



YPB Group Ltd.
ABN 68 108 649 421
ASX code: YPB

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ASX: YPB

ASX/MEDIA ANNOUNCEMENT

29 January 2016

Appendix 4C and business update – strongest sales to date

The Board of YPB Group Limited (ASX:YPB) is pleased to release its Appendix 4C – Quarterly Cashflow report for the period ended 31 December 2015 in addition to a business update.

During the quarter YPB delivered its strongest level of sales since listing in August 2014, with approximately \$550,000 during the period making for a second half total of almost \$1.0 million. Cash receipts of \$348,000 received from customers also easily surpassed previous levels.

In late December 2015 YPB conducted a successful capital raising which resulted in an immediate cash inflow of \$2.785 million with further sums of up to \$5.0 million to flow over the next 18 months, pursuant to an equity sharing agreement with Lanstead Capital. It should be noted that the first tranche of funds from Lanstead of \$750,000 was received in the first week of January 2016.

The cash balance of the company as at 31 December 2015 was \$2.9 million.

The company is pleased to announce a mutual co-operation agreement with Llexan Australia Pty Ltd who will spearhead its Australia and New Zealand sales function. Llexan is a leading Australian provider of retail security and anti-shoplifting technology and brings with it a substantial existing customer base and experience in selling security solutions.

The growth of Australian exports to the burgeoning Chinese domestic economy has led to a significant increase in enquiries from Australian businesses in the last quarter of 2015. The appointment of the Llexan team will enable YPB to assist such companies and benefit from the mutual opportunities.

YPB's China team has started the new year well with a growing pipeline of new opportunities expected to result in additional sales.

YPB CEO John Houston said: "The quarter was particularly productive for YPB on a number of fronts. We achieved new sales for our tracer and scanner technology including with a second major Chinese bank, while our ePassport technology was adopted by two countries during the period. We also secured the acquisition of microbarcode technology Motif Micro, which we expect to become the gold standard in smartphone readable anti-counterfeit technology moving forward. This was all capped off by a successful capital raising which secures the company's position into the future."

For further information please contact;

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About YPB

YPB Group (ASX: YPB) is a pioneer in advanced brand protection 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

Security print packaging and labeling

YPB offers a wide range of intelligent security packaging and labeling solutions that can be included into almost any material and is a cost effective brand protection solution for companies wanting to protect the integrity and value of their brands in high-risk markets.

IP solutions & forensic services

YPB's IP solution specialists will work with quality brands and Governments, to develop personalised brand protection strategies and solutions that will deliver real protection and safety for brands, products and consumers.

DETECT

Scanner and tracer protection solutions

YPB's patent protected state-of-the art tracer technology is invisible, cannot be copied or destroyed. 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 services will consult with a brand owner to develop strategic solutions to protect the brand counterfeiting and product diversion.

CONNECT

Smartphone applications to detect and connect

YPB's sophisticated, user friendly and powerful smartphone applications allow brand owners and 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 "big data" about their consumers and products through a powerful data analytics capability.

Beijing

Los Angeles

Sydney

Melbourne

Bangkok

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

YPB Group Limited

ABN

68 108 649 421

Quarter ended ("current quarter")

December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date \$A'000
1.1	Receipts from customers	348	668
1.2	Payments for		
	(a) staff costs	(984)	(2,849)
	(b) advertising and marketing	(58)	(244)
	(c) research and development	(118)	(864)
	(d) leased assets		
	(e) other working capital	(1016)	(2,830)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5	74
1.5	Interest and other costs of finance paid	(145)	(348)
1.6	Income taxes paid		
1.7	Other (provide details if material) GST Refund	63	136
Net operating cash flows		(1,905)	(6257)

		Current quarter \$A'000	Year to date \$A'000
1.8	Net operating cash flows (carried forward)	(1,905)	(6257)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	(234)	(470)
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)		20
	Net investing cash flows	(234)	(450)
1.14	Total operating and investing cash flows	(2139)	(6707)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	2,785	7,564
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other		
	- Capital raising costs \$		
	-	(67)	(250)
	Net financing cash flows	2718	7,314
	Net increase (decrease) in cash held	579	627
1.21	Cash at beginning of quarter/year to date	2,426	2,408
1.22	Exchange rate adjustments to item 1.2	(104)	(114)
1.23	Cash at end of quarter	2901	2901

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	238
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Acquisition of shares in nTouch Holdings Pty Ltd by issuance of \$4.5m shares in YPB

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,976	2,426
4.2 Deposits at call		
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,976	2,426

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	nTouch Holding Pty Ltd	-
5.2 Place of incorporation or registration	Australia	-
5.3 Consideration for acquisition	\$4.5m in shares	-
5.4 Total net assets		-
5.5 Nature of business	Proximity marketing and consumer engagement development	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Robert Whitton

Date: 29 January 2016

(Director/Company Secretary)

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.