



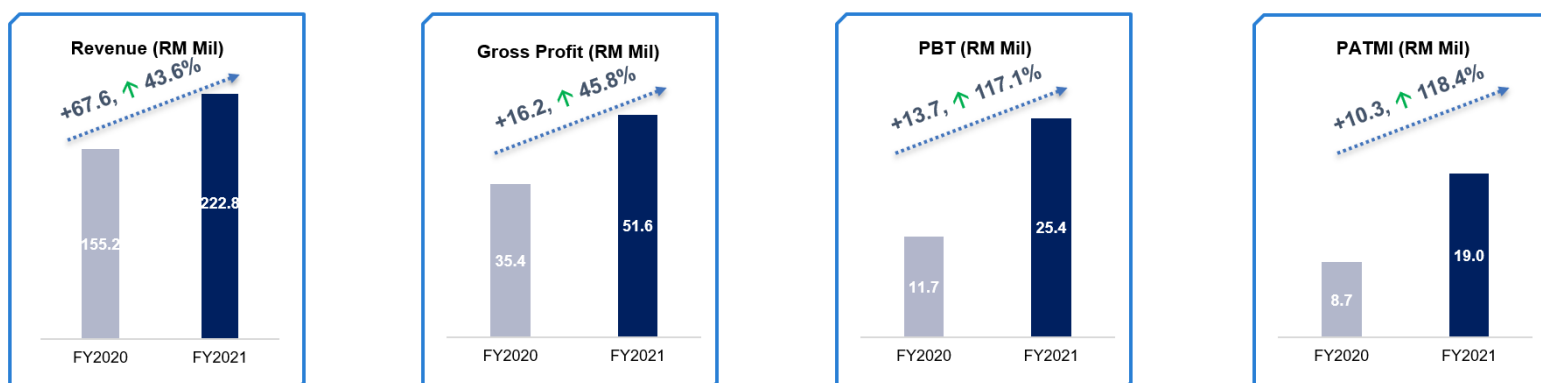
## INVESTOR BRIEFING – Q4 2021 Financial Results

### TOPICS COVERED:

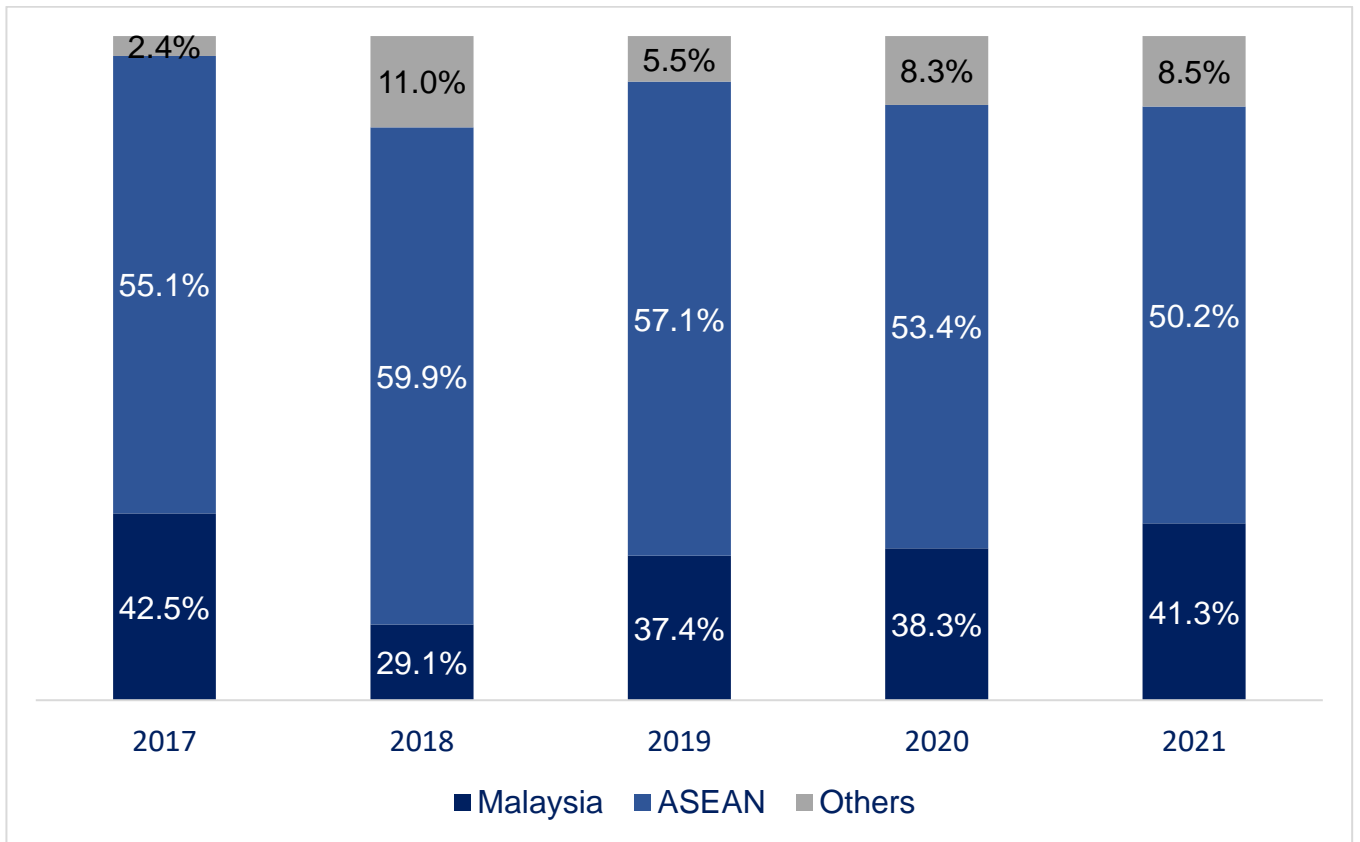
#### 1. Fourth Quarter (“Q4”) 2021 Financial Results

- For the quarter under review, the Group recorded a revenue of RM64.3 million, which translated to a year-on-year increase of 58.3% as compared to RM40.6 million in the corresponding quarter last year. The strong quarterly revenue was mainly attributed to the higher sales from its distribution division which increased by RM23.9 million.
- The Group announced a profit before tax and profit after tax (“PATMI”) of RM5.7 million and RM4.4 million respectively, an astounding increase of 124.6% and 124.5% respectively compared to the corresponding quarter in 2020.
- QoQ comparison saw an increase by 24.2% in the Group’s revenue.
- Manufacturing division revenue grew by 1.6% YoY, due to better sales of inspection and measurement equipment and automated handling systems from the semiconductor customers.
- Distribution division revenue increased by 51.7% YoY mainly due to an increase of 71.1%, 49.4% and 17.5% in product, materials and spares & service respectively.
- Group GP increased by 45.8% YoY as a result from a 55.7% jump in GP contribution from the distribution division as well as an increase of 6.9% in GP contribution by the manufacturing division.
- Malaysia remains the largest revenue contributing country which makes up for 41.3% of total FY 2021 revenue which marked an increase of 54.6% YoY from FY 2020. Contribution of revenue from the ASEAN region excluding Malaysia increased 35.1% from RM82.9mil to RM111.9mil YoY due to the economic recovery from the Covid-19 pandemic and strong semiconductor and automotive industries growth.
- Total installed base as at Q4 ‘21 stood at 12,933.

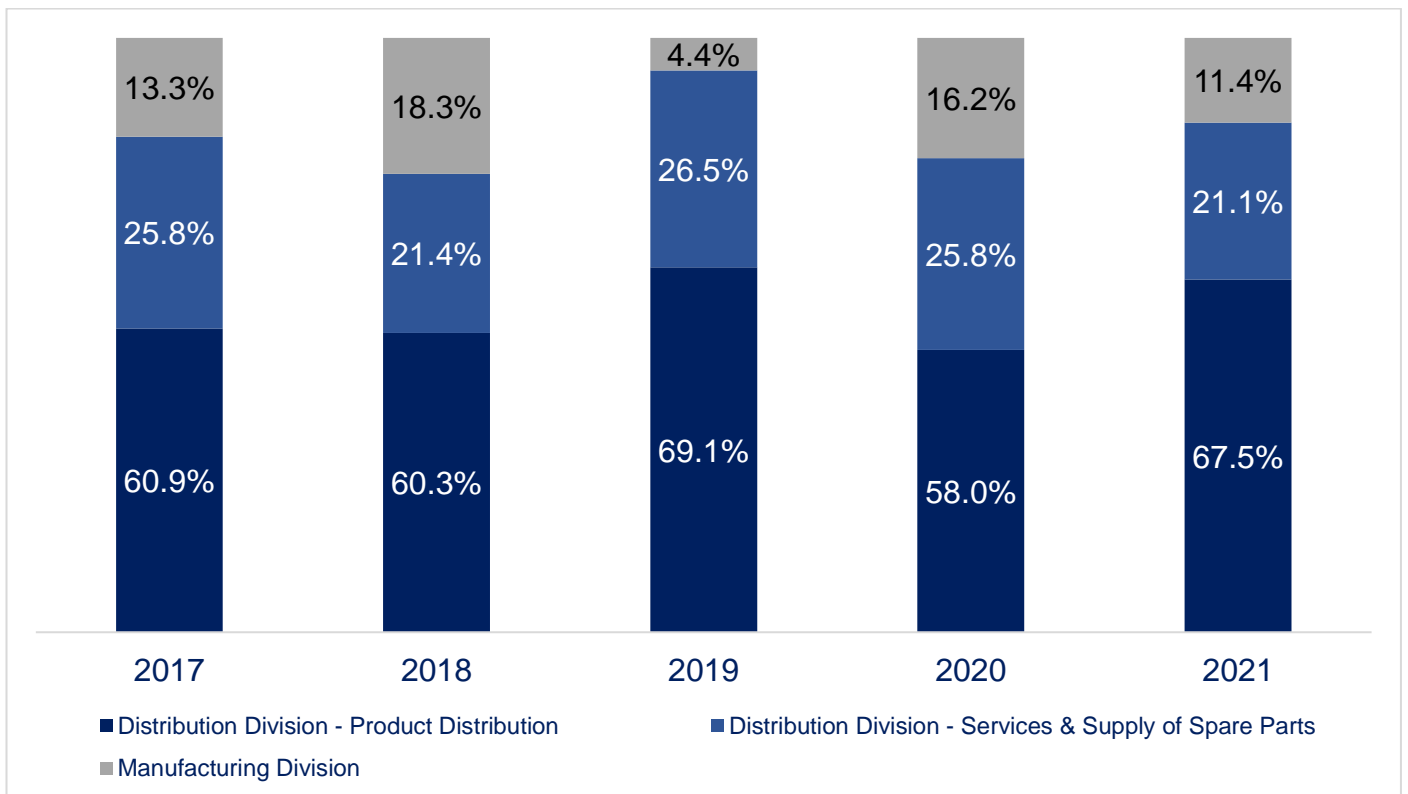
#### Highlights of FY ‘21 Financial Results



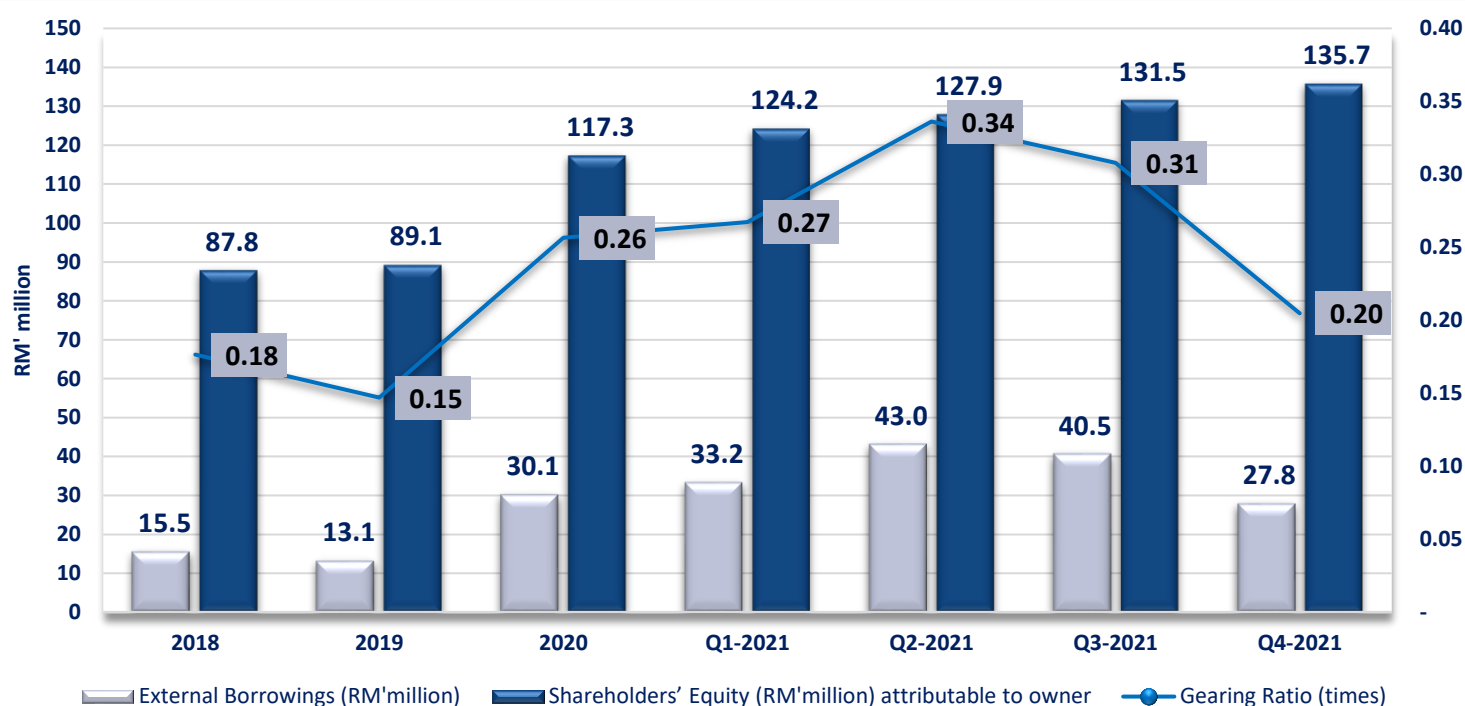
### Revenue YoY by Country/Regions



### Revenue Breakdown by Division



### Borrowings/Shareholders' Equity & Gearing Ratio Comparison



## 2. Business Outlook & Prospects

- From the Manufacturing Division
  - Order intake from semiconductor customers continues to be strong
  - Deliveries impacted by supply chain issues and shortage of critical components
  - Launched PDA1000V (AOI Series) automated inspection machines for IGBT power device (extensively use inside EV)
  - Launched WSM1200 (AMS Series) automated metrology inspection for both bump wafer and SiC wafer (extensively use for EV semiconductor IC production)
  - Wafer Inspection AOI (PPI series) 1st prototype to be ready
- From the Distribution Division
  - Strong order intake from semiconductor as well
  - Received multiple large orders from both front-end wafer fab and back-end test assembly customers but shipment will be next year due to lengthy delivery lead time
  - Highest revenue recorded from all Business Units for FY 2021
  - Recurring income continues to be steady at ~21% of total revenue FY 2021
- FY 2022
  - Estimated 5-6 months to clear backlog of orders from FY 2021
  - Order intake momentum remains strong for Jan and Feb of 2022
  - Optimistic to see growth in FY 2022 over FY 2021
  - Subject to meeting all the requirements and approvals, the Group plans to apply to migrate from Ace to Main market in 2022.

- FY2022 and beyond
  - AETM JV company to start full swing in FY 2022 after official launch in March 2022.
  - Planning to start construction on QES 2.0 @ BKIP from 2H2022 onwards
  - Targetting to start operations of QES 2.0 @ BKIP from 2H2023 onwards
  - QES China expansion hopefully to yield positive results by 2H2022
  - With EV, 5G, IoT, Cloud, Edge Computing and AI continue to flourish, we expect demand for our products and services to be trending upwards over the next 5 years
  - Forecasting CAGR of double-digit growth over the next 5 years based on the potentials outlined above
- New Hicom-Glenmarie Shah Alam factory
  - On track and almost completed. Will move in as scheduled by Q1 2022
  - Overall space increase from 39,000 sq ft to ~81,000 sq ft
  - Capacity of manufacturing increases from 25,000 sq ft to 35,000 sq ft
- New Batu Kawan Industrial Park land acquisition
  - Completed SPA between PDC and QES
  - Paid 50% (RM2.4mil) of the SPA price to PDC as of 15 Jan 2022

### 3. ESG Target and Action Plans



#### Environmental

- QES promoting **WEEE/ROHS analytical equipment** to check and monitor hazardous elements (lead, mercury, cadmium etc) coming into consumer electronic products. Playing our part to ensure planet Earth is environmentally free from these hazardous elements. QES has installed more than 1,600 equipment to monitor these ozone depleting and hazardous elements
- **Rain harvesting systems** to be installed at both new QES @Hicom-Glenmarie & QES 2.0 @BKIP
- Complete **digitalization** to reduce paper and energy wastage (FY2021 – 1626 reems, we aim to cut it down by **50%** for FY2022).
- **Installation of solar panels** QES @Hicom-Glenmarie will improve carbon footprint as per illustration



**313 metric tonnes**

of carbon avoidance per annum



**68**

passenger vehicles taken off the road for 1 year



**5177**

tree seedlings grown for 10 years



**57**

Number of homes' average electricity use for 1 year



## Social

- Gender and racial diversity within employees. Approximately **30%** female; **70%** male employee in the entire Group.
- Donation and contributions to university sponsorships and recent flood victims (Total donation was **RM42,728** to universities and flood relief) for FY2021.
- **Clean, vibrant and happy** workplace at the newly renovated QES HQ @ Hicom-Glenmarie scheduled to move in by end of Mar 2022.



## Governance

- Appropriate checks and balance via separate roles and functions of **Chairman** and **Managing Director / President**
- Strong oversight and accountability on QES' board – majority of **independent directors (4)** and **executive directors (2)**.
- Consistent quarterly investor relations updates to **shareholders** e.g institutional fund managers and high net worth individual shareholders.

### 4. Utilisation of Private Placement Proceeds as at 31 December 2021

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Expected Timeframe for Utilisation
(i) Factory capacity expansion	8,200	1,641	6,559	Within 18 months from 30 Oct 2020
(ii) R&D on future product expansion	5,300	440	4,860	Within 24 months from 30 Oct 2020
(iii) Market expansion to China	1,500	97	1,403	Within 18 months from 30 Oct 2020
(iv) Future working capital and acquisition related investment	4,595	3,816	779	Within 24 months from 30 Oct 2020
(v) Estimated expenses in relation to the proposed private placement	500	500	-	Immediately
	<u>20,095</u>	<u>6,494</u>	<u>13,601</u>	