

ASX/MEDIA ANNOUNCEMENT

ASX: YPB | 1st November 2016

SUPPLEMENTARY ANNOUNCEMENT - YPB A\$4M PLACEMENT

Brand Protection and Customer Engagement solutions company YPB Group Limited [ASX: YPB] refers to the announcement made on 26 October 2016 in relation to a A\$4 million placement of 16,000,000 shares to an existing shareholder under its placement capacity (**Original Announcement**).

YPB provides the following information in accordance with ASX Listing Rule 3.10.3 in relation to the proposed issue of options to that placement participant as referred to in the Original Announcement:

- the Company proposes to issue 64 million options for nil consideration. Each option enables the holder, on exercise, to acquire 1 ordinary share in YPB. The exercise prices for the options are as follows:
 - 16 million options have an exercise price of \$0.35;
 - 16 million options have an exercise price of \$0.45;
 - 16 million options have an exercise price of \$0.55; and
 - 16 million options have an exercise price of \$0.65.
- Each option will expire 10 years after their issue date;
- The options are being issued to supplement the placement investment and provide funds to YPB on exercise of the options, which will be applied towards the working capital requirements of the Company at the time of exercise; and
- YPB will seek shareholder approval for the issue of the options at the upcoming General Meeting of YPB.

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ABOUT YPB

YPB Group (ASX: YPB) is a pioneer in advanced brand protection solutions. Listed on the Australian Securities Exchange, YPB is expanding its global footprint with an established presence in Australia, China, Thailand, USA, Mexico and India.

YPB's patented Anti-Counterfeit technology combined with its Security Packaging and Anti-Theft solutions, Consulting Services and YPB's proprietary CONNECT platform enables clients to PROTECT their high value brands from the risks of counterfeit, product diversion and theft while providing the tools to CONNECT directly with their customers.

PROTECT

Smart Security Packaging and labeling for Brands

YPB offers a wide range of Smart Security Packaging and Labeling solutions that can be incorporated into almost any material and offer cost effective strategies to PROTECT the integrity and value of products and brands in high-risk markets.

Government Vital Documents

YPB offers solutions to Governments to PROTECT their Vital Documents that include ID cards, Visas, Passports, Vehicle Labels and many other applications.

Retail Anti-theft

YPB offers clients the latest technology in Retail Anti-Theft and Labeling solutions effective for mainstream retailers, boutiques and exporters to PROTECT against theft.

IP solutions & forensic services

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

Secure Supply Chain

YPB offers secure supply chain solutions to Governments, banks and companies wanting to ensure the integrity of their supply chain using a combination of YPB's authentication technology and secure track and trace solutions, delivering real protection for high value documents, 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 who 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 can consult with a brand owner to develop strategic, tailored solutions to protect the brand against 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 diverted products. They also allow brands to connect and engage directly with their customers via QR codes, Near Field Communication, secure track and trace and product scanning. The YPB CONNECT platform delivers brand owners valuable and actionable intelligence about their products and customers to measure, tailor and individualise direct marketing campaigns through a 'big data' analytics capability.

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