



INVESTOR BRIEFING – Q2 2020 Financial Results

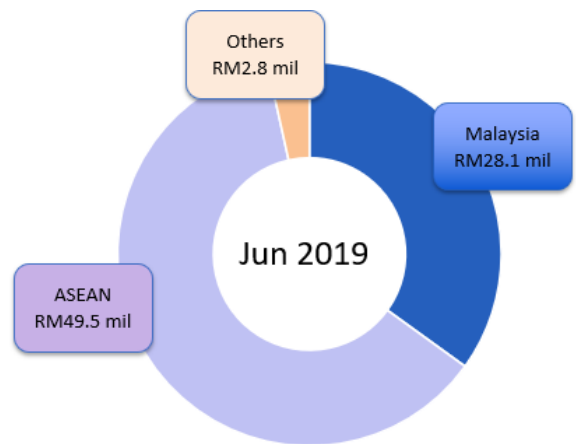
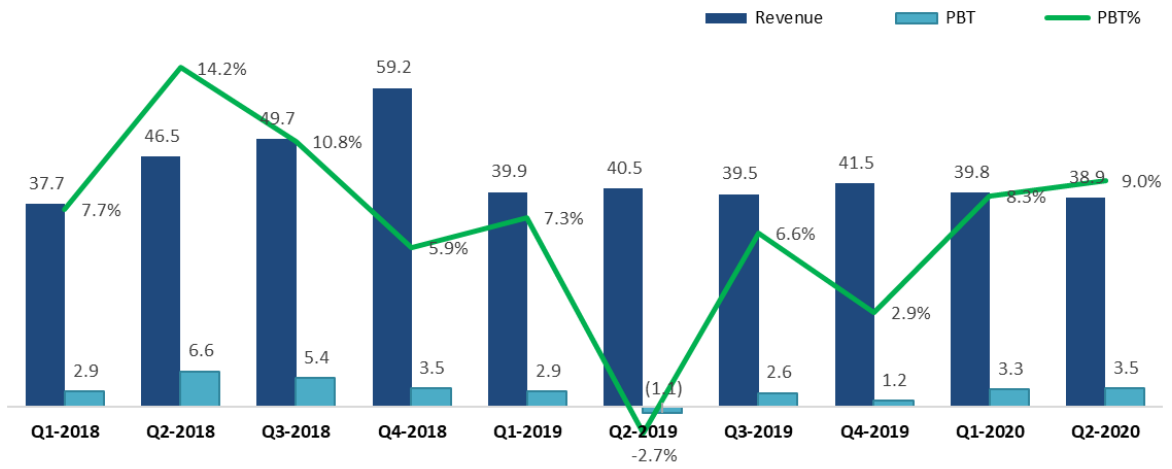
TOPICS COVERED:

1. Second Quarter (“Q2”) 2020 Financial Results

- Revenue for the period ended 30 June 2020 decreased marginally by 2.1% to RM78.7mil as compared to RM80.4mil in the preceding year due to the decline in the distribution division.
- Of the RM78.7mil, RM70.3mil was from the distribution division and RM8.4mil was from the manufacturing division.
- QoQ comparison saw a minor decrease by 2.3% in the Group’s revenue.
- Manufacturing division revenue increased by 100.0% YoY, due to better sales of Inspection and Automated Handling Equipment from the semiconductor customers. US-China trade war may have some indirect spill overs especially to countries like Vietnam and Thailand, so the Group is positioned for growth.
- Distribution division revenue dropped by 7.7% YoY mainly due to a decrease of 12.3% and 8.6% in product and spares & services revenue respectively notwithstanding an increased in materials revenue of 15.2%.
- Group GP increased by 4.1% YoY due to a jump in GP contribution from the manufacturing division amounting to an increase of 520% YoY despite the distribution division recording a drop by 10.8%.
- Malaysia maintains as the biggest revenue contributing country which makes up for 39.8% of Q2 total revenue and marks a minor increase by 0.7% YoY. Coinciding with this, contribution of revenue from the ASEAN region excluding Malaysia decreased by 9.5% YoY as the revenue from China and other countries increased by 100% YoY.
- Total installed base as at Q2 stood at 11,958.

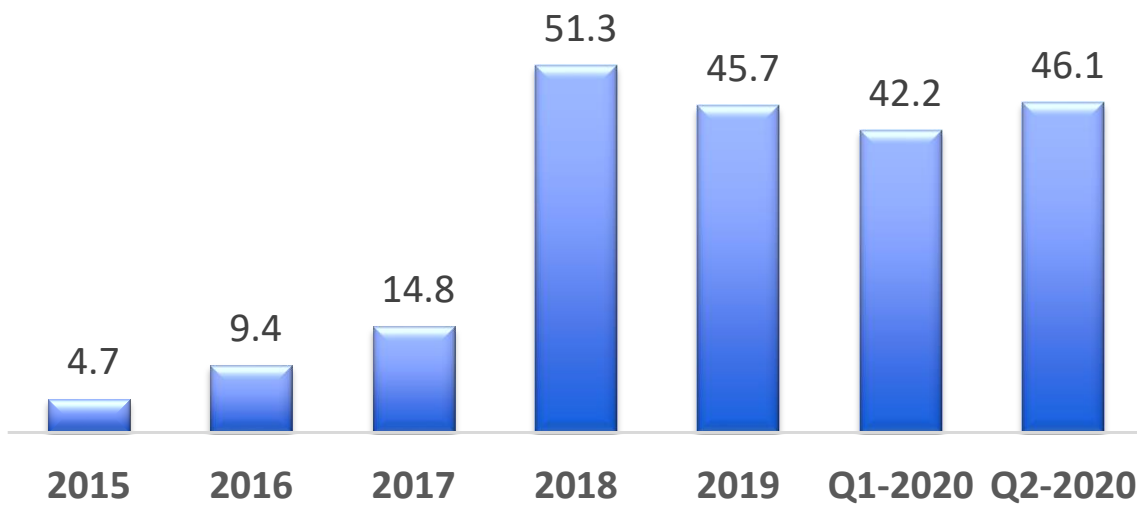
Revenue (RM) 78.7 mil ▼ -2.1% YoY	Gross Profit (RM) 17.8 mil ▲ 4.1% YoY	PBT (RM) 6.8 mil ▲ 277.8% YoY	PATMI (RM) 5.1 mil ▲ 1600.0% YoY
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Quarterly Financial Highlights 2018 - 2020



YoY Growth		
MALAYSIA	ASEAN	OTHERS
0.7%	-9.5%	100.0%

Cash & Cash Equivalents (RM'mil)

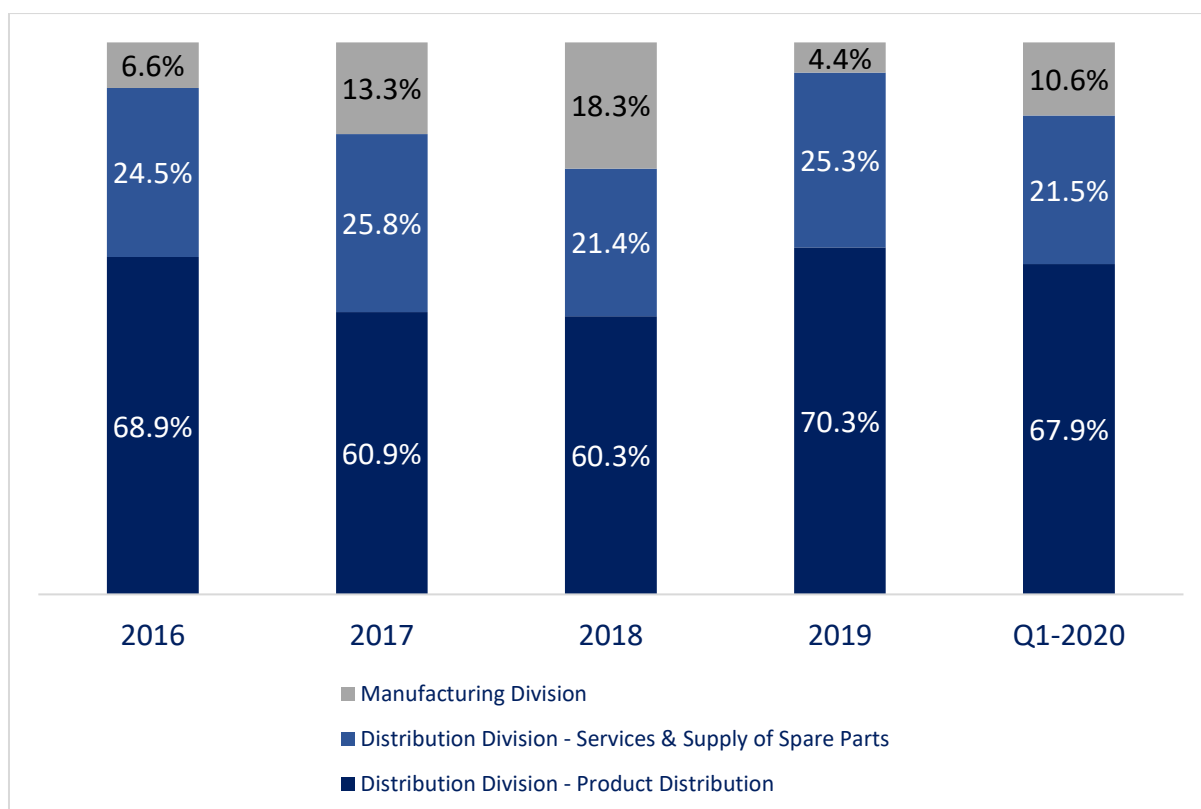


Gearing ratio (times)



2. Business Outlook & Prospects

- Further implementation of Precision Tilt Sensing system will be re-scheduled to Q1 2021 due to Covid-19 and the engineers are not able to travel due to the customer's strict standard operating procedures and restrictions.
- Further delays on PDI and PPI AOI series due to Covid-19 lockdowns. We will be working to iron out the complexities and are hopeful to launch the prototype testing by 1H 2021.
- We have improved our semi-automated wafer inspection systems WIS series which we have started receiving multiple orders.
- Developing a localized AMS series (Chapman) to get a smaller footprint and automation features for a more hands-free operation.
- Further R&D and development into WPS and WSS series of automated wafer sorting machines.
- Further R&D and development into an automated wafer stocking and retrieval system complete with AGV integration.
- Overall operating costs will be lower due to MCO and the restriction of travelling, exhibition and leveraging on government subsidies in terms of salary costs.
- Expecting distribution division growth to remain flat or a slight decrease for FYE 2020 due to countries which are badly affected by Covid-19 like Philippines and Indonesia would not fare as well but this will be mitigated by the improved results from Vietnam and Singapore.
- The Group will continue to focus on market and business expansion activities to grow the business further which may include factory/land purchase to increase our factory capacity.
- Even with the Covid-19 pandemic setbacks, QES will continue to focus activities to build up market share of our manufacturing division equipment to China and Taiwan semiconductor segment. As for the distribution division, we will further strengthen our ASEAN operations as we believe the US-China trade war will benefit ASEAN in the medium term.



3. Utilisation of IPO Proceeds as at 30 June 2020

Purposes	Proposed Utilisation RM'000	Revised Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Revised Expected Timeframe for Utilisation
(i) Development of 3 key products	4,850	4,850	2,828	2,022	Within 36 months from 8 March 2018
(ii) General working capital requirements	3,250	3,250	3,237	13	Within 36 months from 8 March 2018
(iii) Repayment of bank borrowings	7,000	10,200	10,200	-	Within 3 months from 28 February 2020
(iv) Capital expenditure	10,716	7,516	6,336	1,180	Within 36 months from 8 March 2018
(v) Estimated listing expenses	3,000	3,000	3,000	-	Within 1 month
	28,816	28,816	25,601	3,215	