

NEWS RELEASE**YAAN TO BECOME OEM MANUFACTURER FOR JAPANESE COMPANY**

- Improves Yaan's competitiveness in the international market
- Long term recurring income for Yaan

Singapore, 29 August 2005 – SESDAQ-listed Yaan Security Technology Limited ("Yaan" or "The Group"), a leading technology-based manufacturer of CCTV security and surveillance products and accessories, is pleased to announce that it has signed an agreement with Ikari Enterprise Pte Ltd ("Ikari") to undertake the manufacture of housing and bracket for "JVC" brand of digital cameras. Ikari in turn will provide the parts to Victor Company of Japan, Limited ("JVC"), an established global brand of consumer electronics.

The agreement is the first step into a new market for Yaan as an OEM manufacturer.

Commenting on Yaan's foray into OEM manufacturing, Mr Ye Chen, Yaan's Executive Chairman and CEO said: "We are honoured to be chosen as an OEM partner for JVC, whose products are sold worldwide. We believe that this strong confidence boost speaks volumes about Yaan's superior manufacturing and leading edge research and development into our products. We look forward to a long-term, mutually beneficial partnership with JVC."

Mr Ye explained that OEM manufacturing has tremendous market potential for Yaan as brand owners across industries worldwide have been turning to China as a manufacturing base due to China's lower cost structure. He believes that Yaan can leverage on the Group's established reputation for quality products to offer OEM manufacturing to brand owners of relevant products worldwide.

Mr Ye added, "Entering into the OEM manufacturing space will certainly improve the Group's competitiveness in the international market as we can grow beyond the security equipment market and also maximise the value of our manufacturing facilities and research. In addition, OEM manufacturing contracts will provide the Group with long-term recurring income. We are confident that OEM manufacturing is the right step towards ultimately enhancing value for our shareholders."

The agreement will not have any material impact on the Group's financial results for the current financial year.

About Yaan Security Technology Limited

Yaan Security Technology Limited is a leading technology-based manufacturer of CCTV security and surveillance products and accessories. With a strong research and development team, operations across China and distributors in Europe and North Asia,

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the Group was able to establish a broad customer base. Yaan's wide range of CCTV products has been deployed in major historic sites and tourist attractions in China such as Tiananmen Square, Temple of Heaven and Beijing Olympic Hotel.

Yaan has received several awards and accolades, such as the "Top Ten National Brands of Security Industry" awarded by HC360 Security in 2003 and 2004, and "Rising Star Winner – CCTV Camera" for the China Export Business Achievement Award by Global Sources Limited in 2003. The Group's "YAAN" brand was also one of the top 10 security brands in the CCTV category in a survey conducted by "Automation & Security" (A&S) Magazine in 2004.

Issued on behalf of Yaan Security Technology Limited

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