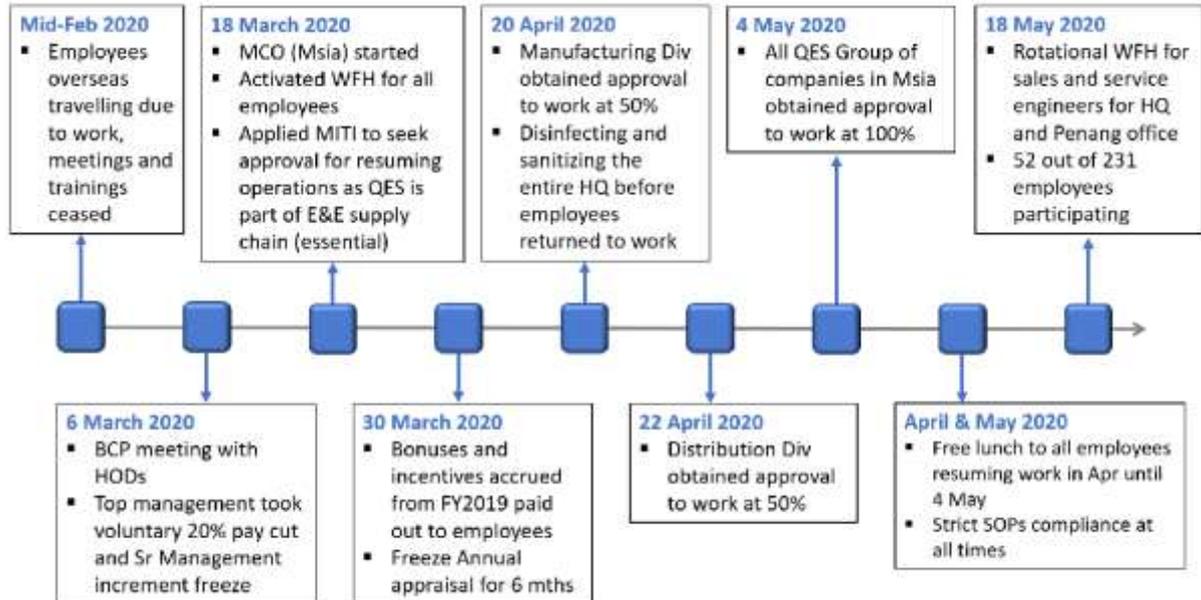




INVESTOR BRIEFING (Q1 '20 Financial Results)

TOPICS COVERED:

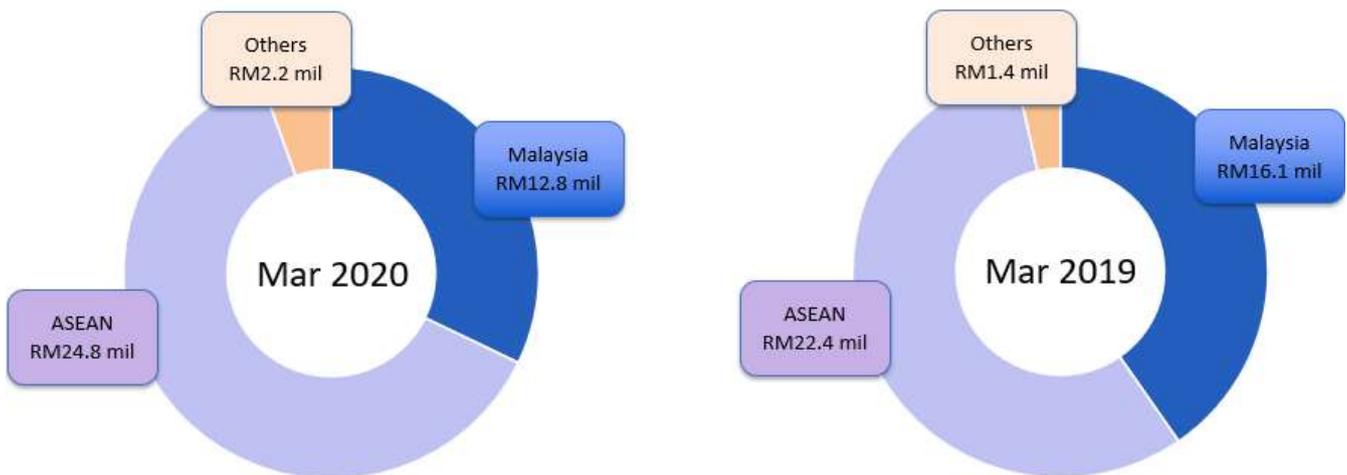
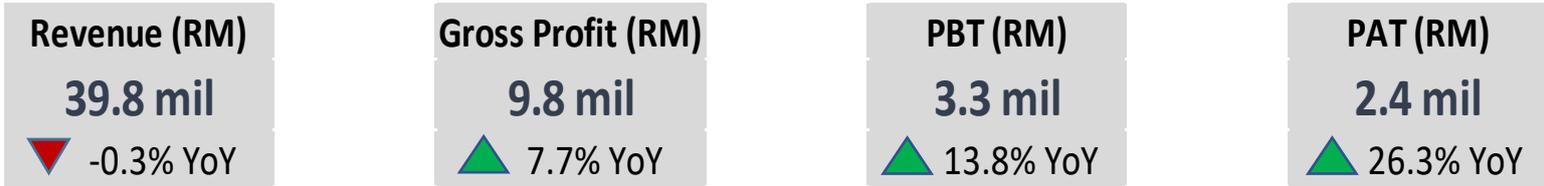
1. QES Covid-19 Response Timeline



2. First Quarter ("Q1") 2020 Financial Results

- Revenue for the period ended 31 Mar 2020 decreased marginally by 0.3% to RM39.8mil as compared to RM39.9mil in the preceding year due to the decline in the distribution division.
- Of the RM39.8mil, RM21.0mil was from the distribution division and RM4.2mil was from the manufacturing division.
- QoQ comparison saw a minor decrease by 4.1% in the Group's revenue.
- Manufacturing division revenue increased by 68.0% YoY, due to increase deliveries of Inspection and Measurement Equipment and Automated Handling Equipment. The manufacturing division had some bottled-up outstanding orders from Q4'19 which shipment were postponed and are delivered in Q1 and some to the second quarter 2020.
- Distribution revenue dropped by 4.8% YoY mainly due to a decrease of 16.2% and 0.5% in spares & services and product revenue respectively notwithstanding materials revenue had a minor increase of 1.9%.
- Group GP increased as a result from a 650.0% jump in GP contribution from manufacturing despite a decline of 6.5% in GP contribution by distribution.

- Malaysia maintains as the biggest revenue contributing country which makes up for 32.2% of Q1 total revenue although it has decreased by 20.5% YoY. Contribution of revenue from the ASEAN region excluding Malaysia increased by 10.7% YoY.
- Total installed base as at FYE 2019 stood at 11,837.

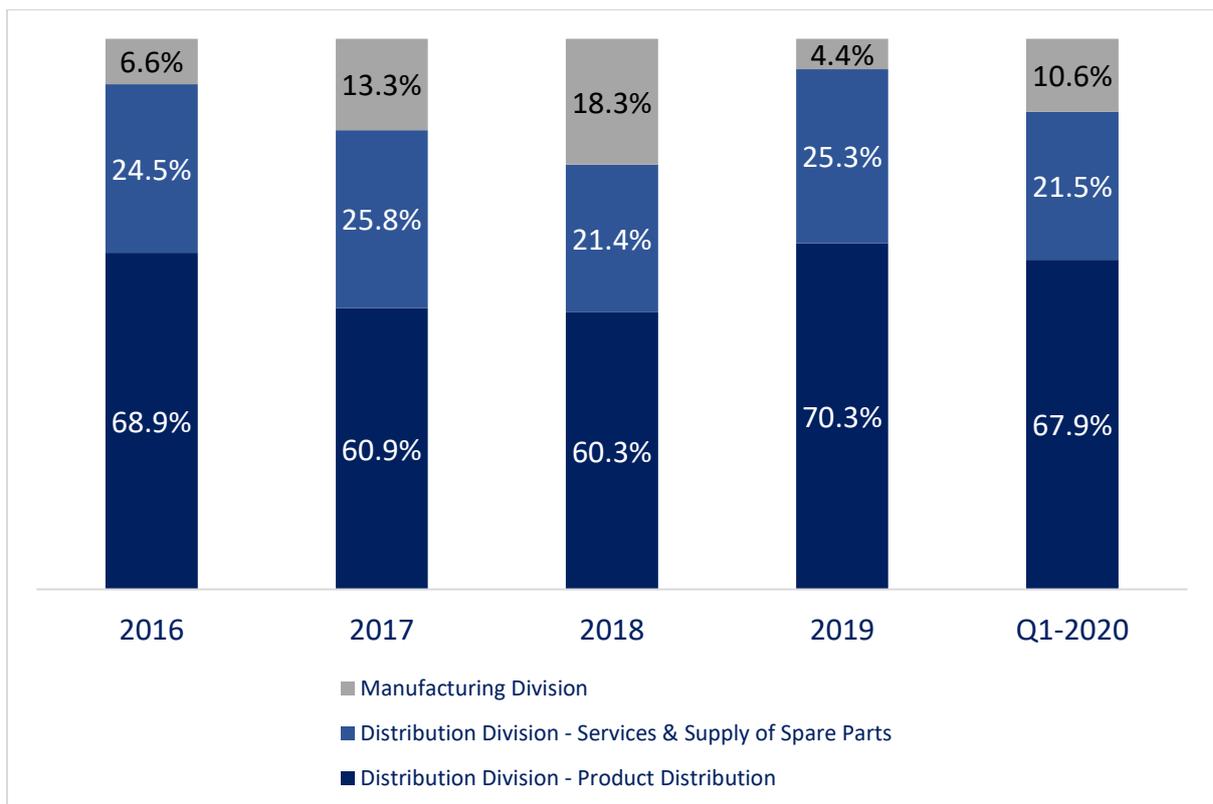


YoY Growth		
MALAYSIA	ASEAN	OTHERS
-20.5%	10.7%	57.1%

3. Business Outlook & Prospects

- Further implementation of Precision Tilt Sensing system will be delayed.
- Further delays on PDI and PPI AOI series. Supply chain was disrupted, and engineers were unable to travel. We expect beta testing on customer sites will now be rescheduled to Q42020 or even Q12021.
- Working on improving our semi-automated wafer inspection systems WIS series which we expect more orders coming through once semiconductor market comes back.

- Currently affected by the Covid-19 in 1H2020 but expecting orders to recover strongly in 2H2020.
- ERP implementation has successfully gone live in May 2020.
- Creating a world class service organization to enhance our recurring income base across all business units and our ASEAN subsidiaries.
- Distribution division is also expecting better results from Vietnam, Singapore and Indonesia and sustaining Malaysia and Thailand.
- Distribution division will also continue the strategy to line up products and total solution for semiconductor and E&E market segments in anticipation of high growth due to 5G, IoT and AI related market movement.
- 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.



4. Utilisation of IPO Proceeds as at 31 Mar 2020

Purposes	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	2,828	2,022	Within 36 months from 8 March 2018
(ii) General working capital requirements	3,250	3,126	124	Within 36 months from 8 March 2018
(iii) Repayment of bank borrowings	10,200	10,200	-	Within 3 months from 28 February 2020
(iv) Capital expenditure	7,516	6,133	1,383	Within 36 months from 8 March 2018
(v) Estimated listing expenses	3,000	3,000	-	Within 1 month
	<u>28,816</u>	<u>25,287</u>	<u>3,529</u>	