GLOBAL LEADER IN ANTI COUNTERFEIT TECHNOLOGY

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ASX: YPB

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New production line for tracer operational as contracts ramp up

- YPB's new production line for invisible tracer operational
- 400% increase in capacity to produce YPB's invisible tracer
- First batch produced on new production line
- YPB tracer included in 20 million fapiaos (tax invoices/receipts) to date contract for 48 million per year 2015-2017
- First run of 300,000 bank deposit certificates complete in national bank trial targeting only one county thus far

Anti-counterfeiting technology company YPB Group Limited (ASX: YPB) has commenced use of a new production line for its invisible tracer anti-counterfeit material. The first successful production run comes after recent investment into its development in China.

Rapid growth in demand for YPB's invisible tracer made it necessary to extend the production capacity.

After three months building the new production line, YPB will have the ability to increase production by up to 400%, providing adequate support for YPB's growing activity across China, USA, Australia and Thailand.

YPB Group CEO John Houston said: "I am delighted that we are now in a position to match our customers increasing demand for invisible tracer as new and existing customers continue to adopt the technology and expand their own production."

The new production line comes as YPB confirms the fapiao contract with Guangzhou Renmin Printing Co Ltd, for the Guangdong National Tax Bureau, is greater than originally announced. Initially expected to be approximately 14 million fapiaos during the first year of the deal, 20 million pieces have already been produced with the contract expected to now be for 48 million pieces annually.

Further to this, YPB has completed the first phase of its supply of tracer and scanners to one of China's national banks, the customer being the largest bank in terms of footprint with 77,000 branches across China. To date more than 300,000 bank deposit certificates protected with YPB's tracer have been printed and accepted by the bank.

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About YPB

YPB Group (ASX: YPB) is a pioneer in advanced anti-counterfeit and product authentication solutions. Listed on the Australian Securities Exchange, we are expanding our global footprint with an established presence in China, USA, Australia and South East Asia.

YPB's patented anti-counterfeit technology combined with its security packaging solutions, consulting and forensic services enables businesses to protect their high value brands from the risks of counterfeit and product diversion.

YPB's full range of services will give businesses the ability to cost effectively protect their brands, easily detect counterfeits and give them the opportunity to connect with their consumers about the authenticity of their brand.

PROTECT

Anti-counterfeit print packaging and labeling

YPB offers a wide range of security packaging and labeling solutions that can be included into almost any material and is a cost effective anti-counterfeit solution for companies wanting to protect the integrity of their brands in high-risk markets. YPB's patent protected tracer technology is state-of-the art and cannot be copied or destroyed.

IP solutions & forensic services

YPB's anti-counterfeit specialists will work with quality brands and Governments, to develop personalised anti-counterfeit strategies and solutions that will deliver real protection and safety for brands and their products.

DETECT

Scanner and tracer protection solutions

Brand owners that include YPB's tracers in their packaging can use YPB's scanners to verify their product's authenticity. If a counterfeit is detected YPB's forensic service laboratory will consult with a brand owner to develop strategies to fight counterfeiting and product diversion.

CONNECT

Smartphone applications to detect and connect

YPB has developed a simple to use smartphone application called Brand Reporter that allows consumers to identify and report suspected counterfeit or divergent products and allows brands to connect and engage with consumers via QR codes, near field communication, track and trace, product scanning and consumer engagement. Giving brand owners valuable and actionable data about their consumers and products.

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