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23 April 2018

Ms Lux Wigneswaran
Principal Adviser, Listings (Sydney)
Australian Securities Exchange
Exchange Square
20 Bridge Street
SYDNEY NSW 2000

Via Email: Luxmy.wigneswaran@asx.com.au

Dear Lux,

Price Query

I refer to your correspondence of 20 April 2018 as attached and reply as follows:

A. Yes

YPB notes in response to a direct request from ASX to disclose the matter, that it commenced discussion with ASX on 10 April 2018 regarding a proposed Token Sale Event ("TSE"). YPB is seeking ASX's advice and approval as to compliance matters regarding the TSE. Specialist TSE advisors with considerable experience in Blockchain development and the conduct of TSEs were contracted in February 2018 and preparations for the launch of YPB's TSE are well advanced. Blockchain is a natural extension of the serialisation capabilities of YPB's CONNECT platform and will add a further tier of trust to CONNECT. If successfully concluded, the TSE will prove highly beneficial to shareholders as the company will become fully funded with no shareholder dilution nor the assumption of any debt. In accordance with the disclosure exceptions set out in LR 3.1A.1 the details of the proposed TSE are not yet fully defined but as soon as the full details are settled, the Company will seek to release. All parties associated with the TSE including the Company's advisors have signed confidentiality agreements. The Company will provide market updates at the appropriate points as the TSE process progresses.

B.

- a) Yes, however the Company has requested a Trading Halt and anticipates lodging an announcement pre-open before the expiry of the Trading halt request.
- b) No, refer answer to a) above.
- c) Refer answer to a) above as the Company is gathering the necessary information.

- C.** YPB notes that since the Company's voluntary trading suspension was lifted on 26 March 2018 that there have been several announcements of business developments



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expected to prove materially beneficial to YPB and may provide explanation for therecent trading in its securities, including:

- the partnership with Alibaba Group subsidiary Alihealth announced 26 March 2018 which is expected to greatly improve access to clients and thereby positively impact revenue and profitability in China;
- the partnership with Australian-Made announced 26 March 2018 which will formally launch at the Retail Global Convention on the Gold Coast in May 2018 and is expected to open a large new client base in Australia with prominent Brands already in negotiation;
- the increased sales efforts in the Australia to China corridor announced 9 April 2018; and
- the Company's recognition and investigation of the relevance of Blockchain technology to YPB's existing Anti-Counterfeit applications to be released in a forthcoming whitepaper announced 9 April 2018.

D. Further to the information provided in the response to A. above, there is no market sensitive information at this time that has not been released to the market and the Company is in compliance with its obligations under Listing Rule 3.1.

E. I confirm that the responses are authorised by the Board of YPB.

Yours faithfully

Robert Whitton
Company Secretary

20 April 2018

Mr Rob Whitton
Company Secretary
YPB Group Ltd
c/o William Buck
Level 29, 66 Goulburn Street
Sydney NSW 2000

By email

Dear Mr Whitton

YPB Group Ltd (the “Entity”): price query

We note the change in the price of the Entity’s securities from a close of \$0.017 on Thursday 19 April 2018 to a high of \$0.026 at the time of writing today, Friday 20 April 2018.

We also note the significant increase in the volume of the Entity’s securities traded today.

In light of this, ASX asks the Entity to respond separately to each of the following questions and requests for information:

- A. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether the Entity is aware of any information that its earnings for the 6 month period ending 30 June 2018 on the 12 month period ending 31 December 2018:

- a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the relevant period; or
- b) if Entity has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if the Entity is not covered by analysts, its earnings for the prior corresponding period)?

- B. If the answer to question 1 is “yes”:

- a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).

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- c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- C. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
- D. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
- E. Please confirm that the Entity’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (i.e. before 9.30am AEST) on Monday 23 April 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Entity’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in Entity’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

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- the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

[Sent electronically without signature]

Lux Wigneswaran

Principal Adviser, Listings Compliance (Sydney)