

## **Press Release**

For Immediate Distribution

# **MCLEAN TECHNOLOGIES ANNOUNCES STRATEGIC CORPORATE PROPOSALS TO DRIVE FUTURE GROWTH AND EXPANSION**

*Proposed Acquisition and Diversification, Private Placement and Capital Reduction to Strengthen Company*

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**MALAYSIA, 8 OCTOBER 2024** – **MClean Technologies Berhad** ("MClean" or the "Company"), an established provider of precision cleaning and surface treatment solutions, **today announced a series of strategic corporate proposals aimed at solidifying the Company's financial position, diversifying its revenue stream and driving growth.** The proposals include a 25.0% private placement, acquisition of a plastic injection moulding business ("Proposed Acquisition") and proposed diversification into the plastic injection moulding business ("Proposed Diversification"), together with a proposed share capital reduction.

At the forefront of these initiatives is MClean's Proposed Acquisition of plastic injection moulding business from **We Total Engineering Sdn. Bhd.'s** ("We Total"), secured at Net Book Value ("NBV") of RM6.04 million. The Proposed Acquisition and the Proposed Diversification **represent a strategic move by MClean Group to enhance its revenue streams, diversify its service offerings while gaining access to We Total's well-established customer base in key industries such as electrical and electronic ("E&E"), automotive, oil and gas, and medical devices. The increasing demand for lightweight and high-performance plastic components in these industries offers meaningful growth opportunities for the new business.** The integration of the plastic injection business will not only widen MClean Group's range of products and services but will further strengthen MClean Group's competitive position in high-growth sectors.

The Proposed Acquisition is expected to create synergies with MClean Group's existing surface treatment for E&E products and precision cleaning for hard disk drives businesses. This integration will enable MClean Group to offer a more comprehensive range of services, particularly in high-precision engineering, increasing cross-selling opportunities and operational efficiencies. These synergies are also likely to enhance MClean Group's value creation to customers in the E&E and automotive industries.

Premised on the above, MClean Group stands to benefit from enhancing its asset and earnings base through the venture into the plastic injection moulding business moving forward. The Proposed Acquisition and Proposed Diversification are expected to contribute positively to MClean Group's future earnings.

**Datuk Dr. Terence Tea Yeok Kian, Executive Chairman and Executive Director of MClean** commented, "We are excited to announce these strategic corporate proposals, which mark a pivotal moment for MClean. The acquisition of plastic injection moulding business at NBV presents great value for the MClean Group and provides us with an excellent opportunity to expand our product and service offerings and diversify our revenue streams. The completion of this acquisition represents a highly favourable opportunity, positioning it as a strong

strategic investment that will drive our future growth. The private placement and share capital reduction will further strengthen our financial position, allowing us to focus on long-term profitability and sustainable growth. We are confident that these initiatives will create significant value for our shareholders.”

As part of the proposed corporate exercises, MClean plans to issue up to 49.3 million new shares via private placement to potential investors, representing 25.0% of its issued share capital. To facilitate the potential support from its major shareholder, **Accrelist Crowdfunding Pte. Ltd.**, **the Company is also seeking shareholders’ approval to allocate up to 25.0 million of these placement shares to it.** The private placement is expected to raise up to RM12.3 million, which will primarily be used to fund the acquisition and support the Company’s working capital requirements for the plastic injection moulding business.

Lastly, the Company has also **proposed a share capital reduction of RM35.0 million, which will enable the Company and the Group to rationalise their financial positions by eliminating accumulated losses and to appropriately reflect the value of the underlying assets and financial position of the Company and the Group.**

As of **8 October 2024**, the share price of MClean had closed at **RM0.275** as at 5:00 P.M., representing a market capitalisation of **RM54.2 million**.

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**This press release should be read in conjunction with the full text of the announcement released by MClean on 8 October 2024 in relation to its strategic corporate proposals which is available on the Bursa Malaysia Securities Berhad’s website.**

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#### **ABOUT MCLEAN TECHNOLOGIES BERHAD**

MClean Technologies Berhad, is a leading provider of surface treatment, precision cleaning, and packaging services. The Company serves a diverse range of industries, including Hard Disk Drive, Consumer Electronics, and Oil & Gas. With operations in Malaysia, Singapore, and Thailand, MClean is committed to delivering high-quality and reliable services to its clients.

For more information, visit <http://www.mclean.com.sg/>.

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#### **For more information, please contact:**

**Jazzmin Wan**

**Tel:** +60 17-289 4110

**Email:** [j.wan@swanconsultancy.biz](mailto:j.wan@swanconsultancy.biz)

**Stephanie Chow**

**Tel:** +60 18-314 3933

**Email:** [s.chow@swanconsultancy.biz](mailto:s.chow@swanconsultancy.biz)

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