

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

SUMMARY OF KEY MATTERS DISCUSSED

AT THE TWENTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY

Date : Wednesday, 30 May 2018

Time : 10.30 A.M

**Venue : Bahamas 1 & 2, Level 12, Sunway Resort Hotel & Spa
Persiaran Lagoon, Bandar Sunway
47500 Selangor Darul Ehsan**

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.	Will MITI be extending its safeguard duty after it expires in April 2020?	By GMD : Safeguard duty was applied due to the Chinese attitude towards the steel industry. In normal circumstances, the safeguard duty is valid for 3 years period only as it is meant to be a short term protective measure.
2.	What is the cost advantage of local steel producer as compared to the imports from Turkey and Russia?	By GMD : The cost is very competitive and we are expecting a slowdown in domestic market. Currently, we are looking into export opportunity in South East Asia. Moving forward, more of our products would be exported.
3.	In reference to 2017 performance, the revenue spike up is due to increase the steel prices or tonnage?	By GMD : This is due to increase in average selling price as follows: <ul style="list-style-type: none">• Overall market price is on upper trend.• More focus on exporting and selling of furnished product.

No.	Queries	Response
4.	Are all the products manufactured sold via intra-divisions or external customers?	<p>By GMD : These are mainly Intra-divisions sales.</p> <p>The Group has decided to turn the Trading Division into a Total Steel Solutions Provider and all the mega infrastructure projects in Malaysia are our targets.</p>
5.	For 2018 outlook, presuming the Group's performance is based on the current steel price, would the Group's performance be as good in 2017?	<p>By GMD : We have a good penetration into the infrastructure projects and some of the Chinese contractors are starting to deal with us. In terms of productivity, it has improved after the rectification on some equipment purchased in year 1995. Raw material price i.e coke price are back to normal as expected. All these are positive signs to us.</p> <p>However, the market condition after the change of government was very uncertain and slowdown in demand was expected.</p>
6.	There is higher selling price of graphite electrode, and will this be normalised after 2 or 3 years. What is the basis on this?	<p>By GMD : The sharp rise in graphite electrodes prices was largely attributed to shutting down of Chinese graphite electrode plants in 2017, resulting in a global shortage for the commodity partly due to its shortage of the key raw material i.e needle coke. Apart from graphite electrode, needle coke is increasingly being used by lithium-ion batteries producer further tightening availability for the steel sector. The whole situation is expected to be normalised in 2 to 3 years.</p>

=====THE END=====