

**SHENZHEN MINGWAH AOHAN
HIGH TECHNOLOGY CORPORATION LTD:
SHOULD DONALD TRUMP TALK TO CHAIRMAN LI QI MING ?
YOU'RE HIRED !**

When one has a government's blessing – and its financial support, directly and/or indirectly – it is difficult to put a foot on the wrong path or even in the wrong direction of path, selected at random.

Unless, one is a bloody fool, of course.

Management of Shenzhen Mingwah Aohan High Technology Corporation Ltd (Code: 8301, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) does not appear to fall into the category of being foolish, not in the least, and, if anything, it has been very clever, at least, so far.

On November 10, 2004, Shenzhen Mingwah Aohan High Technology brought out its Third Quarterly Report for the 9-month period, ended September 30, 2004.

The results for the full Financial Year, ended December 31, 2004, should be released within the next month or so; and, that report should be a corker if one may assume that annualising the first 9 months' results will lead one in the direction to understanding the Company's performance for the entire Year.

For the first 9 months of the 2004-Year, Shenzhen Mingwah Aohan High Technology reported, inter alia:

1. Turnover had risen about 10.05 million renminbi, equivalent to about 12.63 percent, Year-on-Year, to about 89.62 million renminbi*; and,
2. The Net Profit Attributable to Shareholders had risen about 4.02 million renminbi, equivalent to about 96.87 percent, Year-on-Year, to about 8.17 million renminbi.

* Note: 1.06 renminbi = \$HK1.00

Very little else of any merit is mentioned in the Third Quarterly Report, other than some more waffle, which appears to have been lifted, to a great extent, from the Company's Placing Prospectus, dated June 30, 2004.

The Business

Shenzhen Mingwah Aohan High Technology is in the business of the production and sales of integrated circuit cards (IC cards) and non-IC cards.

The difference between these 2 cards is that the former has an IC chip embedded in it, whereas the latter is, simply, a blank plastic card, devoid of an IC chip.

Both plastic cards are used for a variety of jobs, from being a memory card, to being a logic card, to being a smart card.

Anybody in possession of a credit card knows the convenience of using that plastic Visa/MasterCard/American Express/Diners Club card to make purchases for petrol or whatever tickles one's fancy, or, if one is sufficiently brave enough to permit one's wife/girlfriend to be in possession of such a plastic card, to allow that lady the right of using plastic rather than having to carry cash in her purse.

In the People's Republic of China (PRC), the manufacture of such plastic cards requires Government approval.

Having obtained the requisite licences from the Government of the PRC, Management of Shenzhen Mingwah Aohan High Technology went to 5 different lending institutions, all of which are supervised by the PRC Government, and borrowed heavily.

These lending institutions are:

Bank of China , Shenzhen Tung Mun Branch
China Everbright Bank, Shenzhen Xihu Sub-Branch
Industrial and Commercial Bank of China , Sihui Sub-Branch
Shenzhen City Finance Bureau
Industrial Bank Corporation, Shenzhen Centre District Sub-Branch

As at April 30, 2004, the above entities had lent to Shenzhen Mingwah Aohan High Technology about 63.80 million renminbi.

That amount of money must be considered material since the Turnover of the Company, for the Financial Year, ended December 31, 2003, was only 125.25 million renminbi.

Most lending institutions in most parts of the world would think for an extremely long period of time before lending, what amounts to, about 51 percent of a prospective borrower's total volume of activity within that borrower's chosen field of endeavour for an entire financial year, or about 6 times the Bottom Line of that entity for that year.

After all, there is the question of repaying Principal, plus interest payments on the Principal Amount, isn't there?

Or is there?

Which leads, of course, to the reason that Shenzhen Mingwah Aohan High Technology went public on The GEM in the middle of 2004 in the first place.

The Flotation

Shenzhen Mingwah Aohan High Technology floated a total of 200.20 million, 0.10 renminbi Shares at the price of 28 cents (Hongkong) per Share on The GEM.

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