

Press Release

SML Group Limited New York – July 11st, 2013

SML Group Acquires Xterprise

The SML Group ("SML") continues the expansion of its RFID ViziT™ program with the announcement today that it has acquired a controlling interest in Xterprise, Carrollton, TX, USA. Xterprise now becomes a part of the SML Group.

As an industry leader in RFID item-level inventory management software applications Xterprise's suite of Clarity[™] enterprise solutions deliver proven In-Store and Supply Chain business value to a growing retailer and brand owner market. SML will add Xterprise's complementary capabilities to its existing set of RFID businesses to serve customers around the globe.

"When we launched the RFID ViziT™ Brand, it was our intention to bring our customers a one stop solution for RFID inventory management technology," said Simon Suen; SML Group Ltd. Chairman. "With the strategic move of acquiring Xterprise, the SML ViziT™ program will be even better positioned to deliver RFID technologies that create value for customers by helping them achieve new benchmarks in inventory and operational efficiencies. It also opens a new market for SML Group."

"We long held that to maximize our impact in the market, we needed to align ourselves with an innovative, global, RFID ecosystem partner. We were impressed with the approach and enthusiasm that SML is demonstrating as it expands its RFID programs around the world. Being part of the SML ViziT™ program will allow Xterprise to more effectively bring our Clarity™ on-premise and Cloud based retail store and supply chain applications to a much broader market. We are thrilled to join the SML team and what that will mean to delivering impactful RFID Item-level solutions to customers around the globe," said Dean Frew; Founder and President of Xterprise.

Philip Calderbank; SML Group VP Global RFID commented "with the acquisition of an established leader like Xterprise, the SML ViziT™ program can immediately offer front to back One Stop solutions. We are very excited in being able to demonstrate how our solutions deliver increased sales, reduce shrink and provide cost savings for both our Retail and Vendor Supplier customers. For retailers, our acquisition of industry leader Xterprise now means that SML's ViziT™ solutions will enable them to enhance in-store stock replenishment processes resulting in increased sales



and decreased shrink across their chain. These in-store applications enable new best practices in Stock Replenishment, Loss Prevention, Brand Protection and new Customer Experiences. In addition we will offer a suite of solutions for Vendors and Brand Owners by leveraging supply chain applications, for best in class item-level inventory management and carton auditing. The Xterprise Enterprise solutions are aimed at supply chain operations and will help our customers reduce shipping and receiving errors and reduce overall safety stock inventory levels across the entire product life cycle."

Founded in 2002, Xterprise is a leader in developing and deploying enterprise class RFID applications and solutions across numerous vertical markets. Since 2008 the company has focused entirely on RFID Item-Level applications and solutions for the retail market. Their Clarity™ applications are behind some of the most prominent RFID item-level retailer and brand supplier successes in the market to date. With item-level solution deployments in over 20 countries, customers have used Xterprise Clarity™ applications to process well over a 1 billion RFID item-level inventory transactions since 2010. The company has developed a full suite of products for the spectrum of item-level stakeholders, from manufacturing to distribution to in-store. Xterprise applications are enterprise proven and are defining new best practices in inventory management and store operations.

About SML Group

SML is a global total brand identification solutions provider serving an international clientele consisting of top fashion brands and some of the largest retailers in the world. Its wide range of high quality products includes woven labels, printed fabric labels, EAS, RFID, heat transfer, packaging, specialty trims, printed paper products, etc. With presence in over 30 countries and wholly-owned manufacturing facilities around the world, it is committed to effectively and efficiently serving the worldwide needs of clients and exceeding their expectations in quality, price, service and speed. The SML ViziTTM brand provides for RFID item visibility with EAS-type loss prevention and includes RFID-enabled labels/tickets/hangtags, as well as EPC serial-number chip encoding which is provided through a network of globally located service bureaus. A cloud-based IT data management solution completes the ViziTTM package.

· END -

Contact:

Florence Lo, SML Group RFID Global Marketing

Tel: +852 2699 8082 (Hong Kong) / +1 212 736 8800 (USA - New York)

E-mail: <u>florencelo@sml.com</u> Website: <u>www.sml.com</u>