

**MiLOC GROUP LIMITED ("MiLOC" or "the Company")
Issue of Convertible Bond**

MiLOC Group Limited (the "Company" or the "Listco") announces that on 19 July 2016, it entered into an agreement to issue an unsecured convertible bond (the "Bond") to Murray Investment Fund Company Limited (the "Investor"). The Investor has agreed to subscribe in cash for the Bond for a principal amount of USD\$650,000 (approximately £482,207) (the "Principal amount").

The Bond will be subject to an Automatic Exchange, as defined below, or will otherwise be redeemable at maturity for the Redemption Price. If the Bond qualifies for Automatic Exchange, it will convert into ordinary shares (the "Underlying Shares") in the Listco or the entity which will be listed on the Standard Listing of the Main Board of the London Stock Exchange (the "LSE") and which will subsume the businesses of the Listco after the Listco is delisted from the ISDX ("ISDX").

The proceeds of USD\$650,000 from the issue of the Bond will be used for general working capital purposes.

The principal terms of the agreement are summarised below.

<i>Instrument and Underlying Shares:</i>	the Bond, convertible into the Underlying Shares, ranking <i>pari passu</i> with all outstanding ordinary shares of the Listco
<i>Maturity Date:</i>	19 January 2018
<i>Coupon:</i>	Zero percent (0%) per annum for the first twelve months, and thereafter six percent (6%) per annum payable half yearly in arrears
<i>Exchange Price:</i>	The Bond shall be convertible into the Underlying Shares at an Exchange Price which is calculated at a twenty per cent. (20%) discount to the estimated pricing of the Listco's shares in the IPO (the "Agreed Pricing")
<i>Redemption:</i>	At Maturity, if not already exchanged into the Underlying Shares
<i>Redemption Price:</i>	United States dollars Six hundred and Sixty Nine Thousand Five Hundred (USD669,500), being a three percent (3%) premium over the Principal Amount
<i>Automatic Exchange :</i>	The Bond shall be automatically exchanged into the Underlying Shares on the earliest of: (i) Fourteen (14) calendar days before the scheduled date of the QIPO (ii) At the request of the LSE (iii) Upon mutual agreement between the Parties on

the Maturity Date of the Bond.

A qualified IPO (the "QIPO"), defined as offering of all ordinary shares of the Listco (including the Underlying Shares) in an IPO on the LSE.

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