

## MiLOC Group Limited Interim Results

30 September 2011

MiLOC Group Limited

("MiLOC" or the "Company")

Interim results for the six months ended 30 June 2011

Chief Executive Officer's Statement

MiLOC Group Limited the PLUS quoted pharmaceutical and healthcare group is pleased to announce the results of the Company and its subsidiaries (the 'Group') for the six month period ended 30 June 2011.

MiLOC was admitted to the PLUS-quoted market in December 2010. The nature of the Company's operations and its principal activities are to act as the holding company of a group engaged in (i) the research, development, marketing and distribution of traditional Chinese medicine ('TCM') and (ii) the development and operation of a network of TCM clinics and hospitals across China, Hong Kong and Macau.

Financial performance:

The Group's revenue for the six months ended 30 June 2011 amounted to HK\$2.3 million which represented a significant increase as compared to the corresponding period of last year. It was mainly attributable to the fact that the Group commenced its TCM clinic operations through the establishment of jointly controlled entities and acquired certain companies or organisations that fit in with our aims and objectives. The Group's revenue for the period included sales of TCM amounted to HK\$1.3 million and revenue from its clinic operation amounted to HK\$1 million. The Group's gross profit and gross profit margin for the six months ended 30 June 2011 amounted to HK\$0.9 million and 40% respectively. The Group incurred a loss of HK\$5.4 million for the six months ended 30 June 2011 due to the significant increase in its administrative expenses (including staff costs and professional fees) for the establishment of jointly controlled entities and the acquisitions above mentioned. The basic and diluted loss per share for the period was HK\$0.089 (2010: HK\$0.002). The Group's net cash position as at 30 June 2011 was HK\$2.3 million.

The Directors do not recommend the payment of a dividend in respect of the period.

Outlook:

The Board remain confident that the introduction of reliable TCM on the market as well as the provision of high quality modernized TCM healthcare services will prove to be a successful formula. We are initially focussing on Hong Kong, the PRC and Macau with a view to further expansion in South East Asia. The Group intends to promote a true TCM health care integrated delivery model from primary to tertiary care.

Michael Ong

Chief Executive Officer

MiLOC Group Limited

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	The Group	
	Unaudited	Unaudited
	6 months ended 30 June 2011	For the period from incorporation on 10 February 2010 to 30 June 2010
	HK\$	HK\$
From continuing operations		
Revenue	2,255,577	50,008
Cost of sales	(1,351,597)	(29,260)
Gross profit	903,980	20,748
Other income	62,556	-

Distribution costs	(88,414)	(11,500)
Administrative expenses	(6,278,788)	(21,258)
Operating loss	(5,400,666)	(12,010)
Interest expenses	(2,568)	(1)
Interest income		15
Loss before taxation	(5,403,234)	(11,996)
Taxation	-	-
Loss for the period	(5,403,234)	(11,996)
Other comprehensive income	-	-
Total comprehensive result for the period	(5,403,234)	(11,996)
Attributable to:		
Equity holders of the parent entity	(5,512,310)	(11,996)
Non-controlling interests	109,076	-
Loss for the period	(5,403,234)	(11,996)
Loss per share - from continuing operations (HK\$)		
- Basic and diluted	(0.089)	(0.002)

Loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to the equity holders of the parent entity of HK\$5,512,310 (2010: Loss of HK\$11,996) and the ordinary shares of 61,831,096 (2010: weighted average number of ordinary shares of 6,483,516) in issue during the period.

A conditional option agreement dated 20 December 2010 between the Company and ZAI Corporate Finance Limited ("ZAI") pursuant to which the Company has granted an option to ZAI over 72,161 of Ordinary Shares. The option is exercisable by notice to the Company at the placing price at any time during the five year period commencing on the date of Admission. The effect of the share options are anti-diluted in the current period, therefore, the basic and dilutive loss per share are consistent.

MiLOC Group Limited

Consolidated Statement of Financial Position

As at 30 June 2011

	The Group	
	Unaudited As at 30 June 2011	Unaudited As at 30 June 2010
	HK\$	HK\$
Assets		
Non-current assets		
Fixed assets	1,054,496	-
Intangible assets	19,400,000	-
Goodwill	2,856,063	165,691
	23,310,559	165,691
Current assets		
Inventories	1,637,055	-
Trade receivables	783,923	50,196
Other receivables and prepayments	976,661	1,441,478

Amounts due from a shareholder	315,479	53,936
Cash and cash equivalents	2,271,501	910,578
	5,984,621	2,456,189
Total assets	29,295,180	2,621,880
Equity and liabilities		
Capital and reserves		
Share capital	481,046	78,000
Share premium	22,506,221	2,302,008
Accumulated losses	(14,857,665)	(11,996)
	8,129,602	2,368,011
Non-controlling interests	16,726,485	-
Total equity	24,856,087	2,368,011
Liabilities		
Current liabilities		
Trade payables	1,984,345	-
Other payables and accruals	352,588	-
Amounts due to directors	2,102,160	-
Amounts due to shareholders	-	253,869
Total liabilities	4,439,093	253,869
Total equity and liabilities	29,295,180	2,621,880

The Group's consolidated financial statements disclosed above have neither been audited nor reviewed by the Company's auditors.

The same accounting policies and methods of computation as included in the Group's consolidated financial statements for the year ended 31 December 2010 have been adopted in the preparation of the Group's unaudited consolidated financial statements for the six months ended 30 June 2011.

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This information is provided by RNS

The company news service from the London Stock Exchange

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