

26 November 2014

MILOC GROUP LIMITED

PROFIT WARNING

On 4 November 2014, MiLOC Group Limited (“MiLOC” or the “Company”) announced that its indirect subsidiary, MiLOC Clinics Jor2 Limited (“Jor2”) had removed Mr Chan Chi Hang and Miss Tung Chau Man as directors of Jor2. Mr. Chan was suspended from active duties on 20 August 2014 and his employment was subsequently terminated.

The Company and Modern TCM (BVI) Limited, through MiLOC Clinics Limited and MiLOC Clinics (HK) Limited (collectively “MiLOC Clinics”), own 36% and 24% of Jor2 respectively while the Claimants hold the remaining 40%.

On 12 November 2014, the Claimants served a petition against MiLOC Clinics and Jor2 for an order that MiLOC Clinics acquire the Claimants’ shares in Jor2 and/or that Jor2 be wound up. The Claimants also served writs against the directors of Jor2 personally.

The Company and its directors believe that the allegations in the petition and the writs are unfounded and they will vigorously defend their positions and contest both sets of proceedings. Accordingly the Company has instructed its solicitors to defend both sets of proceedings and to recover not only its costs from the Claimants but also damages from Mr Chan.

Jor2 operates two clinics in Hong Kong, which were previously managed by Mr Chan. MiLOC has temporarily closed the Jor2 clinics whilst it reorganises their management. All patients have been advised of the other MiLOC clinics that are available to provide treatment to them. However, it is likely that the temporary closure of the two Jor2 clinics will have an immediate though temporary impact on the cashflow of the MiLOC Group as the revenue derived from the Jor2 clinics accounts for a significant portion of the MiLOC Group’s revenue. The Company intends to reopen the clinics as soon as it has rearranged their management.

The Company will provide further updates to the market as and when appropriate.

For further information, please contact:-

ONG Ban Poh Michael - Chief Executive Officer, MiLOC Tel: +852 2110 4221

Ronnie CHOI - Chief Financial Officer, MiLOC Tel: +852 2110 4221

Maureen Tai - Corporate adviser, Grant Thornton UK LLP Tel: +852 3987 1401

Jamie Barklem - Corporate adviser, Grant Thornton UK LLP Tel: +44 (0) 20 7865 2692