be spent on sales and marketing;
4. \$HK5.20 million to be spent on geographical expansion;
5. \$HK3.50 million to be spent on purchasing some new equipment; and,

6. \$HK2.50 million to be tipped into the General Working Capital Account.

This Company is not exactly a go-go enterprise, as are the claims of some of the other computer software companies, and one may be tempted, ... [CLICK TO ORDER FULL ARTICLE](#)

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