



YAAN Security Technology Limited

(Company Registration No. 200402490W)
(Incorporated in Singapore on 3 March 2004)

PRESS RELEASE

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YAAN SECURITY TECHNOLOGY LIMITED'S IPO ATTRACTS GOOD RESPONSE - OVERALL 3.76 TIMES SUBSCRIBED

Singapore, 10 May, 2005 – YAAN Security Technology Limited (“YAAN” or the “Company”), a company principally engaged in the design, development and marketing of CCTV security and surveillance products and accessories, has announced that its initial public offering (“IPO”) has been well received, attracting good response for both the public and placement tranche.

Based on the total Invitation size of 20 million Shares and the total valid applications received, the Invitation was approximately 3.76 times subscribed.

Yaan launched its IPO of 20 million Ordinary Shares, consisting of 13 million New Shares and 7 million Vendor Shares, at S\$0.21 each on 4 May 2005. The Invitation represents 32.79% of the enlarged share capital of the Company.

At the close of the Application List at 12.00 noon on 9 May 2005, a total of 665 valid applications for 56.16 million Offer Shares were received for the public offer tranche of 1 million Offer Shares. Total application monies received for the public offer tranche amounted to approximately S\$11.79 million.

“We are delighted with the good response to our IPO. We would like to thank the investing public for their confidence in our Company and our growth potential. With the funds raised from the IPO, we would pursue our expansion plans to deliver value to our shareholders,” said Mr Ye Chen, Managing Director of Yaan.

Yaan’s growth prospect is expected to be driven mainly by the heightened security needs of companies and the migration from existing analogue surveillance systems to digital platforms leading to a rise in demand for IP-based CCTV solutions.

Mr Ye Chen said, “This will present new opportunities for the Group and Yaan plans to increase its production capacity and expand its sales and marketing network to meet this demand.”

The net proceeds from the IPO will be used as follows:

- approximately S\$400,000 will be used to fund Yaan's research and development activities, namely S\$100,000 for the continuous enhancement of Yaan's existing CCTV products and accessories and S\$300,000 for the development of new IP-based products;
- approximately S\$400,000 will be used to fund Yaan's expansion of production capacity by increasing assembly lines from five to up to ten;
- approximately S\$400,000 to fund the expansion of Yaan's existing sales and marketing network, namely S\$200,000 for the establishment of two to three new sales and marketing offices and S\$200,000 for the conduct of related marketing and advertising activities to promote "YAAN" brand in the PRC and overseas by, *inter alia*, registering "YAAN" brand as a trademark in major countries; and
- the balance for general working capital purposes.

The Manager of the IPO is Westcomb Capital Pte Ltd, and the Underwriter and Placement Agent is Westcomb Securities Pte Ltd.

The Company's shares will commence trading on SGX SESDAQ at 9.00 a.m. on Wednesday, 11 May 2005.

For more information, please contact:

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