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Press Release

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Technoglobal Inc.

("Technoglobal" or the "Group")

Technoglobal submits shareholder proposal to Xinhua Holding

Technoglobal Inc., a leading Japanese provider of fingerprint authentication technology, announces today that the Group has submitted a shareholder proposal (the "proposal") to Xinhua Holding Limited, which is listed on the Tokyo Stock

Exchange (TSE:9399). As previously announced on 2 April 2014, Technoglobal is the largest shareholder in Xinhua Holding Limited ("Xinhua"), having acquired further stock and now has a 9.26% shareholding in the company.

Headquartered in Shanghai, China, Xinhua is a multi-disciplinary group offering products and services in the areas of financial services and agriculture with a global network spanning China, Hong Kong and Japan.

The proposal, which was submitted to the Board of Xinhua on 8 July 2014, recommends that two of Technoglobal's current directors, Hiroaki Kunieda and Lars Lundgen, should join the Board of Xinhua, as Chief Technology Officer and Chief Marketing Officer respectively, with immediate effect in an effort to turnaround the recent under-performance of the company. Xinhua has in recent years seen its sales remain stagnant whilst incurring losses against a backdrop of a rapidly expanding market place. The company has tried to address this decline by internal management changes but this has not been effective in terms of generating new business opportunities. The current CEO of Xinhua, Len E. Han, has also had to address litigation issues from his incumbent and it is the intention of Technoglobal to assist Mr. Len in promoting the business, improving its performance with the aim of achieving high profitability and a return for shareholders.

As major shareholders in Xinhua, Technoglobal believes that the company needs fresh impetus and for this to happen the following should be considered:

- Active recruitment should be undertaken to distribute the burden of the CEO
- Management team should be run in a more functional and efficient manner
- New business should be undertaken with a clear benefit plan
- Development of an online payment platform and focus on creation of new revenues

Technoglobal also proposes that it works closer with Xinhua in the promotion of the Group's fingerprint authentication technology in China, building a significant brand which will satisfy client's needs, strengthen the company customer base and improve the overall financial position of Xinhua.

Mr Lars Lundgren Jr, CMO of Technoglobal, said: "As the largest shareholder in Xinhua, we believe it is our duty to submit our proposal of how we believe the fortunes of the company can be turned around for the benefit of all.

"As China is home to the world's largest internet population, with some 591 million users in 2013, we believe that the significant demand already shown for fingerprint-based mobile payment will continue.

"Whilst Xinhua has an extensive network in China's financial services industry, it has not managed to capitalise on this growth market in recent years. Leveraging Xinhua's established network, strong client base and reputable brand in China, we are confident that, with a technically superior fingerprint authentication product, we can together become a major player in the rapidly expanding fingerprint authentication market in China."

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Notes to Editors:

About Technoglobal Inc.

Established in 1995, Technoglobal Inc. is a fingerprint authentication solution provider based in Tokyo, Japan. The Group is well known for its sophisticated manufacturing and sales of fingerprint authentication solutions as well as development and consultation of related authentication systems. Technoglobal's commitment to the development of the fingerprint authentication industry is recognised.

For further information, please visit www.techno-global.net/english-summery.html

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