ANN JOO RESOURCES BERHAD
(Company No. 371152-U)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED

AT THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY

Date : Thursday, 25 May 2017
Time : 10.30 A.M
Venue : Lagoon 3, Level 15, Sunway Resort Hotel & Spa
Persiaran Lagoon, Bandar Sunway
46150 Petaling Jaya, Selangor Darul Ehsan

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1. Please click here for the queries raised by Minority Shareholders' Watchdog Group and the response of the Company.

2. Set forth below are the queries raised by other shareholders and response from Group Executive Chairman ("GEC") and Group Managing Director ("GMD") :

No.	Queries	Response	
1.	There were recent news on the closure/shutdown of the Blast Furnace. Please clarify if this is true.	By GEC :	The mill has been running continuously for 24 hours and there were no abnormal stoppages.
2.	When will the Company invest in the second Blast Furnace to prepare for the next cyclical demand?	By GMD :	The investment in Blast Furnace consisted of two phases, of which Phase 1 has completed. Phase 2 is still in the pipeline but it is too early to decide when it would start. The Company is ready to invest upon assessment of the situation.
3.	How many expert Chinese expatriates does the Company hire in the factory?	By GMD :	At the commissioning stage, the Blast Furnace plant was operated by more than a hundred Chinese expatriates. Nine months after commissioning, the numbers gradually reduced and the Group currently retains about 20 Chinese experts. This represents only a very small percentage of more than a thousand employees.

4.	What is the computation ratio to be Shariah compliant?	By GMD :	The ratio of conventional debts over total assets must not exceed 33% to be Shariah compliant. The Group did not meet the requirement previously and thus, moved to switch the conventional loans to Islamic debts to meet the criteria to be Shariah compliant.
5.	There are rumours that the Group is negotiating an investment into specialised steel pipe bending operation for the Oil & Gas industry.	By GMD :	As the Group does not expect a recovery in the Oil & Gas sector in the next 2 years, there is no truth in the rumour.
6.	How much is the steel content for housing development projects and infrastructure projects?	By GMD :	A landed double storey building will use about 2mt of rebar and for high rise building of 20 storeys and below, steel bar consumption is about 5% to 10% of construction cost. For infrastructure projects, especially elevated highway with tunnel, the steel intensity is very high at about 20% to 25% of total construction cost.
7.	With growth in Revenue of about 10% and selling price by 5% as noted in the slide presentation, does it mean tonnage increased around that level?	By GMD :	Revenue growth is contributed by sales mix of products from Manufacturing Division as well as Trading Division of which have varying selling prices. For instance, selling price for semi-finished products like pig iron and billet are lower compared to steel bar and wire rod. Overall, there was increase in sales tonnage by more than 5% mainly contributed by the huge disposal of pig iron in the first half of last year to meet the unrated bond repayment.
8.	What is the reason that CSC Steel Holdings Berhad ("CSC") is not included in the peer comparison table?	By GMD :	The 5 companies stated in the table are long product (i.e. billet, rebar, wire rod) producers and are upstream players. CSC is not included for comparison because they are a cold-rolled, flat product producer and considered a midstream player. Other similar players to CSC are Mycron Steel Berhad and YKGI Holdings Berhad.

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