

WILLOWGLEN MSC BERHAD

(Company No: 462648-V)

(Incorporated in Malaysia)

SUMMARY OF KEY MATTER DISCUSSED AT THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT GRAND LOTUS, LEVEL 2, SWISS-GARDEN RESIDENCES, 117 JALAN PUDU, 55100 KUALA LUMPUR ON WEDNESDAY, 26 APRIL 2017

At the Nineteenth Annual General Meeting of the Company held on 26 April 2017, all the resolutions as set out in the Notice of the Nineteenth Annual General Meeting dated 3 April 2017, were duly passed by way of poll by the shareholders of the Company.

The following are the key questions that were raised from the floor, which were adequately responded and addressed by the Board:-

Agenda 1

Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon

1. Current projects and future projects to be tendered

The Group currently has many on-going projects in Malaysia and Singapore. The Group's main markets continue to be in Malaysia and Singapore. The current on-going projects in Malaysia include the supply of Supervisory Control And Data Acquisition (SCADA) solutions for the Kelana Jaya and Ampang light rail transit (LRT) lines, as well as Traffic Control and Surveillance System (TCSS) for the Duta-Hulu Kelang Expressway Phase 2 (DUKE 2).

The Group had submitted tenders for projects worth RM400 million to RM500 million in Malaysia and Singapore. The tenders were mostly still under evaluation.

2. Reason for the unusual spike in share price

The Company had on 10 April 2017 received an unusual market activity (UMA) query from Bursa Malaysia Securities Berhad (Bursa Securities). As per the reply to UMA announced through Bursa Securities, the Board was not aware of what might have caused the sharp spike in the share price of the Company.

The Management had examined the trading activities for the past two (2) weeks since 10 April 2017 based on the Record of Depositors extracted from Bursa Depositories. The Management did not notice any significant change in the list of shareholders of the Company.

3. Lower dividend payout ratio than previous years

The Company has been consistently paying dividends to its shareholders. The dividend payout rate for the past few years was at least 2 sen per share. The Company declared a final dividend and special dividend respectively for the 2011

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and 2012 financial years, totaling 25% to 30% per share. For the financial year ended 31 December 2016, the Company was paying dividend of approximately 27% of the Company's net profits.

In considering the level of dividend payments, the Board has taken into account funds required for business expansion for the Group and to conserve reserves for working capital purpose.

4. Competitors

The Group has always been facing competition in its business.

The Management would expect the challenging environment to continue. Nevertheless, the Group would continue to increase its operational efficiency and productivity, as to enable the Group to remain competitive.

For the rest of the items on the Agenda, there were no questions raised by the shareholders at the Nineteenth Annual General Meeting of the Company.