



INVESTOR BRIEFING (Q2 '19 Financial Results)

TOPICS COVERED:

1. Second Quarter ("Q2") 2019 Financial Results

- Revenue in Q2 for the period ended 30 June 2019 ("FPE 2019") decreased by 4.5% to RM80.4mil as compared to RM84.2mil in the preceding year due to the decline in manufacturing revenue despite a 19.1% increase in distribution revenue.
- Of the RM80.4mil, RM76.2mil was from the distribution division and RM4.2mil was from the manufacturing division.
- QoQ comparison saw a minor increase by 1.5% in the Group's revenue.
- Manufacturing division revenue decreased by 79.2% YoY, due to less deliveries of Automated Optical Inspection System and Automated Handling System. The manufacturing division was affected by the overall slowdown in the semiconductor industry worldwide as our manufactured products are primarily used by semiconductor companies.
- Distribution revenue grew by 19.1% YoY mainly due to an increase of 20.9%, 8.8% and 20.4% in product revenue, materials, spares and services revenue respectively.
- Group GP decreased by 19.3% YoY as a result from a decline of 108.8% GP contribution from the manufacturing division despite a 13.5% jump in GP contribution by the distribution division.
- Malaysia maintains as the biggest revenue contributing country which makes up for 34.9% of the total revenue YoY. Contribution of revenue from the ASEAN region excluding Malaysia also increased 21.0% QoQ.

Revenue (RM)

80.4 mil

▼ -4.5% YoY

Gross Profit (RM)

17.1 mil

▼ -19.3% YoY

PBT (RM)

1.8 mil

▼ -81.1% YoY

PAT (RM)

0.3 mil

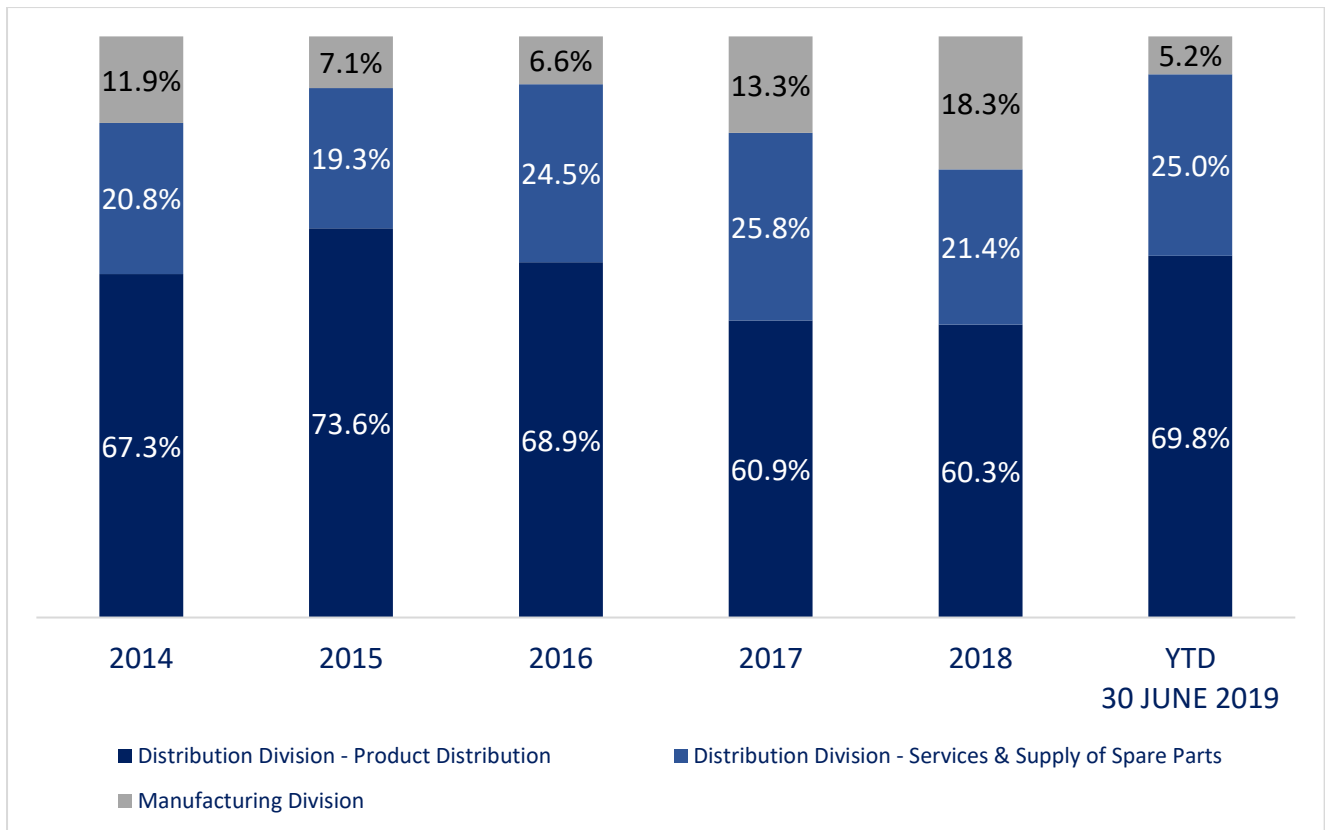
▼ -95.5% YoY



YoY Growth		
MALAYSIA	ASEAN	OTHERS
25.4%	-8.3%	-64.1%

2. Business Outlook & Prospects

- Manufacturing division to focus on the developments of new products and improvements on the existing product lines.
- Q3 '19 activities from semiconductor customers seems to be moving positively upwards.
- Distribution division is set to increase and sustain recurring income with service and spare parts continuing to be the key contributor.
- Despite a softer growth in Q2 and tepid outlook of the semiconductor industry, QES remains cautiously optimistic that the remaining months will be satisfactory.



3. Utilisation of IPO Proceeds as at 30 June 2019

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Deviation RM'000	Estimated timeframe for utilisation
(i) Development of 3 key products	4,850	1,555	3,295	-	Within 24 months
(ii) General working capital requirements	3,250	2,082	1,168	-	Within 24 months
(iii) Repayment of bank borrowings	7,000	7,000	-	-	Within 3 months
(iv) Capital expenditure	10,716	4,581	6,135	-	Within 24 months
(v) Estimated listing expenses	3,000	3,000	-	-	Within 1 month
	<u>28,816</u>	<u>18,218</u>	<u>10,598</u>	-	