



Yaan Security Technology Limited is a leading technology-based company which designs, develops and markets high-quality closed-circuit television (CCTV) security and surveillance products and accessories.

Backed by a 13-year track record, we have established a strong brand name with our award-winning products deployed throughout the PRC. Our asset-light business model and extensive network, coupled with our R&D capabilities, positions us favourably to tap on the fast-growing security and surveillance market.

## KEY INVESTMENT HIGHLIGHTS

### Sound Business Model

Asset-light business model, focusing on design, development and marketing of CCTV security and surveillance products and accessories

### Established Market Position

Award-winning brand name, backed by a 13-year track record and experience management team

### Strong Industry Prospects

Robust growth in global digital CCTV and surveillance market, sustained by increasing importance placed on safety, security and anti-terrorism

### Clear Growth Strategy

Enhance R&D capabilities, with a focus on intellectual property rights  
 Increase production capacity and widen sales network  
 Strategic acquisitions & investments

## Our Products

### CCTV Products

- Speed dome camera
- IP-based camera
- Network virtual (digital) video-matrix surveillance host

### CCTV Accessories

- Housings
- Pan/Tilt modules
- Control keyboard
- Network video servers



## Competitive Strengths

- **Extensive network of sales channels**
  - Strong network comprising 6 branches, 4 sales offices and 35 distributors in the PRC, including 6 overseas distributors in the USA, Singapore, UK, Taiwan, Belgium and Italy
- **Strong brand name and good track record**
  - Our "Yaan" brand has won numerous accolades, including "Famous Brands in China Security" in 2006, "Top Ten Security Brands of China" and "Top 10 National Security Brands" in 2004, 2005 and 2006, as well as "Tianjin Famous Brands" in 2004
  - Certified "Famous Trademark" by Administration of Industry and Commerce of Tianjin in 2004
- **Strong R&D capabilities**
  - Experienced team looking into product development, trial production, and technical design and management
  - Focused on protecting intellectual property rights with 65 patents, copyrights and trademarks
- **Management team with extensive industry experience**
  - Management team has extensive experience, substantial technical expertise and valuable business relationships in the industry
  - CEO ranked as Top 10 Leaders in China's Security Industry, and elected as the Vice Director of the Association of China Security Industry

## Financial Highlights

RMB'mil	FY03 <i>Proforma</i>	FY04	FY05	FY06
Revenue	40.5	51.4	65.0	94.6
Net Profit	8.6	10.6	8.4	12.9
EPS(RMB cents)	17.90	22.16	13.83	21.12

## Growth Strategies

Enhance our R&D capabilities

Increase production capacity

Expand sales & marketing network

Further promote our brand name globally

## Industry Prospects

- **Universal demand for safety**, with surveillance/security being a necessity (e.g. airports, roads, subways, commercial buildings etc) and a need to replace aging equipment
- **Strong industry growth potential for digital CCTV security in the PRC**, boosted by "Safe City" project and highly anticipated events like Beijing Olympic Games 2008, International Expo in Shanghai 2010 etc
- **Growing demands of the security industry**, especially with the increasing need for safety in public areas and the global focus on combating the threat of terrorism