

28 January 2022

**MiLOC GROUP LIMITED**  
**("MiLOC" or "the Company")**

**TERMINATION OF ENDORSEMENT AGREEMENT AND SUPPLIER DISPUTE**

MiLOC announces that its wholly owned subsidiary, MiLOC Pharmaceutical (HK) Limited ("MiLOC Pharmaceutical"), has entered into a termination agreement of the Endorsement Agreement with Master Kingdom Limited (Artist's Management Company), a company incorporated in Hong Kong, which is owned by Mr. Koo Tin-lok, an entertainer in Hong Kong (the "Artist"), and received the agreement on 12 January 2022. The termination of the Endorsement Agreement was for the KooCool+ bodycare products, which was signed and announced on 21st January 2019.

Due to the outbreak of Covid-19, the Company's operation faces challenges like other companies worldwide. The Company, the Artist and the Artist's Management Company mutually agreed that the Company would stop selling with the Artist's endorsement on 31 May 2021. The endorsement of the image, name and likeness of the Artist, ended on the same date, 31 May 2021. MiLOC Pharmaceutical has also entered into a termination of the commission agreement which was signed with CN Workshop Limited together with the Endorsement Agreement on 21st January 2019.

The Company believes that the Termination Agreement has been beneficial to its business. The Company has continued to achieve its turnover without the Endorsement Agreement that would have cost the Company the minimum guaranteed fees and a proportion of the gross revenue sharing to the Artist's Management Company.

The Company also announces that one of its subsidiaries, Star Collaboration (Guangzhou) Limited ("Star C"), has been notified by one of its suppliers of the commencement of two legal proceedings, claiming a total of approximately GBP202,470 (equivalent to approximately RMB1,748,000) in trade payables from the Company, that are in dispute. The Company will defend both cases. Further updates will be announced once further information becomes available.

The directors of the Company accept responsibility for the contents of this announcement.

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