

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

SUMMARY OF KEY MATTERS DISCUSSED

AT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY

Date : Friday, 31 May 2019

Time : 10.30 A.M

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

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.	The share price has declined, will the Company considering to carry out corporate exercise i.e dividend reinvestment plan	<p>By GMD :</p> <p>As shared in the Prospects, the Group is facing various challenges mainly are softness in domestic demand, additional supply from foreign-owned steel mills, surge in iron ore price and impacts of US-China trade war.</p> <p>The revival of government projects will not have much impact to the Group this year but stronger demand is expected if these projects remain active next year.</p> <p>The foreign-owned steel mills are selling their products at a loss which resulting an oversupply situation in the domestic market.</p> <p>Currently, Management does not have intention to raise capital through dividend reinvestment plan but Management will look at other options, if needed.</p>

<p>2.</p>	<p>(a) Who is the owner of the foreign-owned steel mill and how does Government monitoring the operation of this kind of steel mill?</p> <p>(b) What would be the Company's financial results for year 2019 as compared to last year 2018?</p> <p>(c) The Company's export strategy is more competitive now?</p> <p>(d) Is there any import duty imposed by government on the imported products?</p>	<p>By GMD :</p> <p>(a) Alliance Steel (M) Sdn Bhd ("AS") is owned by a state-owned-joint stock foreign investment enterprise jointly invested by Guangxi Beibu Gulf Port International Group Co., Ltd. and Guangxi Shenglong Metallurgical Co., Ltd, driven by China and Malaysia government to build the first and also the key project in Malaysia-China Kuantan Industrial Park ("MCKIP"). The steel mill is built in MCKIP as G-to-G project.</p> <p>We are collaborating with other local steel mills to work closely with the government on the overcapacity issue from AS.</p> <p>(b) The first half year 2019 results is unfavourable and improvement on the performance is expected at second half year 2019.</p> <p>(c) Yes, but the Company has its own niche market due to its reputation and quick respond to the demand. Price comparison will be conducted on the export and domestic orders and the best price amongst them would be chosen.</p> <p>(d) Yes, safeguard duty is still imposed on the imported steel products by the Government.</p>
<p>3.</p>	<p>i. 10% of share buy-back is based on number of shares or value?</p>	<p>By Co. Sec: i. The Company is allowed to purchase back 10% of the total number of issued shares of the Company from the stock market.</p>

	<p>ii. Further explain on the increase of the other operating expenses from RM16.59 million to RM25.5 million as stated at page 95 of the Annual Report 2018</p> <p>iii. Further explain on "Inventory write off" under page 101 of Annual Report 2018.</p>	<p>By GMD :</p> <p>ii. The increase was partly due to the overhead cost arose from the plant stoppage.</p> <p>The remaining are derived from the realised forex charges which was not disclosed in the previous years' audited accounts. Realised and unrealised forex loss are recorded at about RM4 million and RM 2 million respectively.</p> <p>iii. The "inventory write off" comprises of net realisable value, provision for scrap, iron and coking coal.</p>
<p>4.</p>	<p>i. What is the status of the material litigation on the additional award from the Company's wholly-owned subsidiary, Ann Joo Integrated Steel Sdn Bhd's ("AJIS") arbitration against Tangshan Iron & Steel International Engineering Technology Co. Ltd?</p> <p>ii. Any plan on these two piece of vacant land for future expansion?</p>	<p>By GMD :</p> <p>i. The arbitration proceeding have come to a close upon the issuance of the additional award. The Management is finalising the agreement with Tangshan and they are required to pay AJIS in 75 working days. The additional award expected to be collected at end of the year.</p> <p>ii. The two pieces of land are former charcoal land. Currently, Management is looking into all the properties belong to the Group whether to dispose of or use for other purposes.</p>

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