

YAAN SECURITY TECHNOLOGY LIMITED

Company Registration No.: 200402490W

NEWS RELEASE

YAAN SIGNED ITS FIRST DISTRIBUTOR IN UK - a milestone for YAAN

Singapore, 19th September 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 UK Security Distribution Ltd to distribute "YAAN" brand security and surveillance products and accessories in United Kingdom.

The distributorship agreement marks Yaan's entry into the huge security equipment market in developed countries. As part of the agreement, UK Security Distribution Ltd has undertaken to distribute minimum US\$100,000 worth of Yaan products within a year.

Commenting on the appointment of the distributor for United Kingdom, Mr Ye Chen, Yaan's Executive Chairman and CEO said: "We are excited about the prospects in the UK security equipment market, especially after the effectiveness of video surveillance system has been well proven in identifying the bombers involved in the recent terrorism attack in London. We believe that other cities in UK will follow London to upgrade and strengthen their security surveillance systems, which indicates strong demand for security equipment in the upcoming years."

He added, "For Yaan, with the help of our UK distributor and our capability to deliver high quality products with very competitive selling prices, we are optimistic that our products will penetrate into UK market smoothly."

Yaan has received the opening order of US\$20,723 from UK Security Distribution Ltd.

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

About UK Security Distributor Ltd

UK Security Distribution Limited is a Midlands-based distributor of CCTV equipments and associated computer systems. Their team of staff have many years of experience within the CCTV industry, backed up by excellent customer service both United Kingdom and other countries. All of their products are sourced from leading manufacturers in the all of the worlds.

Issued on behalf of Yaan Security Technology Limited

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