



YPB GROUP LIMITED
ACN 108 649 421

OPTIONS PROSPECTUS

**FOR OFFERS OF 307,692,308 OPTIONS FOR SPECIFIC INVESTORS AND ADVISORS
OF THE COMPANY.**

**THIS PROSPECTUS HAS ALSO BEEN PREPARED FOR THE PURPOSE OF
FACILITATING SECONDARY TRADING OF ANY UNDERLYING SHARES ISSUED UPON
EXERCISE OF THE OPTIONS PURSUANT TO ASIC CORPORATIONS (SALE OFFERS
THAT DO NOT NEED DISCLOSURE) INSTRUMENT 2016/80.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR
PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A
HIGHLY SPECULATIVE NATURE.**

IMPORTANT INFORMATION

This Prospectus is dated 7 April 2021 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Unit 1, 295 Rokeby Road Subiaco WA, 6008 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.4).

The Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for Options under any Offers will only be accepted on an Application Form that is attached to, or provided by the Company with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with any Offers.

No action has been taken to permit the offer of Options under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of Options over continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus is important and should be read in its entirety before deciding to participate in any Offers. This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial

circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Mr John Houston (Executive Chairman)
Mr Su (George) Su (Non-Executive Director)
Mr Gerard Eakin (Non-Executive Director)

Company Secretary

Mr Sebastian Andre

Registered Office

YPB Group Limited
Unit 1, 295 Rokeby Road
Subiaco, Western Australia, 6008

Telephone: 08 6555 2950
Facsimile: 08 6166 0261
Website: www.ypb.io

ASX Code: YPB (Shares)
YPBOB (Listed Options)

Share Registry

Boardroom Pty Limited
Level 12, 225 George St
Sydney, NSW 2000

Auditor*

PKF Brisbane Audit
Level 6, 10 Eagle St
Brisbane, QLD 4000

Lawyers

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

** This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus.*

PROPOSED TIMETABLE

Event	Date*
Lodgement of Prospectus with ASIC and ASX	7 April 2021
Opening Date of Offers	7 April 2021
Closing Date of Offers	9 April 2021
Anticipated date of issue of Options	12 April 2021

** These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.*

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RISK FACTORS

There a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware that they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 3.

1 Details of the Offers

1.1 The Offers

On 1 March 2021, YPB Group (ACN 108 649 421) (**Company**) announced that it had received commitments to raise \$750,000 through a placement to sophisticated and professional investors through the issue of 250,000,000 Shares at \$0.003 per Share together with one free attaching quoted option for every Share issued under the Placement, exercisable at \$0.005 per option, expiring on 23 February 2022 (**March Placement**).

EverBlu Capital Pty Ltd (**EverBlu**) acted as corporate advisor and lead manager to the March Placement and received a 6% fee on the gross amount raised as well as 20,769,231 Shares and 57,692,308 Options (under the same terms of the March Placement).

The Company is offering, pursuant to this Prospectus:

- (a) 250,000,000 Options to the sophisticated and professional investors who participated in the March Placement (**March Options Offer**); and
 - (b) 57,692,308 Options to EverBlu (**Everblu Options Offer**),
- (together, the **Offers**).

The Options issued pursuant to the Offers will be issued for nil cash consideration. The Company is only extending the Offers to the specific parties referred to in the Offers described above. The Company will only provide Application Forms to these parties.

Options issued under the Offers will be issued on the terms and conditions referred to in section 4.1.

No funds will be raised under the Offers.

1.2 Purpose of the Offers

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

This Prospectus has been issued to facilitate secondary trading of any Shares issued upon exercise of the Options to be issued under the Offers. Issuing the Options under this Prospectus will enable persons who are issued the Options to on-sell the Share issued on exercise of the Options pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offers; and
- (b) ensure that the on-sale of any Options and underlying Shares issued upon the exercise of the Options does not breach section 707(3) of the Corporations Act.

1.3 Closing Date

The Closing Date for the Offers is 5.00pm (AWST) on 9 April 2021. The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.4 Minimum subscription

There is no minimum subscription in relation to the Offers.

1.5 **Oversubscriptions**

The Company will not accept any oversubscriptions in relation to the Offers.

1.6 **Effect on control**

The Offers will have no impact on the control of the Company as no person as a result of the Offers will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

1.7 **Not underwritten**

The Offers are not underwritten.

1.8 **Applications**

The Company will send this Prospectus, together with the Application Form, to selected persons whom the Directors determine are eligible to participate in the Offers.

If you wish to subscribe for Options, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Company's discretion, in accordance with the instructions in the Application Form.

Application Forms must be received by the Company prior to 5:00pm (AWST) on the Closing Date. Application forms should be mailed, delivered or emailed to:

YPB Group Limited

Suite 1, 295 Rokeby Road, Subiaco WA 6008

investors@ypbsystems.com

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.9 **ASX Quotation**

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the Options offered under this Prospectus.

If ASX does not grant Official Quotation of the Options within three months after the date of this Prospectus (or such period as the ASX allows), no Options will be issued.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares.

1.10 **Allotment**

The issue of Options pursuant to the Offers will take place as soon as practicable after the Closing Date of the Offers.

The Directors will determine the eligible recipients of all the Options under the Offers. The Company's decision on the number of Options to be issued to an Applicant under the Offers will be final.

1.11 Applicants outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.12 Risks of the Offers

An investment in Securities of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are explained in Section 3.

1.13 Taxation Implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Options under this Prospectus.

1.14 Major Activities and Financial Information

A summary of the activities and financial information relating to the Company for the year ended 31 December 2019 is in the Annual Report which was lodged with ASX on 1 April 2020.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are listed in Section 4.4.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.15 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or Group's agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.16 Enquiries Concerning the Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6555 2950.

2 Effect of the Offers

2.1 Effect on the Capital Structure

The effect of the Offers on the capital structure on the Company, assuming the Options are issued, is as follows:

Class	Shares	Options
Securities on issue as at the date of this Prospectus ⁽²⁾	4,991,820,518	1,793,007,903 ⁽¹⁾
Options to be issued pursuant to the March Options Offer	-	250,000,000
Options to be issued pursuant to the EverBlu Options Offer	-	57,692,308
Total on completion of the Offers	4,991,820,518	2,100,700,211

(1) Comprising of the following:

- a. 16,000,000 unlisted options with an exercise price of \$0.35 expiring on 12 December 2026;
- b. 16,000,000 unlisted options with an exercise price of \$0.45 expiring on 12 December 2026;
- c. 16,000,000 unlisted options with an exercise price of \$0.55 expiring on 12 December 2026;
- d. 16,000,000 unlisted options with an exercise price of \$0.65 expiring on 12 December 2026; and
- e. 1,729,007,903 listed options with an exercise price of \$0.005 expiring 23 February 2022.

(2) There are also 1,450,000 convertible notes on issue (issued 3 December 2018) on the terms and conditions described in the Notice of Meeting dated 28 September 2018.

2.2 Effect of the Offers on the Company and Use of Funds

There will be no proceeds from the Offers as the Options are being offered for nil cash consideration. The expense of the Offers will be met from the Company's existing cash reserves. The Offers will have an effect on the Company's financial position of reducing the cash balance by approximately \$10,206. Please refer to Section 4.12 for further details on the estimated expenses of the Offers.

2.3 Market Price of Shares

The highest and lowest closing prices of the Shares (on a post-consolidation basis) on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those closing prices were:

Highest: \$0.005 per Share on 18 March 2021

Lowest: \$0.002 per Share on 12 January 2021

The latest available closing price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.003 per Share on 6 April 2021.

2.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3 Risk Factors

An investment in Options offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Specific Risks Associated with the Company

(a) Intellectual property

To market and protect its market position, it is important for the Company to protect the intellectual property in its brand and the technology. Although some of the technology is patented, there may be situations where it cannot be protected or is subject to unauthorised disclosure, infringement, or challenge by a third party. This may require significant cost and effort to defend or to obtain the necessary protections to prevent such conduct (as the case may be).

There is a risk that other individuals or companies may claim to have an interest in intellectual property or trade secrets used by the Company. Intellectual property or trade secrets may be challenged by other parties and defending such actions may adversely impact the Company's earnings. In addition, if the Company is required to develop or support new technology and intellectual property, it may require significant capital expenditure by the Company.

The Company has previously or in future will acquire trade secrets and other intellectual property rights that are important assets. The Company may therefore rely on a combination of confidentiality and license agreements with its consultants and third parties with whom it has relationships, as well as domain name, trade secret, copyright and patent laws, to protect its brand and other intellectual property rights. However, various events outside of the Company's control could pose a threat to its intellectual property rights, as well as to its products and technologies.

(b) Reliance on key personnel

The Company relies on the experience and knowledge of its management team, in particular John Houston. The Company is also dependent on its ability to recruit and retain suitably qualified personnel. In the event that such key personnel left the Company and it was unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company.

(c) Increased competition

The anti-counterfeit and brand protection market is highly competitive. This competition has intensified as a result of improvements in technology. The actions of an existing competitor or the introduction of a new competitor in the anti-counterfeit market may make it difficult for the Company to grow its revenue, which in turn, may have an adverse effect on its profitability.

If the Company's technology proves to be less successful or more costly than its competitors products, the business of the Company could be adversely affected.

(d) Growth prospects and Company expansion plans

The Company's growth prospects are dependent upon a number of factors, including, customer take up and execution of rollout. There is a risk that the Company may encounter potential issues arising from operating in foreign jurisdictions, including marketing restrictions, regulations regarding anti-theft, and protecting its intellectual property. These risks will vary in importance depending on the countries the Company chooses to enter into. If the Company fails to execute any expansion plan and cannot attract buyers for its products, its financial performance is likely to be negatively affected.

In the short term, the Company continues to make efforts that are aimed at the commercialisation of MotifMicro including, but not limited to, activities in respect to consumer application development, smartphone readability and artificial intelligence enhancements, fabrication, beta sampling and product testing. The Company believes that favourable developments in these areas would likely have a positive effect on the Company's financial performance and conversely if the Company fails to successfully accomplish these then its financial performance is likely to be negatively affected.

(e) Reliance on access to internet

The Company will depend on the ability of its users to access the internet. Access is provided by various classes of entities in the broadband and internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the Company's products, usage of the Company's products may be negatively impacted.

(f) Programming errors

The Company's products will contain complicated programming and its objectives are to quickly develop and launch new and innovative products and features. The Company's products may therefore contain, now or in the future, errors, bugs or vulnerabilities. Any errors, bugs or vulnerabilities discovered could result in (amongst other consequences) damage to the Company's brand, loss of customers, falls in revenues or liability for damages, any of which could adversely affect the Company's business and operating results.

(g) Liability risk

Whilst the Company will take precautions both legal and physical, the nature of the Company business of providing products and services to the anti-counterfeit field, may give rise in certain circumstances to potential legal action by either customers or end users in the areas of product or public liability. If legal action was taken against the Company, it could have a material adverse effect on the financial performance of the business and to its reputation and brand name.

(h) Reliance on key supplier relationships

The Company relies on various key supplier relationships for certain parts of its business. The loss or impairment of any of these relationships could have a material adverse effect on the Company's results of operations, financial condition and prospects, at least until alternative arrangements can be implemented. In some instances, however, alternative arrangements may not be available or may be less financially advantageous than the current arrangements.

In particular, the Company relies on third parties to provide intellectual property development and manufacturing services. Although there are long term contracts in place with stringent non-compete provisions, the Company is vulnerable to any change in output from these suppliers. Should any of these suppliers significantly reduce their supply to the Company, this will have an adverse effect of the growth prospects and financial performance of the Company.

(i) Product selection

An important element of the Company's business is an ability to assess and identify products that appeal to the Company's target market. Newer anti-counterfeit and brand protection technologies and products are increasing the number of choices available to customers. This may make the Company's products less attractive and any misjudgements in demand or changes in customer preferences could result in reduced sales, increase inventory and/or lower gross margins. In addition, existing products or products in the future developed by the Company may experience performance problems rendering them difficult or impossible to sell, or subject to product recall which could have a material adverse impact on the Company's financial performance.

(j) Delivery risk

Due to the nature of the Company's key products being manufactured in the PRC, the potential exists for delays or cancellations in the delivery of products without any practical recourse being available to the Company to recover lost earnings. Any such delay or cancellation would have an adverse impact on the Company's earnings and profits.

(k) Exchange rates

The Company is exposed to movements in foreign exchange rates. As the Company will report financial earnings in Australian dollars, and because the Company does not plan to hedge against movements in the exchange rate, significant fluctuations in exchange rates may impact on the Company's margins and earnings adversely.

(l) Funding

While the Company believes it will have sufficient funds after completion of the Offers to meet all of its growth and capital requirements for the near term, the Company may seek to exploit opportunities of a kind that will require it to raise additional capital from equity or debt sources. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.

(m) COVID-19 risk

The outbreak of the Coronavirus pandemic (COVID-19) has impacted global markets, businesses, travel and securities markets. The nature and extent of the effect of the pandemic on the performance of the Company is currently unable to be quantified. The Company's share price may be adversely affected by the economic uncertainty caused by COVID-19 and fulfilment of orders may be adversely affected by the effects of lockdowns at state and international levels and the slowdown of certain industries. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

(n) Potential for dilution

Although the issue of the Options pursuant to the Offers will not result in dilution to the holders of Shares, any exercise of the Options into Shares will result in Shareholders being diluted through the issue of new Shares.

3.2 Risks associated with investing in the stock market

(a) Price fluctuations

The Securities are to be quoted on the ASX, where the price may rise or fall. The Securities issued or sold under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX. The value of the Securities will be determined by the share market and will be

subject to a range of factors, many or all of which may be beyond the control of the Company and the management team.

(b) Economic factors

Changes in economic and business conditions in Australia or internationally may affect the fundamentals of the Company's target markets or its costs structure and profitability. Adverse changes in the level of inflation, interest rates, consumer spending, and employment rates, are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

(c) Government regulation

The Company is exposed to changes in laws, regulations and government policies which may affect the profitability and activities of the Company in the PRC and other countries where the Company operates. Laws may be enacted or enforced which affect greater regulation upon the anti-counterfeit industry which may increase the Company's operating costs to comply with the relevant government regulations. In addition, taxation legislation may change which could impact the Company's profitability as may changes to tariffs or other Government trade policies that may impact exports to a particular Country or related to a particular sector.

(d) Taxation

Future changes to tax law or changes to the way in which taxation laws are interpreted in the various jurisdictions in which the Company operates or makes underlying investments may correspondingly impact the taxation liability of the Company or the value of its assets.

There are tax implications arising from purchasing and selling Securities, receiving distributions from the Company, and participation in any on-market Share buy-backs. Accordingly, investors should seek their own independent taxation advice before applying for Securities under the Offers.

(e) Insurance risks

Although insurance is maintained by the Company, no assurance can be given that adequate insurance will continue to be available to the Company in the future on commercially acceptable terms.

In addition, the Company may incur liabilities to third parties (in excess of any insurance cover or statutory reserves) arising from negative environmental impacts or other damages or injury. There is a risk of an occurrence of a significant event leading to losses that are not fully covered by insurance.

(f) Other external factors:

Other external factors that may affect the value of the Securities include (but are not limited to):

- (i) changes in investor sentiment toward particular market sectors;
- (ii) changes in interest rates and the rate of inflation;
- (iii) the demand for, and supply of, capital;
- (iv) changes in exchange rates;
- (v) changes to accounting standards; and
- (vi) the nature of competition in the industries in which the Company operates.

3.3 Investment Highly Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

The Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

4 Additional Information

4.1 Terms & Conditions of the Options

The terms and conditions of the proposed listed Options are as follows:

(a) Entitlement

Each Option entitles the holder of the Option (Holder) to subscribe for one (1) Share upon exercise.

(b) Exercise Price, Expiry Date and Vesting Conditions

Option	Exercise Price per Option	Expiry Date
March Options Offer; EverBlu Options Offer	A\$0.005	23 February 2022

(c) Exercise Price

Each Option is exercisable at any time prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(d) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the applicable Exercise Price for each Option being exercised. Any Option Exercise Form for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) Minimum Exercise Price

Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder.

(f) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

(g) Quotation of Shares

If admitted to the official list of ASX at the time, the Company will apply to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of Issue of Shares and Quotation of Shares on Exercise

Within 10 Business Days after receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) Participation in new issues

A Holder who holds Options is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the shareholders;
- (ii) receive any dividends declared by the Company; or
- (iii) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

(j) Adjustment for bonus issue of shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

(l) Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Options

The Company intends to apply for official quotation on the official list of ASX for the Options as a listed class of Options.

(n) Options transferable

The Options are transferrable subject to compliance with the Corporations Act.

(o) Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.

4.2 Rights and Liabilities Attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares of the Company. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. Full details of the rights attaching to the Shares of the Company are in the Constitution of the Company, a copy of which is available for inspection at the Company's registered office during normal business hours or can be obtained from the Company's website at <http://www.ypb.io/>.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may convene meetings in accordance with section 249E, 249F and 249G of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote in respect of each Share carrying the right; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) Shareholder liability

Shares issued upon exercise of the Options will be fully paid shares and subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(g) Variation of Rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.3 Company is a Disclosing Entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Options are options over the Company's Shares which are quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities or options for securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Options on the Company and the rights attaching to the Options and the underlying Shares upon exercise of the Options. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the Annual Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below).

4.4 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers, a copy of:

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of the Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Title of Announcement
31/03/21	Appendix 4G
31/03/21	Corporate Governance Statement

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company at Unit 1, 295 Rokeby Road Subiaco WA, 6008:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.15 and the consents provided by the Directors to the issue of this Prospectus.

4.5 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

4.6 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing Options under this Prospectus.

4.7 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Options offered under this Prospectus.

4.8 Directors' Interests in Securities

The Directors' relevant interests in Securities at the date of this Prospectus are detailed below:

Director	No. of Shares	No. of Options
Mr John Houston	1,196,966,459 Shares	-
Mr Su (George) Su	9,623,989 Shares	-
Mr Gerard Eakin	32,130,262 Shares	-

4.9 Directors' Remuneration

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. This does not apply to the remuneration of the Managing Director.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the preceding two financial years:

Director		Short Term Benefits	Superannuation	Long Service Leave	Total
Mr John Houston	2019	\$179,955	Nil	Nil	\$179,955
	2020	\$181,383	Nil	Nil	\$181,383
Mr Su (George) Su	2019	\$10,000	Nil	Nil	\$10,000
	2020	Nil	Nil	Nil	Nil
Mr Gerard Eakin	2019	\$45,000	Nil	Nil	\$45,000
	2020	Nil	Nil	Nil	Nil

4.10 Substantial Shareholders

Based on publicly available information and notices provided to the Company as at the date of this Prospectus, Mr John Houston has a voting power of above 5% in the Company.

The table below shows the share ownership and percentage interest held in the Company post the issue of the Placement Options.

Shareholder	No. of Shares Held Post Issue of Placement Options	Shares Held % Post Issue of Placement Options
Mr John Houston ⁽¹⁾	1,196,966,459	23.98%

(1) Held through the following entities:

- a. 62,169,479 shares held by Jf Houston Holdings Pty Ltd <The Houston Family A/C>
- b. 1,134,796,980 shares held by The Bimm Corporation Pty Ltd <The FJ Fund A/C>

4.11 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

Thomson Geer will be paid fees of approximately \$7,000 (plus GST) in relation to the preparation of this Prospectus.

Boardroom Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Options under the Offers, and will be paid for these services on standard industry terms and conditions.

4.12 ASIC Instruments

The Offers are made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Securities in the seven-day period after the date of lodgement of the Prospectus with ASIC.

4.13 Expenses of Offers

The estimated expenses of the Offers are \$3,206 (ASIC lodgement fee) and \$7,000 (legal expenses).

4.14 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's share registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent

to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

4.15 Consents

Thomson Geer has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian solicitors to the Company. Thomson Geer has not authorised or caused the issue of this Prospectus or the making of the Offers. Thomson Geer makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Boardroom Pty Limited has given, and, as at the date hereof, has not withdrawn, its written consent to being named in this Prospectus as Australian share registry of the Company. Boardroom Pty Limited has not authorised or caused the issue of this Prospectus or the making of the Offers. Boardroom Pty Limited makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

5 Directors' Statement and Consent

This Prospectus is authorised by each of the Directors. This Prospectus is signed for and on behalf of Company by:



John Houston
Chairman and CEO
Dated: 7 April 2021

6 Glossary

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars;

Acceptance means a valid acceptance of Options under the Offers made pursuant to this Prospectus on an Application Form;

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2020 includes the corporate directory, Director's report, auditor's independence declaration, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, notes to the consolidated financial statements, together with an independent auditor's report for the period to 30 June 2020;

Applicant means a person who submits an Application Form;

Application means a valid application for Options under an Offer made on an Application Form;

Application Form means the Application Form provided by the Company with a copy of this Prospectus;

ASIC means the Australian Securities and Investments Commission;

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532;

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited;

AWST means Western Standard Time, being the time in Perth, Western Australia.

CHESS means ASX Clearing House Electronic Subregistry System;

Closing Date means 9 April 2021 (unless extended);

Company means YPB Group Limited ACN 108 649 421;

Constitution means the constitution of the Company as at the date of this Prospectus;

Corporations Act means *Corporations Act 2001* (Cth);

Directors mean the directors of the Company as at the date of this Prospectus;

EverBlu means EverBlu Capital Pty Ltd ACN 612 793 683;

EverBlu Options Offer has the meaning given in Section 1.1;

Group means the Company and its related bodies corporate;

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS;

Listing Rules means the listing rules of ASX;

March Placement has the meaning given in Section 1.1;

March Options Offer has the meaning given in Section 1.1;

Offers has the meaning given in Section 1.1;

Official Quotation means official quotation by ASX in accordance with the Listing Rules;

Options means any option to acquire a Share, subject to the terms and conditions in section 4.1;

Placement means the issue of Options under this Prospectus;

Placement Options means Options issued under the Placement;

Prospectus means this prospectus dated 7 April 2021;

Section means a section of this Prospectus;

Securities mean any securities (including Options) issued or granted by the Company;

Share means a fully paid ordinary share in the capital of the Company; and

Shareholder means a holder of Shares.