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ASX: YPB

ASX/MEDIA ANNOUNCEMENT
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Company Update

Anti-counterfeiting technology Company YPB Group Limited (ASX: YPB) (YPB, the Company) is pleased to provide the following update on the Company's business plans and activities.

Contract with China's largest shirt exporter

YPB has a supply contract in place with the largest exporter of shirts from China, who has chosen YPB's anti-counterfeit fibre and T1 scanner products to help manage the anti-counterfeiting requirements for its stable of global clothing brands.

In the past month, shipments of YPB's anti-counterfeit fibre have doubled from previous levels and the Company estimates that up to 5 million labels may be produced from current fibre volumes. This contract is currently in trial stage, and YPB estimates that following the successful trial at these volumes, this customer has the capacity to require up to 100 million labels incorporating YPB fibre, per annum.

In addition to YPB's fibre, the Company advises that this customer is currently also trialling YPB's anti-counterfeit solutions for buttons, zippers and packaging.

Shipments commenced for anti-counterfeit stamp pads contract

YPB also advises that shipments of its anti-counterfeit stamp pads have now commenced, under a supply contract the Company has with a Beijing security printer. The contract is for initial trials of anti-counterfeit stamp pads YPB has developed for the essential red "chop" which, in China, is more utilised as an acceptable signatory device, than signatures in western societies.

These stamp pads are being trialled from this month in several Government applications, especially in intellectual property (IP) protection of many kinds of copyrighted material. China's entry into the World Trade Organisation (WTO) required a number of changes to its IP legislation, to ensure compliance with the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPSs), and YPB is proud to provide anti-counterfeit products which enhance China's drive to improve IP and copyright protection.

The scope of this application for anti-counterfeit stamp pads is significant.

Anti-counterfeit solution for Chinese tax invoice

YPB has developed an anti-counterfeit solution to protect the ubiquitous "fapiao" or tax invoice. In China a fapiao is issued by the Tax Bureau of each Provincial Government for almost any payment.

It is difficult to calculate how many fapiao are issued annually but the total number in PRC would be in the trillions, and these fapiao are subject to counterfeit which impacts both the PRC's tax revenue and consumers.

The first samples of YPB's anti-counterfeit fapiao are currently being printed in a Provincial region of around 50 million inhabitants for use by its Tax Bureau on official fapiao. YPB will update the market on the progress of the printing and market trials in due course.

YPB Executive Chairman and CEO Mr John Houston said:

"The Company has hit the ground running post its ASX listing last week, and we are committed to rolling out our business plan in an aggressive fashion to grow our existing client base and expand our product and service offering. These activities form part of the first stage in this process, and we are particularly excited by the level of interest in our unique anti-counterfeit technology and its potential applications."

YPB listed on the ASX last week after a successful $3.75 million new listing Offer. The Company provides a unique, patented anti-counterfeit solution that is cost effective, invisible and indestructible, and allows companies and governments to protect the value of their brands and minimise loss of earnings from counterfeiting.

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About YPB Group

YPB Group (ASX:YPB) is an anti-counterfeiting technology company. It provides a unique, cost effective, invisible, indestructible anti-counterfeit solution that allows companies and governments to protect the value of their brands and minimise loss of earnings from counterfeiting. The Company is initially focused on the China and greater Asia markets. The YPB business is well established and has a number of substantial customer contracts in place and a strong new business pipeline.

YPB Group's core products include;

Forensic Tracers – These are hidden, invisible and indestructible particles fused into a product or packaging during or after the manufacture process. The Tracers can be used in all key product manufacturing and packaging industries including plastics, paper, inks, textiles and coatings. They cannot be seen or removed and are impossible to destroy or damage as they are part of the product. They consist of infrared, UV light energy and X-ray sensitive particles detectable by YPB's scanner technology.

YPB owns two patents over its Tracer products and is the only Company currently licensed in China to supply invisible tracers. YPB's Tracers are considerably cheaper than other alternative anti-counterfeit methods and technologies.

Scanner – YPB's proprietary scanner detects YPB's forensic Tracers and confirms the host product's authenticity. They are low cost and can be used at any point in the supply chain – from manufacture through to point-of-sale. Encryption is used on the scanners and software, and any attempt to reverse engineer triggers a self-destruct software code.

Smartphone App – A revolutionary new application to provide consumers the ability to authenticate a product as real or fake, via their mobile phone handset. Further R&D and development will see YPB's smartphone App launched in H2, 2014 and will initially target the massive China Smartphone App market. A patent application has been submitted for the Smartphone App and is Patent Pending through the PCT process. In addition to the App technology, YPB will also develop a web based solution in 2015 for China and Global release.