

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014

		CURRENT QUARTER 30/09/14	PRECEDING CORRESPONDING QUARTER 30/09/13	CUMULATIVE QUARTER ENDED 30/09/14	CUMULATIVE QUARTER ENDED 30/09/13
	Note	RM'000	RM'000	RM'000	RM'000
CONTINUING OPERATIONS					
REVENUE		9,075	11,413	24,703	29,565
COST OF SALES		(7,398)	(8,689)	(22,076)	(24,176)
GROSS PROFIT		1,677	2,724	2,627	5,389
OTHER INCOME		35	50	213	251
ADMINISTRATIVE EXPENSES		(2,326)	(2,270)	(7,204)	(6,864)
SELLING AND DISTRIBUTION EXPENSES		(122)	(221)	(366)	(436)
OTHER EXPENSES		98	-	2	-
FINANCE COST		(20)	(19)	(51)	(26)
LOSS BEFORE TAX		(658)	264	(4,779)	(1,686)
TAX EXPENSE		-	(7)	-	(7)
LOSS FROM CONTINUING OPERATIONS		(658)	257	(4,779)	(1,693)
DISCONTINUED OPERATIONS					
PROFIT FROM DISCONTINUED OPERATIONS		-	362	-	494
LOSS FOR THE PERIOD		(658)	619	(4,779)	(1,199)
OTHER COMPREHENSIVE INCOME					
Foreign currency translation differences for foreign operations		76	679	(223)	916
		76	679	(223)	916
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(582)	1,298	(5,002)	(283)
Loss attributable to:					
Owners of the company		(658)	619	(4,779)	(1,199)
Non-controlling interests		-	-	-	-
		(658)	619	(4,779)	(1,199)
Total comprehensive loss attributable to:					
Owners of the company		(582)	1,298	(5,002)	(283)
Non-controlling interests		-	-	-	-
		(582)	1,298	(5,002)	(283)
Loss per share (sen)					
Basic	25	(0.56)	0.53	(4.07)	(1.02)
Basic-continuing operations	25	(0.56)	0.22	(4.07)	(1.44)
Basic-discontinued operations	25	-	0.31	-	0.42
Diluted	25	N/a	0.35	N/a	N/a

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Note	(UNAUDITED)	(AUDITED)
		As at 30/09/2014	As at 31/12/13
		RM'000	RM'000
ASSETS			
Non-current assets			
Intangible assets		2,641	3,394
Property, plant and equipment		9,615	9,696
Other receivables		912	1,113
		<u>13,168</u>	<u>14,203</u>
Current assets			
Inventories		584	773
Trade receivables		7,938	11,197
Other receivables and prepayment		4,135	6,768
Cash and bank balances		1,494	1,972
		<u>14,151</u>	<u>20,710</u>
TOTAL ASSETS		<u><u>27,319</u></u>	<u><u>34,913</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the owners			
Share capital		29,350	29,350
Share premium		3,420	3,420
Accumulated losses/ Unappropriated profits		(794)	3,985
Other reserves		(14,619)	(14,396)
TOTAL EQUITY		<u><u>17,357</u></u>	<u><u>22,359</u></u>
Non-current liabilities			
Term loan	20	634	1,262
Current liabilities			
Trade payables		5,288	6,349
Other payables		2,105	4,017
Term loan	20	1,935	926
		<u>9,328</u>	<u>11,292</u>
TOTAL LIABILITIES		<u><u>9,962</u></u>	<u><u>12,554</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>27,319</u></u>	<u><u>34,913</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>0.15</u>	<u>0.19</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.)

• **MCLEAN TECHNOLOGIES BERHAD (Company No: 893631-T)**
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014**

Cumulative quarter ended 30 september 2014

ATTRIBUTABLE TO THE OWNERS OF THE COMPANY							
SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	Non distributable			Distributable		TOTAL RM'000
		MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	UNAPPROPRIATED PROFITS RM'000		
29,350	3,420	(22,246)	5,400	2,450	3,985	22,359	
-	-	-	-	(223)	(4,779)	(5,002)	
29,350	3,420	(22,246)	5,400	2,227	(794)	17,357	

Balance as at 01.01.2014

Total comprehensive loss for the period

Balance as at 30.09.2014

• Cumulative quarter ended 30 September 2013

ATTRIBUTABLE TO THE OWNERS OF THE COMPANY							
SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	Non distributable			Distributable		TOTAL RM'000
		MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	UNAPPROPRIATED PROFITS RM'000		
29,350	3,420	(22,246)	5,400	1,384	5,940	23,248	
-	-	-	-	916	(1,199)	(283)	
29,350	3,420	(22,246)	5,400	2,300	4,741	22,965	

Balance as at 01.01.2013

Total comprehensive profit/ (loss) for the current quarter

Balance as at 30.09.2013

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2014

	CURRENT FINANCIAL PERIOD 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
OPERATING ACTIVITIES		
Loss before tax from continuing operations	(4,779)	(1,554)
Profit before tax from discontinued operations	-	362
Loss before tax	<u>(4,779)</u>	<u>(1,192)</u>
Adjustments for:		
Depreciation	2,290	1,974
Written off of plant, property & equipment	2	11
Amortisation of intangible assets	711	409
Interest income	(4)	(5)
Interest expenses	51	26
Unrealised loss/ (gain) on foreign exchange	27	24
Operating (loss)/ profit before working capital changes	<u>(1,702)</u>	<u>1,247</u>
Changes in working capital:-		
Inventories	189	(719)
Receivables	5,803	(3,565)
Payables	(2,972)	(293)
CASH FROM/ (USED IN) OPERATIONS	<u>1,318</u>	<u>(3,330)</u>
Tax paid	-	(76)
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES	<u>1,318</u>	<u>(3,406)</u>
INVESTING ACTIVITIES		
Intangible	-	(1,459)
Purchase of property, plant and equipment	(2,123)	(311)
Sales proceed from disposal of plant, property & equipment	-	182
Interest expenses	(51)	(20)
Interest received	4	5
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,170)</u>	<u>(1,603)</u>
FINANCING ACTIVITIES		
Long term loan	1,035	2,310
Repayment of term loan	(654)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>381</u>	<u>2,310</u>
CASH AND CASH EQUIVALENTS		
Net changes	(471)	(2,699)
Brought forward	1,972	4,654
Effects of exchange translation differences on cash and cash equivalents	(7)	55
Carried forward	<u>1,494</u>	<u>2,010</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.)

Unaudited financial results of MClean and its subsidiaries (the “Group”) for period ended 30 September 2014.

Explanatory notes to the quarterly report and for the financial period ended 30 September 2014

1. Basis of preparation

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

2. Significant Accounting Policies

Significant accounting policies and methods of computation adopted for the condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the new/revised MFRS mentioned below.

2.1 Adoption of MFRS, Amendments to MFRS and IC Interpretation

On 1 January 2014, the Group adopted the following new and amended MFRSs and IC Interpretation which are mandatory for annual financial periods beginning on or after 1 January 2014:

Amendments to MFRS 10: Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12: Disclosure of Interest in Other Entities: Investment Entities

Amendments to MFRS 127: Consolidated and Separate Financial Statements: Investment Entities

Amendments to MFRS 132: Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Impairment of assets: Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 139: Financial Instruments: Recognition and Measurements: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21: Levies

2.2 MFRSs and Amendments to MFRSs Issued but not yet Effective

The following MFRSs and Amendments to MFRSs issued by the MASB are relevant to the Group. However, they have not been early adopted in this set of financial statements.

MFRS and Amendments effective for annual periods beginning on or after 1 July 2014

Amendment to MFRS 2: Share-based Payment (Annual Improvements MFRSs 2010-2012 Cycle)

Amendments to MFRS 3: Business Combinations (Annual Improvements MFRSs 2010-2012 Cycle and 2011-2013 Cycle)

Amendments to MFRS 8: Operating Segments (Annual Improvements to MFRSs 2010-2012 Cycle)

Amendments to MFRS 13: Fair Value Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)

Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements to MFRSs 2010-2012 Cycle)

Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions

Amendments to MFRS 124: Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)

2.2 MFRSs and Amendments to MFRSs Issued but not yet Effective (cont’d)

Amendments to MFRS 138: Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)
Amendments to MFRS 140: Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)

MFRS and Amendments effective for annual periods beginning on or after 1 January 2016

MFRS 14: Regulatory Deferral Accounts
Amendments to MFRS 11: Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 116: Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 138: Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation

MFRS and Amendments effective for a date yet to be confirmed

MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in October 2010)
Amendments to MFRS 7: Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (IFRS 9 issued by IASB in November 2009, IFRS 9 issued by IASB in October 2010)
Amendments to MFRS 9: Financial Instruments: Hedge Accounting

The Directors anticipate that the adoption of the above new/revised MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group in the period of initial application.

3. Audit Report of the Preceding Audited Financial Statements

The auditors have expressed an unqualified opinion on the Company’s statutory consolidated financial statements for the financial year ended 31 December 2013 in their report dated 25 April 2014.

4. Seasonal or Cyclical Factors

Our Group’s revenue is not significantly affected by the seasonal or cyclical factors for the quarter under review.

5. Unusual Items

Except as disclosed, there was no item which is unusual because of its nature, size, or incidence that has affected the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter under review.

6. Material Changes in Estimates

There were no changes in estimate of amounts reported that has a material impact in the current financial quarter under review.

7. Changes in Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs and share cancellation, for the current financial quarter under review.

8. Dividend Paid

There were no dividends paid during the quarter under review.

9. Segmental Reporting

The segmental result of the Group for the current and previous financial year-to-date under review is set out below:

Geographical information

Revenue information based on the geographical location of customers are as follows:-

Location	9 Months Ended	9 Months Ended
	30.09.2014	30.09.2013
	RM'000	RM'000
People's Republic of China	10,113	7,810
Malaysia	3,097	3,767
Singapore	15,212	20,727
Others	1,375	3,273
Inter segment	(5,094)	(6,012)
	24,703	29,565

Current quarter ended 30.09.2014	Technical Assembly Services RM'000	Precision Cleaning RM'000	Elimination RM'000	Total RM'000
Revenue:-				
External customers	-	9,075	-	9,075
Inter segment	-	1,617	(1,617)	-
Total revenue	-	10,692	(1,617)	9,075

Results:-				
Segment results	-	1,677	-	1,677
Unallocated amounts:				
Other income				35
Other corporate expenses				(2,370)
Loss before tax				(658)

Current quarter ended 30.09.2013	Technical Assembly Services RM'000	Precision Cleaning RM'000	Elimination RM'000	Total RM'000
Revenue:-				
External customers	1,889	9,524	-	11,413
Inter segment	-	2,645	(2,645)	-
Total revenue	1,889	12,169	(2,645)	11,413

Results:-				
Segment results	240	2,484	-	2,724
Unallocated amounts:				
Other income				50
Other corporate expenses				(2,510)
Profit before tax				264

MCLEAN TECHNOLOGIES BERHAD ("MCLEAN" OR THE COMPANY")
(Company No: 893631-T)

Cumulative quarter ended 30.09.2014	Technical Assembly Services RM'000	Precision Cleaning RM'000	Elimination RM'000	Total RM'000
Revenue:-				
External customers	-	24,703	-	24,703
Inter segment	-	5,094	(5,094)	-
Total revenue	-	29,797	(5,094)	24,703

Results:-				
Segment results	-	2,627	-	2,627
Unallocated amounts:				
Other income				213
Other corporate expenses				(7,619)
Loss before tax				(4,779)

Cumulative quarter ended 30.09.2013	Technical Assembly Services RM'000	Precision Cleaning RM'000	Elimination RM'000	Total RM'000
Revenue:-				
External customers	4,620	24,945	-	29,565
Inter segment	-	6,012	(6,012)	-
Total revenue	4,620	30,957	(6,012)	29,565

Results:-				
Segment results	586	4,803	-	5,389
Unallocated amounts:				
Other income				251
Other corporate expenses				(7,326)
Loss before tax				(1,686)

It was not practicable to separate out the segment assets and liabilities for its business segments as the assets and liabilities were jointly used by all business segments.

10. Valuation of Property, Plant and Equipment

The Group does not own any properties or real estate. As at 30 September 2014, all the Group's plant and equipment were stated at cost less accumulated depreciation.

11. Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

13. **Contingent Liabilities and Contingent Assets**

(a) **Contingent liabilities**

There were no contingent liabilities as at the end of current financial quarter.

(b) **Contingent assets**

There were no contingent assets as at the end of current financial quarter.

14. **Capital Commitment**

There was no capital commitment as at the end of the current financial quarter.

15. **Review of Performance**

Comparison between Current Financial Quarter / Year-to-date Ended 30 September 2014 and Previous Corresponding Quarter / Year-to-date Ended 30 September 2013

A summary of the Group’s performance is set out below:-

	30.09.2014		3 Months Ended			30.09.2013	
	Technical Assembly Services	Precision Cleaning	Total	Technical Assembly Services	Precision Cleaning	Total	
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	
Revenue	-	9,075	9,075	1,889	9,524	11,413	
Gross profit	-	1,677	1,677	240	2,484	2,724	
(Loss)/profit before tax			(658)			264	

Technical Assembly Services Division

There were no orders in the current quarter and resources have been re-allocated to Precision Cleaning.

Precision Cleaning Division

Revenue from Precision Cleaning for the current quarter has decrease by approximately 4.7% as compared to the preceding year corresponding quarter. However, gross profit margin declined from 26% to 18.5% due to change in product mix. In the current quarter there were less Cleanroom Assembly Services as compared to the preceding year corresponding quarter. Cleanroom Assembly Services are our higher margin services as compared to Cassette and Tray washing.

Overall, the Group reported a loss before tax of RM0.658 million as compared to a profit before tax of RM0.264 million in the previous year corresponding quarter.

Comparison between Current Period-to-date Ended 30 September 2014 and Previous Corresponding Period-to-date Ended 30 September 2013

	9 Months Ended					
	30.09.2014			30.09.2013		
	Technical Assembly Services	Precision Cleaning	Total	Technical Assembly Services	Precision Cleaning	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	24,703	24,703	4,620	24,945	29,565
Gross profit	-	2,627	2,627	586	4,803	5,389
Loss before tax			(4,779)			(1,686)

Technical Assembly Services Division

There were no orders for the current period ended 30 September 2014.

Precision Cleaning Division

Although the revenue from Precision Cleaning for the current period remain about the same as compared with the preceding year corresponding period, the product mix is different for both periods. The gross profit margin declined from 19.3% to 10.6% mainly due to a decrease in the higher margin Cleanroom Assembly services and Component washing in the current period as compared to the preceding year corresponding period.

Overall, the Group reported a loss before tax of RM4.78 million as compared to a loss before tax of RM1.69 million in the preceding year corresponding period.

16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter

	3 Months Ended					
	30.09.2014			30.06.2014		
	Technical Assembly Services	Precision Cleaning	Total	Technical Assembly Services	Precision Cleaning	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	9,075	9,075	-	7,941	7,941
Gross profit	-	1,677	1,677	-	618	618
Loss before tax			(658)			(1,956)

Precision Cleaning Division

Precision Cleaning has increased by 14.3% in the current quarter as compared to the immediate preceding quarter. The increase in sales is across all cleaning services. Loss before tax declined to RM0.658 million as compared with a RM1.96 million loss in the preceding quarter.

17. Future Prospects

Sales in our China facility for both the precision cleaning and the clean bulk packaging is improving over the last few months. We expect our China facility to continue to grow and contribute positively to our Group future earnings.

18. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter .

19. Status of Corporate Proposals

There is no corporate proposal announced but not completed as at the date of this report.

20. Group Borrowings and Debt Securities

The Group’s borrowings as at 30 September 2014 presented as follows:-

	RM’000
Long Term Borrowings	
Unsecured:-	
Term loan	634
Short Term Borrowings	
Unsecured:-	
Term loan	1935

The total borrowings denominated in foreign and local currency as at 30 September 2014 are: -

	RM’000
Foreign currency – SGD 999,350 @ RM2.5707/SGD	2,569

21. Realised and Unrealised Retained Profits

	Cumulative year to date ended 30/09/2014 RM’000	Cumulative year to date ended 31/12/2013 RM’000
Total retained profits of the Group:		
- Realised	8,250	7,609
- Unrealised	(27)	295
	<hr/> 8,223	<hr/> 7,904
Consolidated adjustments	(7,429)	(3,919)
	<hr/> <hr/> (794)	<hr/> <hr/> 3,985
Total Group retained profits/ (accumulated losses)		

22. Off Balance Sheet Financial Instruments

As at 30 September 2014, Group does not have any off balance sheet financial instrument.

**MCLEAN TECHNOLOGIES BERHAD (“MCLEAN” OR THE COMPANY”)
(Company No: 893631-T)**

23. Material Litigation

There was no pending material litigation from 1 January 2014 up to the date of this quarterly announcement.

24. Dividend Payable

There was no dividend payable or proposed during the current quarter ended 30 September 2014.

25. Loss Per Share

Basic

The calculation of the basic LPS is based on the net loss divided by the weighted average number of ordinary shares of RM0.25 each in issue.

	3 rd Quarter Ended		Cumulative Quarter Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Net (loss)/profit for the period attributable to owners of the parent (RM'000)	(658)	619	(4,779)	(1,199)
Profit from discontinued operations for the period attributable to owners of the parent (RM'000)	-	362	-	494
(Loss)/Profit from continuing operations for the period attributable to owners of the parent (RM'000)	(658)	257	(4,779)	(1,693)
Weighted average number of ordinary shares in issue ('000)	117,400	117,400	117,400	117,400
Basic LPS (sen)	(0.56)	0.53	(4.07)	(1.02)
Basic-discontinued (sen)	-	0.31	-	0.42
Basic-continuing operations (sen)	(0.56)	0.22	(4.07)	(1.44)

Diluted

The calculation of the diluted EPS is based on the net profit divided by the weighted average number of ordinary shares after adjustments for the effects of all dilutive potential ordinary shares of RM0.25 each arising from the exercise of 58,700,000 Warrants-in-issue .

	3 rd Quarter Ended		Cumulative Quarter Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Weighted average number of ordinary shares in issue ('000)	176,100	176,100	176,100	176,100
Diluted EPS (sen)	Not applicable ⁽¹⁾	0.35	Not applicable ⁽¹⁾	Not applicable ⁽¹⁾

⁽¹⁾ Not applicable as, due to the losses, there is an anti-dilutive effect from the assumed exercise of the Warrants-in-issue.

26. Notes to the Condensed Consolidated Statements to Comprehensive Income

Loss before tax is arrived at after charging/ (crediting) the following items:-

	Current Quarter Ended 30 September 2014 RM'000	Year-to-date Ended 30 September 2014 RM'000
(a) Interest income	(1)	(4)
(b) Other income including investment income	(42)	(213)
(c) Interest expenses	20	51
(d) Depreciation and amortization	1,024	3,001
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted and unquoted investment or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange loss/ (gain)	(100)	(21)
(j) Gain or loss on derivatives	-	-
(k) Plant, property & equipment written off	2	2