



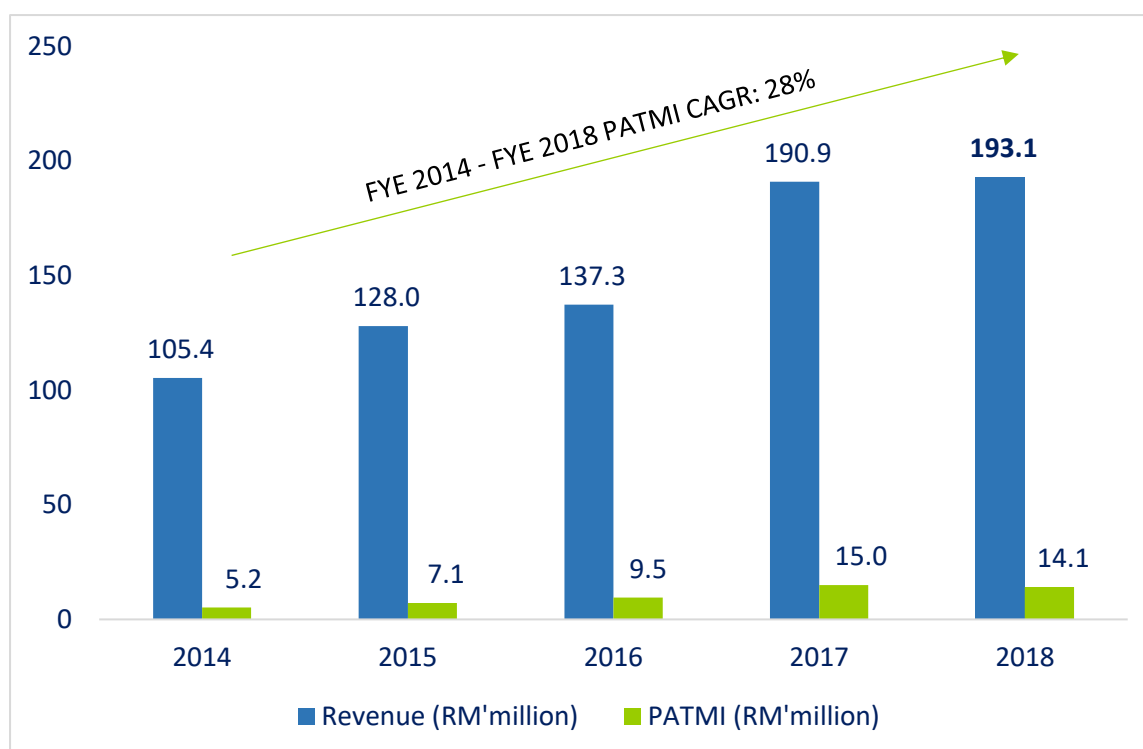
INVESTOR BRIEFING – Q4 2018 Financial Results

TOPICS COVERED:

1. Fourth Quarter (“Q4”) 2018 Financial Results

- Revenue in the Q4 of the financial year ending 31 December 2018 (“FYE 2018”) increased by 19.1% to RM59.2mil as compared to RM49.7mil in the preceding quarter.
- Of the RM59.2mil, RM51.1mil was from the distribution division and RM8.1 was from the manufacturing division.
- YoY consolidated revenue for FYE 2018 increased by 1.2% through a shift of higher manufacturing revenue to offset the slight decline of distribution revenue.
- Manufacturing grew by 39.4% YoY due to an increased sales of fully automated vision inspection machines
- Distribution revenue declined 4.7% mainly due to a decrease of 21.4% and 15.8% in the supply of materials & spare parts and services revenue respectively, whilst product sales revenue maintained a steady growth of 8.7%.
- Malaysia maintains as the biggest revenue contributing country which makes up for 29.1% of the total revenue despite a drop by 30.8% YoY. Contribution of revenue from the ASEAN region excluding Malaysia has grown more than twofold of Malaysia revenue recording a total revenue of RM115.6mil in FYE 2018.
- Other markets outside of ASEAN showed significant growth by 365.2% YoY which includes sales to Europe & China.
- An interim dividend of 0.4 sen per share was declared on 11 April 2019 and payment date is 24 May 2019.

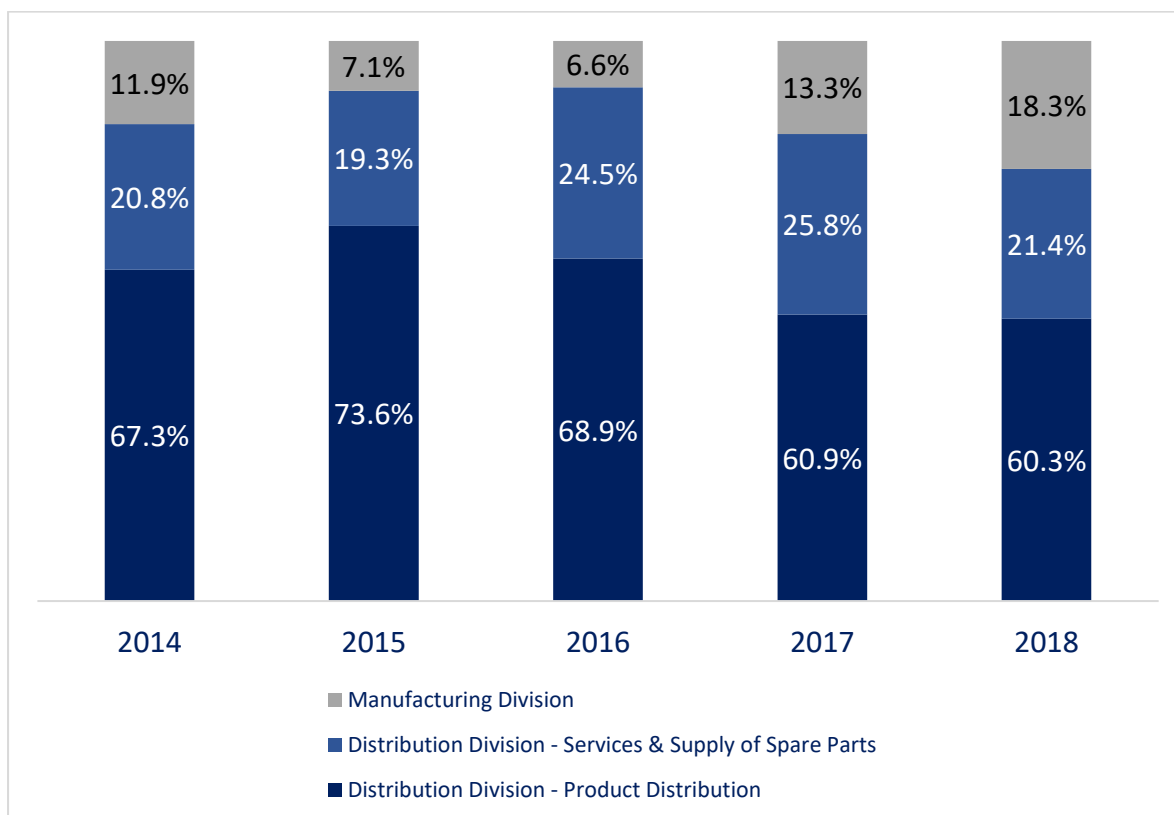
Revenue & PATMI



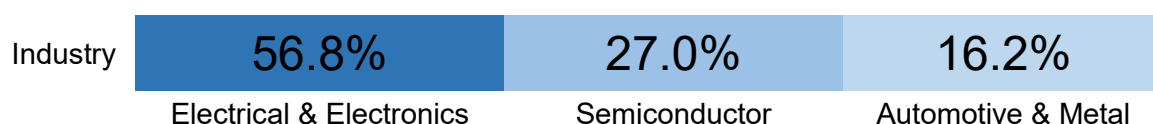
2. Business Outlook & Prospects

- Looming US-China trade war escalation, Brexit and other geopolitical conflict is expected to soften growth rate for 2019.
- It is our opinion that the semiconductor industry is going through a correction phase, so customers are more cautious.
- QES manufacturing division primary market is in the semiconductor industry and contributed 18.3% of the total revenue for FY2018.
- QES has a good buffer from other market segments from the distribution division such as electrical & electronics and the automotive & metal industries which contributes 56.8% & 16.2% of the total group revenue respectively.
- QES aims for manufacturing division to contribute 30-40% of the total revenue by FYE 2021.
- QES distribution division aims for an annual growth of 5-8%.
- Growth is limited in ASEAN countries for distribution division; hence we intend to move more aggressively to market our manufacturing products in China and the rest of the world.

- We are still continuously working to penetrate new market segments. So far, we have brought in new products under the petrochemical line and it's beginning to yield results. Government labs and academia is also moving albeit on a slower momentum. We will also be switching from pharmaceutical to aerospace industry in line with the Malaysian government directions.



Sales Breakdown FYE 2018 by Industry



3. Utilisation of IPO Proceeds as at 31 December 2018

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	1,548	3,302	-	Within 24 months
(ii) General working capital requirements	3,250	1,417	1,833	-	Within 24 months
(iii) Repayment of bank borrowings	7,000	7,000	-	-	Within 3 months
(iv) Capital expenditure	10,716	2,761	7,955	-	Within 24 months
(v) Estimated listing expenses	3,000	3,000	-	-	Within 1 month
	28,816	15,726	13,090	-	