



Lifetime Value Creator



Integrated  
Annual Report  
**2024**



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## NAVIGATION ICONS

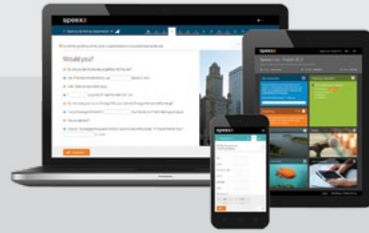
The following icons are used in this report to indicate where additional information can be found.



This icon tells you where you can find related information in this report.



This icon tells you where you can go for more information online.



This report is available online at:  
<https://www.lottechem.my/investor/agm.asp>

## 2025 ANNUAL GENERAL MEETING

### Venue



Ballroom 1 and 2, Level 2,  
Renaissance Johor Bahru Hotel,  
2 Jalan Permas 11, Bandar Baru  
Permas Jaya, 81750 Masai,  
Johor Darul Takzim



**Date**  
Monday, 5 May 2025



**Time**  
10.00 am







SECTION 1

# WHO WE ARE

- 04 About this Report
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ABOUT THIS REPORT

This year marks the seventh (7<sup>th</sup>) year that LOTTE Chemical Titan Holding Berhad (“LCT” or the “Company”) is publishing an Integrated Annual Report (“IAR”) prepared in accordance with the Guiding Principles and Content Elements of the Integrated Reporting (“<IR>”) Framework under the International Financial Reporting Standards (“IFRS”) Foundation.

The data and information presented in this IAR covers LCT and its subsidiaries (collectively referred to as “the Group”) for the financial year ended 31 December 2024 (“FY2024”).

The Board of Directors (“Board”) remains committed to continue LCT’s journey of integrated reporting in alignment with the <IR> Framework to provide a holistic view of our financial and non-financial strategic goals and how we continue to create value for our brand, business and stakeholders. This IAR serves as our communication to our stakeholders for them to understand how we utilise our resources to manage our risks and opportunities.

OUR REPORTING SUITE AND REPORTING FRAMEWORKS AND REQUIREMENTS

Our Reporting Suite



INTEGRATED ANNUAL REPORT 2024

Our IAR is the primary report to our stakeholders. It is structured to concisely share how we create value and how we utilise various business inputs to ensure business sustainability whilst creating value for our stakeholders.

FINANCIAL STATEMENTS 2024

The Financial Statements (“FS”) provide a comprehensive report of LCT’s financial performance for the year.

CORPORATE GOVERNANCE REPORT 2024

The Corporate Governance Report presents a detailed reporting of LCT’s corporate governance practices.

Relevant Reporting Frameworks and Requirements

- <IR> Framework under IFRS Foundation
- Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
- Companies Act 2016
- Malaysian Code on Corporate Governance
- Corporate Governance Guide (4<sup>th</sup> Edition)
- Bursa Malaysia Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> Edition)
- Global Reporting Initiative (“GRI”) Standards
- International Petroleum Industry Environmental Conservation Association’s (“IPIECA”) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting

- MMLR of Bursa Malaysia
- Companies Act 2016
- Malaysian Financial Reporting Standards (“MFRSs”)
- IFRS Accounting Standards (“IFRSs”) as issued by the International Accounting Standards Board

- Malaysian Code on Corporate Governance
- MMLR of Bursa Malaysia
- Companies Act 2016

REPORTING SCOPE AND BOUNDARY

The information presented in this IAR covers the period from 1 January 2024 to 31 December 2024. It encompasses all business operations conducted by LCT which includes, unless stated otherwise, operations over which we have full control as well as subsidiaries located in Malaysia and Indonesia. Notwithstanding the above, all our non-financial data excludes PT LOTTE Chemical Indonesia as it has yet to commence business.

The performance data table presented in Section 7 in alignment with the Bursa Sustainability Reporting Guide and Bursa LINK system only covers our operations in Malaysia upon performing internal review of the non-financial data.

MATERIALITY

We have applied the <IR> Framework’s Guiding Principle of Materiality to assess the relevance of information for inclusion in this IAR. This report emphasises the issues, risks, opportunities and challenges that may have a significant impact on LCT’s sustainability and its capacity to deliver long-term value to shareholders and other stakeholders. By focusing on material topics, we aim to ensure our disclosures are aligned with the evolving expectations of our stakeholders, addressing factors that influence our resilience, growth and overall impact.







ABOUT THIS REPORT

ICONS USED IN THIS REPORT

STRATEGY PILLARS

-  Stable and Safe Plant Operations
-  Business Sustainability
-  Environmental, Social and Governance (“ESG”)

OUR CAPITALS

-  Financial Capital
-  Natural Capital
-  Skilled Talent
-  Manufactured Capital
-  Intellectual Capital
-  Social and Relationship Capital

FORWARD-LOOKING STATEMENTS

This IAR may contain forward-looking statements with respect to our future prospects, characterised by the use of words and phrases such as “might”, “foresee”, “anticipate”, “project”, “may”, “believe”, “continue”, “will”, “target” and other similar expressions. While these statements represent our judgement and future expectations, a number of risks, uncertainties and other important factors could cause actual results to differ materially from our expectations. These may include factors beyond our control that could adversely affect our business performance.

ASSURANCE

Our financial statements are independently audited while the development of our non-financial reports are supported by our robust internal processes and good governance practices.

BOARD RESPONSIBILITY STATEMENT

LCT’s Board acknowledges their responsibility for ensuring the integrity of LCT’s integrated reporting. The Board has addressed all the issues that are material to LCT’s ability to create value and fairly presents the integrated performance of LCT. This IAR was approved by the Board on 11 March 2025.

INFORMATION ON CHANGES IN REPORTING

Numbers reported for FY2022 and FY2023 in this IAR may differ from those in IAR2023. Any restatements of data from previous years are stated in the respective sections.

FEEDBACK AND CONTACT POINT

We believe your feedback is important for us to enhance the quality of our reporting. If you would like to provide feedback, please contact us at <https://www.lottechem.my/cs/inform.asp>.




LCT AT A GLANCE


LCT brief history and nature of business


LCT has grown from strength to strength since our inception in 1991, establishing ourselves as Malaysia’s first standalone polyolefins producer. We are one of LOTTE Chemical Corporation’s largest overseas subsidiaries and also one of the largest producers of olefins and polyolefins in Malaysia and Southeast Asia (“SEA”). We are set to elevate our position in the Southeast Asian market with our LOTTE Chemical Indonesia New Ethylene (“LINE”) Project in Indonesia.


OUR MARKETS


Southeast Asia (“SEA”), Northeast Asia (“NEA”) and Indian Subcontinent (“ISC”) Markets


**China**


**Thailand**


**Indonesia**


**Pakistan**

**Vietnam**

**Philippines**


**India**

**Malaysia**

**Japan**

MEMBERSHIP IN ASSOCIATIONS

We are a member of the Malaysian Petrochemicals Association, Malaysian Plastics Manufacturers Association and Federation of Malaysian Manufacturers.

 For further information and details please visit our website <https://www.lottechem.my>.

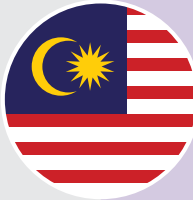
LCT AT A GLANCE



WHERE WE OPERATE

MALAYSIA

Location of Headquarters and Operations  
Petaling Jaya, Selangor (HQ), Pasir Gudang and Tanjung Langsat, Johor




**12** Number of Plants


**1,125** Total Workforce (No. of Employees)

INDONESIA

Location of Headquarters and Operations  
Jakarta (HQ) and Merak



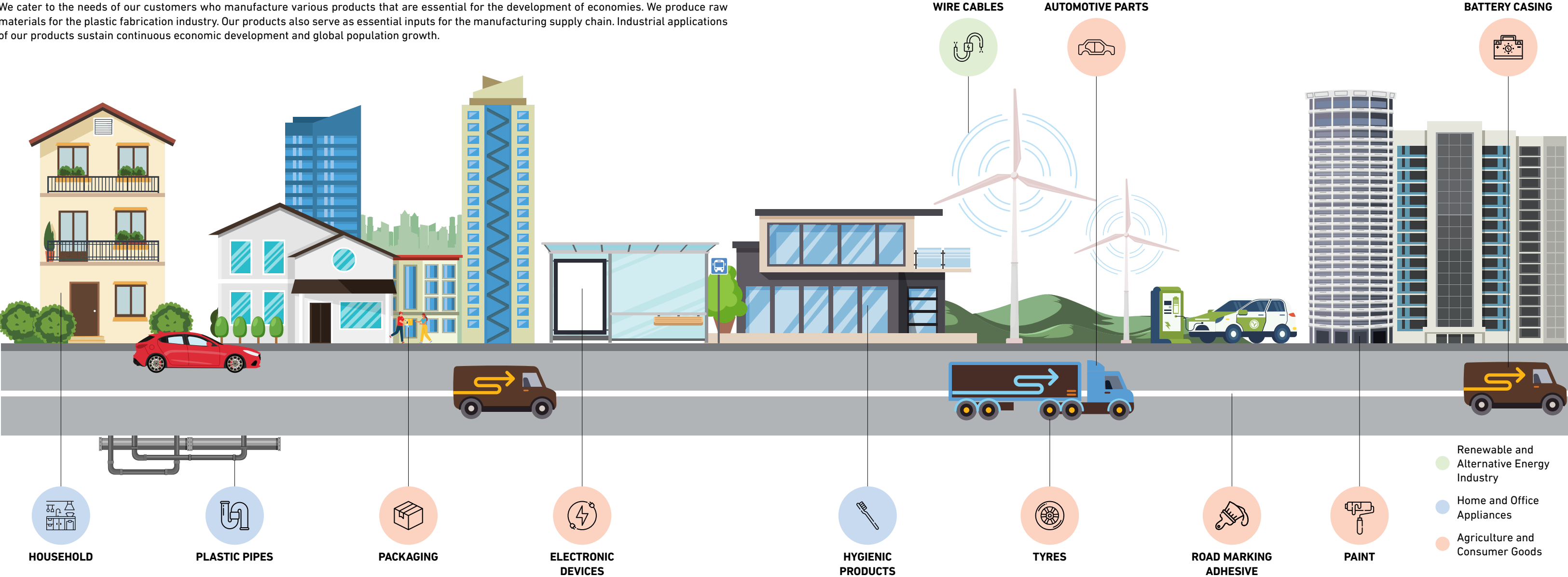
**3** Number of Plants

**331** Total Workforce (No. of Employees)



OUR PRODUCTS AND QUALITY

We cater to the needs of our customers who manufacture various products that are essential for the development of economies. We produce raw materials for the plastic fabrication industry. Our products also serve as essential inputs for the manufacturing supply chain. Industrial applications of our products sustain continuous economic development and global population growth.



WHAT WE DO IS ESSENTIAL FOR THE WORLD

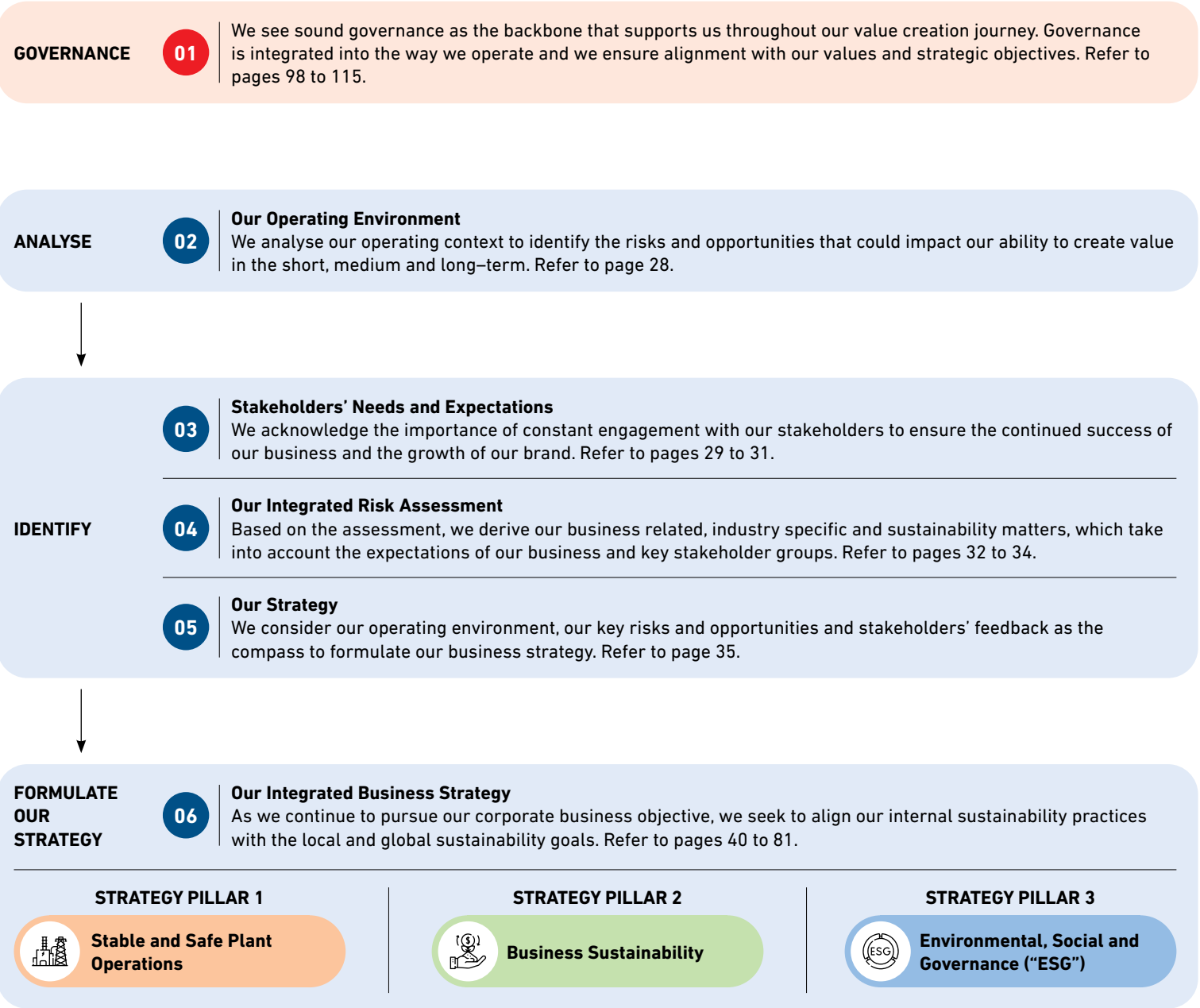
	<b>ELECTRICAL APPLIANCES</b>	Vacuums, Kettles, Irons, Coolers, Heaters, Air Purifiers, Fans		<b>HEALTHCARE</b>	Syringes, Diapers, Hazard Bins, Gloves
	<b>CONSUMER PACKAGING</b>	Bottles and Containers, Food Packaging		<b>BUILDINGS AND CONSTRUCTION</b>	Pipes, Cables, Paint Brushes, Pails
	<b>YARN AND FIBRE</b>	Ropes, Fishing Nets, Slit Tapes, Woven Bags, Non-Woven Fabrics		<b>INDUSTRIAL</b>	Bubble Wraps, Foams, Plastic Pallets, IBC Tanks, Geomembranes
	<b>HOUSEHOLD PRODUCTS</b>	Food and Storage Containers, Utensils, Hangers, Toothbrushes		<b>AUTOMOTIVE</b>	Dashboards, Bumpers, Door Handles, Trimmings, Carpets

Focus Area	Regulatory Compliances/Certification
Specific Application	<ul style="list-style-type: none"><li>UL Environmental Claim Validation.</li><li>Bureau of Indian Standard ("BIS") IS 7328:2020 Specification for Polyethylene Material for Moulding and Extrusion.</li><li>International Sustainability &amp; Carbon Certification (ISCC Plus).</li></ul>
Toy Safety	<ul style="list-style-type: none"><li><b>US:</b> Standard Consumer Safety Specification for Toy Safety ASTM F963.</li><li><b>Europe:</b> EN71-3:2019+A1:2021 (EU Directive 2009/48/EC) and EN71-9:2005.</li></ul>
Environmental Protection	<ul style="list-style-type: none"><li>WEEE – Waste Electrical and Electronic Equipment – EU Directive 2002/96/EC and 2012/19/EU.</li><li>End of Life Vehicle ("ELV") – EU Directive 2000/53/EC.</li><li>US Clean Air Act Amendments of 1990.</li></ul>
Restricted or Hazardous Substances Control	<ul style="list-style-type: none"><li>REACH – Regulation (EC) No.1907/2006.</li><li>EU Directive 2011/65/EC.</li><li>Regulation (EC) No. 1895/2005.</li><li>CONEG – Coalition of Northeastern Governors Model Toxics in Packaging.</li><li>California Proposition 65 (1986) chemical listing in general.</li><li>GADSL – Global Automotive Declaration Substance List (February 2023).</li></ul>
Food Contact	<ul style="list-style-type: none"><li><b>US:</b> Food &amp; Drug Administration ("FDA") Code of Federal Regulations ("CFR"), Title 21 Part 177.1520.</li><li><b>European Union ("EU"):</b> Regulation No. 10/2011.</li><li><b>China:</b> National Standard of Food Safety, (GB4806.1-2016, GB4806.6-2016, GB4806.7-2023 and GB9685-2016).</li><li><b>Japan:</b> Japan Hygienic Olefin and Styrene Plastics Association ("JHOSPA").</li><li><b>Malaysia:</b> Malaysia Food Regulations 1985 Part VI.</li><li><b>Indonesia:</b> LPPOM MUI Halal Certification for Indonesian Market by Majelis Ulama Indonesia.</li><li><b>Indonesia:</b> Indonesia BPOM Regulation No.20 of 2019 on Food Packaging.</li></ul>



# HOW WE POSITION OURSELVES IN THE BUSINESS

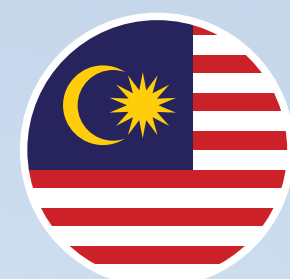
At LCT, we carefully position ourselves within the business ecosystem by understanding our operating market and assessing the risks and opportunities. As we work towards achieving our business objectives, we continuously enhance our business strategy and establish our market differentiation factors, whilst addressing the needs of our stakeholders at large.





# OUR CORPORATE STRUCTURE

# OUR CORPORATE STRUCTURE



**MALAYSIA**

**100%**

**LOTTE Chemical Titan (M) Sdn Bhd**  
Manufacturing Company

**100%**

**LOTTE Chemical Titan Corporation Sdn Bhd**  
Principal Hub Company



**LOTTE CHEMICAL TITAN HOLDING BERHAD**

Listed Company



**INDONESIA**

**92.5%**

**PT LOTTE Chemical Titan Tbk\***  
Listed Company

**92.5%**

**PT LOTTE Chemical Titan Nusantara\*\***  
Manufacturing Company

**51%**

**PT LOTTE Chemical Indonesia**  
New Development Company (LINE Project)



**U.S.A.**

**40%**

**LOTTE Chemical USA Corporation**  
Investment Holding Company

Notes:

\* Held through a wholly-owned subsidiary of LOTTE Chemical Titan Holding Berhad ("LCT").

\*\* Held through PT LOTTE Chemical Titan Tbk and a wholly-owned subsidiary of LCT.





SECTION 2

# TO OUR SHAREHOLDERS

16	Chairman's Statement
18	President & CEO's Message and Management Discussion and Analysis
23	Sustainability Working Group Chairman's Message



# CHAIRMAN'S STATEMENT

# CHAIRMAN'S STATEMENT



**Dear Stakeholders,**

**We aim to ensure smooth and safe operations by maintaining high safety standards. At the same time, we are committed to long-term business sustainability by managing production output, cash flow and costs. Additionally, we adopt strong governance practices and implement social responsibility initiatives. These strategies guide our efforts to maintain sustainable operations while meeting the expectations of our stakeholders.**

**TAN SRI DATO' ABDUL RAHMAN MAMAT**  
Chairman

## THE YEAR IN REVIEW

In 2024, petrochemical producers in Asia battled a global glut in the commodity brought on by years of capacity build-up and weakened demand. This imbalance in supply and demand resulted in intensified competition. In view of the adverse market conditions, many petrochemical players have been reducing their operating rates, with some companies even shutting down their operations in response to the challenging market environment.

## FINANCIAL PERFORMANCE

LOTTE Chemical Titan Holding Berhad ("LCT" or "the Company") was not spared from the challenging market landscape, leading us to initiate a temporary shutdown of our Naphtha Cracker Number 1 to mitigate losses from the prolonged downturn. During the financial year ended 2024 ("FY2024"), LCT's revenue decreased by 3% or RM211 million, from RM7,646 million in the previous year. This was primarily attributed to lower sales volume and partly mitigated by higher average product selling price.

The Group reported a loss before interest, taxation, depreciation and amortisation ("LBITDA") of RM817 million and a net loss of RM1,298 million, driven by impairment losses on property, plant and equipment and right-of-use assets, higher losses from an associate company, foreign exchange impacts and higher finance costs. These results were mainly caused by geopolitical events, such as the Russia-Ukraine War and tensions in the Middle East. Additionally, sluggish economic performance and the oversupply of petrochemical products in China have affected supply and demand balances. The increase in losses was offset by a foreign exchange gain of RM470 million from recycling of foreign exchange reserve to profit or loss on dissolution of a subsidiary, one-off payment due to the termination of a pipeline lease agreement with a related party and slight improvement in margin spread. Excluding the impairment losses on property, plant and equipment and right-of-use assets and foreign exchange gain from the dissolution of a subsidiary, the Group's loss from operations for FY2024 is RM864 million.

## OPERATIONAL PERFORMANCE

### Sustainability

Our products, polyethylene and polypropylene, are vital building blocks for the plastic fabrication industry. The fabrication industry plays a critical role in supporting regional and global development across various sectors. In the food and beverage sector, plastics are essential for packaging, ensuring product safety and extending shelf life. In electrical and electronic components, plastics enable the production of durable and lightweight materials that enhance performance and efficiency. The automotive industry relies on plastics for lightweight, cost-effective parts, contributing to fuel efficiency and safety. In construction, plastics are used in everything from water tanks and baths to piping and ductwork, offering long-lasting, resistant and flexible solutions that support modern infrastructure. Plastics are truly an enabler across many sectors, helping drive innovation and efficiency.

Our Environmental, Social and Governance ("ESG") risk management focuses on strict adherence to climate-related regulations, employee welfare and safety and upholding strong governance practices. These efforts support LCT's sustainable competitive advantage as we proactively assess emerging risks and adapt our strategies to address them effectively.

## Expansion

Central to our long-term strategy, the LOTTE Chemical Indonesia New Ethylene ("LINE") project is progressing on schedule and on budget. We will continue to monitor its construction and development and will provide updates if there are any further developments.

## LOOKING AHEAD

The petrochemical sector is highly cyclical, influenced by the following factors:

- Variations in feedstock and naphtha prices, which are closely linked to crude oil prices;
- Market conditions influencing the supply and demand for petrochemical products;
- Enhancements in production efficiency and economic effectiveness; and
- Global and regional economic growth driven by consumption and population.

Notwithstanding, LCT will continue to respond to these volatile market conditions by managing production output, cash flow and costs to ensure the sustainability of the business.

## ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend my deepest gratitude to our customers, business partners, suppliers, government authorities and regulators for their unwavering trust and continued support in LCT.

I would also like to take this opportunity to express our sincere appreciation to Mr Park Hyun Chul and Mr Moon Young Tae for their years of service, and to extend a warm welcome to Mr Jang Seon Pyo as our new President & CEO, and Mr Yu Seung Yong as our new Non-Independent Executive Director, who has also assumed the role of Executive Vice President, Manufacturing. We look forward to their leadership as we continue working together to achieve our goals.

My sincere appreciation also goes to the Management team and employees for their relentless dedication and hard work amidst challenging times.

**TAN SRI DATO' ABDUL RAHMAN MAMAT**  
Chairman



## PRESIDENT & CEO'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Stakeholders,

China's rapid growth in petrochemical production, driven by its push for self-sufficiency, has resulted in an industrial overcapacity and a global commodity glut, forcing producing and exporting countries to compete in an imbalanced supply-demand market. This imbalanced supply-demand market has intensified margin pressures across the petrochemical industry.

**JANG SEON PYO**  
President & Chief Executive Officer



### OVERVIEW

As demand weakened, producers were forced to consolidate operations to improve cost efficiency and remain competitive. Compounding these challenges, ongoing geopolitical risks such as the Russia-Ukraine war, the Middle East conflict and trade tensions between the US and China further exacerbate global economic growth.

Closer to home in Southeast Asia, operators faced greater challenges from the unfavourable operating landscape and sluggish economic recovery with limited domestic raw material supplies and a reliance on imports, driving up production costs and hindering cost efficiencies amid global pressures.

Meanwhile, in Malaysia, the economy showed growth with a 5.1% increase in gross domestic product ("GDP") in 2024, surpassing the government's forecast of 4% to 5% and marked a notable improvement from the 3.6% growth observed in 2023. This growth was attributed to robust private consumption, increased investments, expanding total trade and a steady inflow of net foreign direct investment. Additional factors, such as moderating inflation and a low unemployment rate, further supported this economic upswing.

### Awards and Achievements

As we navigated the market volatility, our commitment to maintaining high operational standards remained unwavering. We place a strong emphasis on the safety and wellbeing of our people, highlighted through several accomplishments:



#### INFORMATION TO PUBLIC ("ITP") COMPLIANCE:

Successfully carried out public notifications according to the requirements of the Control of Industrial Major Accident Hazards ("CIMA").



#### UPGRADED AND ENHANCED FACILITIES:

Completed the upgrade and enhancement of our facilities with the Emergency Shutdown System ("ESD") and Distributed Control System ("DCS"), which aim to safeguard existing facilities and ensure employee safety during operational emergencies.



#### IMPLEMENTATION OF OPERATOR TRAINING SIMULATOR ("OTS"):

Implemented the OTS in the Naphtha Cracker Plant 2 ("NC-2") with the aim of helping train new operators and refining the skills and knowledge of existing operators.

## PRESIDENT & CEO'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS

Our efforts to instil a culture of integrity were recognised with various accolades as we continue to uphold the highest standards of governance, sustainability and employee engagement.



#### CHIEF GOVERNMENT SECURITY OFFICER AUDIT:

Achieved 5-star rating with a 94% mark.



#### NATIONAL CORPORATE GOVERNANCE & SUSTAINABILITY AWARDS 2024 ("NACGSA"):

- Awarded for exceptional commitment to corporate governance and sustainability practices of the highest standard.
- Ranked No. 33 among the Top 50 public-listed companies ("PLC").



#### EPF BEST EMPLOYER APPRECIATION AWARD 2024:

- Recognised as one of the 25 outstanding employers in Johor State.
- Achieved perfect scores of 100% in Compliance and Engagement of the Employer Wellbeing Index.

### FINANCIAL PERFORMANCE

As with other industry players, LCT was impacted by the challenging operating conditions, reflected in a decrease in our plant utilisation rate to 57%, down from 67% in 2023, as we implemented economic efficiency measures and reduced production levels in response to prolonged downturn. Additionally, LCT underwent a major scheduled TA which contributed to the decline in operational capacity.

In the financial year ended 31 December 2024, the Group's revenue decreased by 3%, amounting to RM211 million from RM7,646 million in 2023 to RM7,435 million in 2024, mainly stemming from lower sales volumes despite increased average product selling prices. The Group reported a LBITDA of RM817 million and a net loss of RM1,298 million, driven by impairment losses on property, plant and equipment and right-of-use assets, higher losses from an associate company, foreign exchange impacts and increased finance costs. The increase in losses was offset by a foreign exchange gain of RM470 million from recycling of foreign exchange reserve to profit or loss on dissolution of a subsidiary, one-off payment due to the termination of a pipeline lease agreement with a related party and slight improvement in margin spread resulting from higher average product selling price. Excluding the impairment losses on property, plant and equipment and right-of-use assets and foreign exchange gain from the dissolution of a subsidiary, the Group's loss from operation for 2024 stands at RM864 million compared to RM868 million in 2023.

#### Total Assets

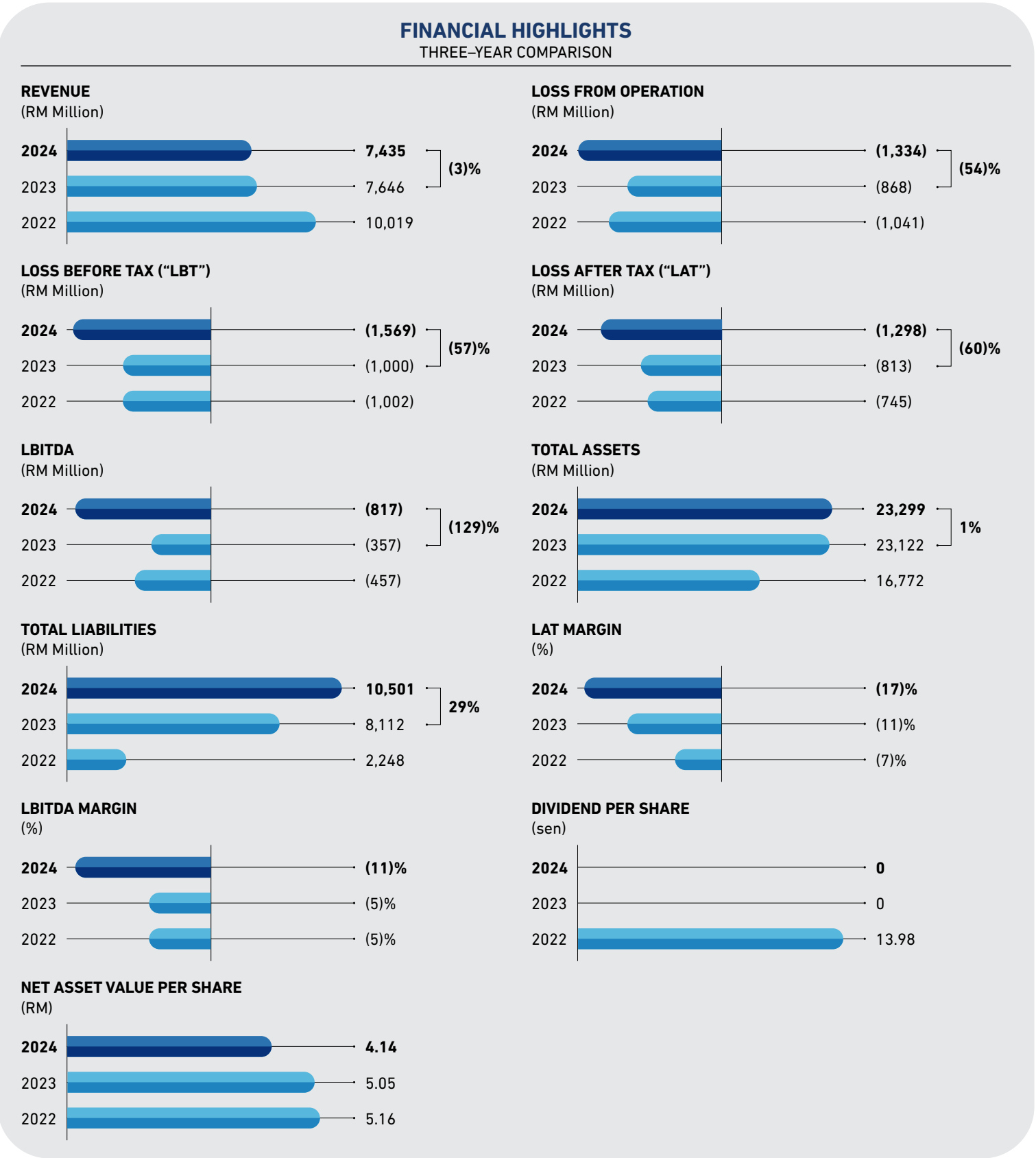
The Group's total assets in 2024 increased slightly by 1% (RM177 million), rising from RM23,122 million in 2023 to RM23,299 million in 2024. This growth was primarily attributed to an increase in property, plant and equipment related to the construction-in-progress of the LINE project. However, the overall increase in total assets was offset by a reduction in investment in an associate, driven by an increase in the share of losses. Additionally, a decline in cash and balances was recorded due to losses incurred and capital expenditures associated with scheduled TA activities for the Malaysia plants.



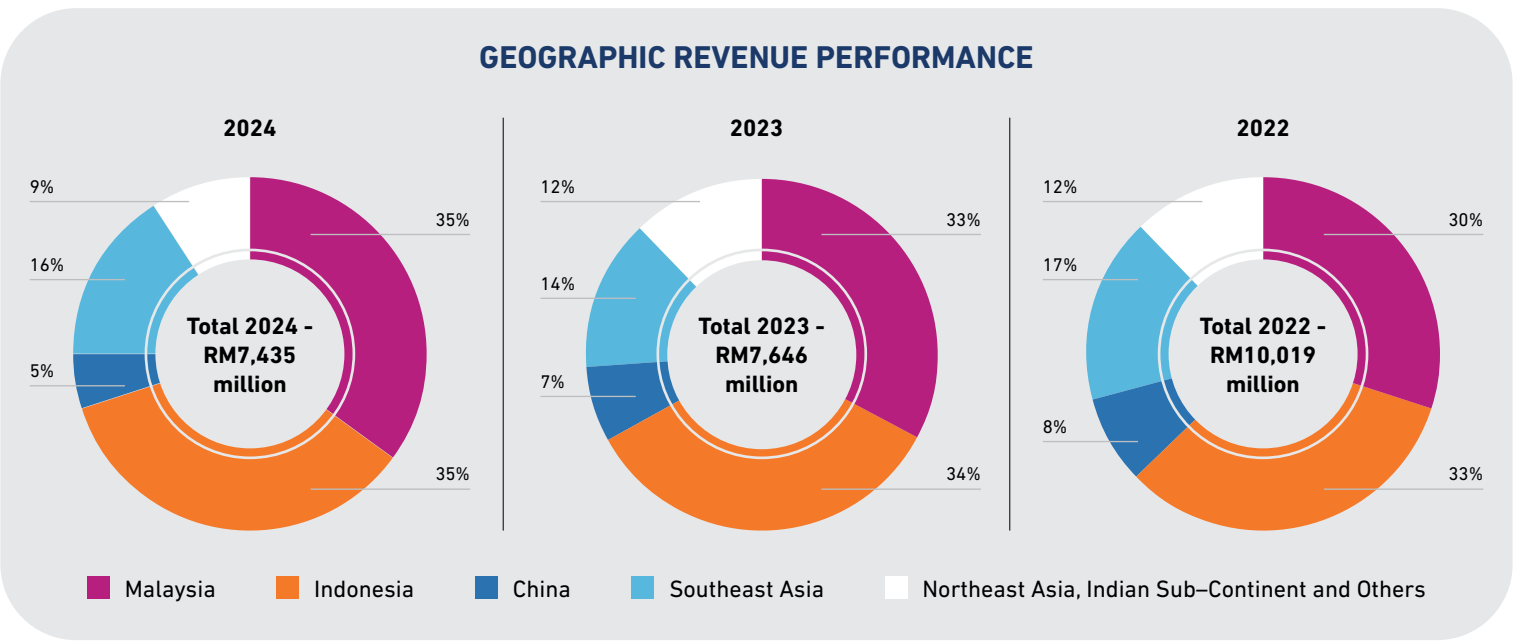
PRESIDENT & CEO'S MESSAGE AND  
MANAGEMENT DISCUSSION AND ANALYSIS

Total Liabilities

The Group's total liabilities increased from RM8,112 million in 2023 to RM10,501 million in 2024, primarily attributable to higher loans and borrowings. A substantial portion of these loans and borrowings was utilised to finance the development of the LINE project, with the remainder utilised for working capital requirements. As of 31 December 2024, the Group had drawn down 81% of the USD-secured term loan designated for the LINE project. The increase in total liabilities was partially offset by a reduction in trade and other payables and a shift in the deferred tax position from deferred tax liabilities to deferred tax assets. This shift was primarily driven by the recognition of deductible temporary differences arising from impairment losses on property, plant, and equipment and right-of-use assets.

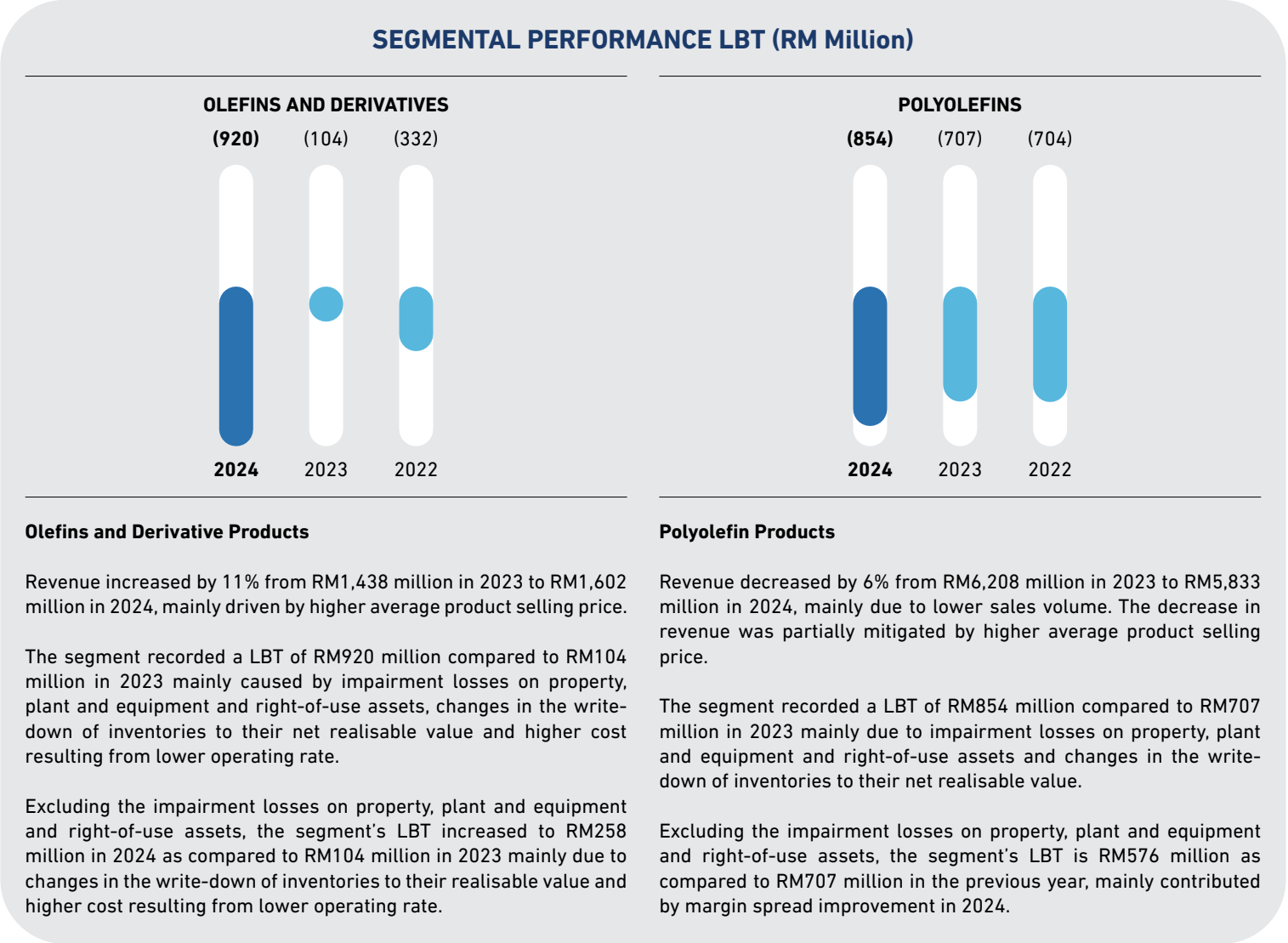


PRESIDENT & CEO'S MESSAGE AND  
MANAGEMENT DISCUSSION AND ANALYSIS



Malaysia and Indonesia remain as LCT's principal customer markets, with both countries accounting for a total of 70% of our total sales revenue in FY2024.

We also continued to focus on other key markets such as SEA amid uncertainty in the market.





# PRESIDENT & CEO'S MESSAGE AND MANAGEMENT DISCUSSION AND ANALYSIS

DRIVING SUSTAINABILITY

LCT's focus on business sustainability and addressing ESG concerns is by adopting practices that balance environmental, social and economic considerations to create long-term value. It involves managing risks, increased efficiency, reduced waste and cost savings. By integrating sustainability into our operations, it could foster innovation, keep our competitive advantage and build resilience.

Governance







LCT remains committed to continuously enhancing the Company's corporate governance practices. We continue to promote governance and integrity through improved standard of procedures and ongoing training programmes on key issues such as anti-bribery and corruption, whistleblowing policies, conflict of interest and related party transactions to foster a culture of ethical practices and compliance.

Employee Wellbeing

In FY2024, LCT successfully conducted several training sessions for its employees, both in-person and virtually, covering a range of topics, including job skills, safety, compliance, environmental awareness and soft skills. Additionally, LCT organized Employee Wellbeing Service Counters in collaboration with Employees Provident Fund ("EPF"), Social Security Organisation ("SOCSO"), Amanah Saham Nasional Berhad ("ASNB") and Tabung Haji, providing employees with direct access to essential support services. This initiative was a key component of our commitment to enhancing employees' financial wellbeing and fostering trust, loyalty, and long-term security. Furthermore, LCT set a company-wide goal of achieving zero Lost Time Accidents ("LTAs") annually across all operations, reinforcing our unwavering dedication to prioritizing employee health and safety.

Mitigating Operational and Market Risks

To navigate the ongoing challenges and mitigate foreseeable risks, we continue to proactively adapt our business strategy to ensure quick response to market shifts. This includes:

-  Production and cost management
-  Monitoring of market trends and gathering of insights
-  Regular reviews of plant operations
-  Equipment maintenance during scheduled downtimes
-  Evaluation of key feedstock suppliers and refinement of pricing strategy
-  Strengthening of relationships with buyers, customers and stakeholders

This risk management approach better equips us to address potential threats and minimise their impact, ensuring business sustainability.

MOVING FORWARD INTO 2025

As we move into 2025, the World Economic Outlook ("WEO") projects a modest global growth rate of 3.3% amid geopolitical and market uncertainties. In addition, the Trump presidency is expected to influence trade policies and global relations, potentially adding further complexity to the economic landscape.

Given these factors, the global business environment is anticipated to remain uncertain, with geopolitical influences impacting crude oil prices and a sluggish economy shaping future market dynamics. Trade tensions and the unpredictability of US policy changes are expected to increase market volatility and hinder global economic growth.

In response, our key priorities for the upcoming year are to sustain operational stability and maintain stakeholder engagement as we focus on keeping our operations safe and efficient while building lasting relationships with key stakeholders.

On behalf of the Board of Directors and Management, we thank you for your continued faith and support in LCT as we embark on another year poised with anticipation to deliver value by creating solutions for everyday sustainable living.

**JANG SEON PYO**  
President & Chief Executive Officer



# SUSTAINABILITY WORKING GROUP CHAIRMAN'S MESSAGE



Dear Stakeholders,

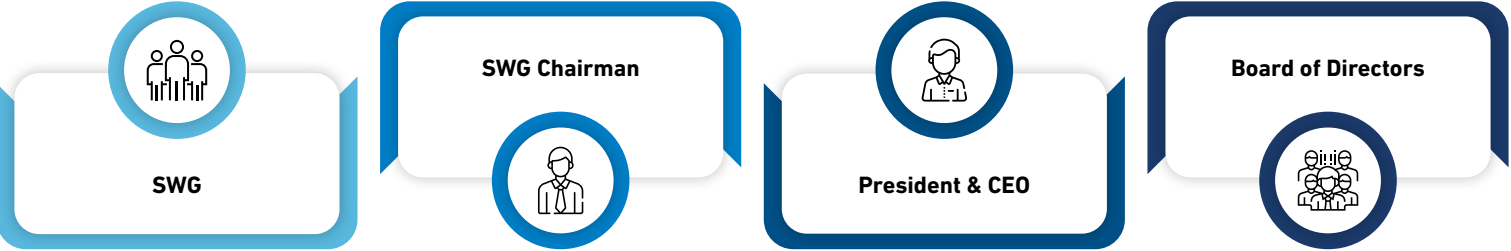
At LCT, we continue to navigate a dynamic operating environment shaped by economic volatility, regulatory shifts, geopolitical tensions and evolving environmental expectations. The petrochemical industry faces additional challenges, including fluctuating feedstock prices, rising operational costs and increasing global demand for sustainable practices. Despite these uncertainties, we remain committed to responsible business practices while maintaining our focus on Business Sustainability and ESG principles.

**PHILIP KONG**  
Chairman,  
Sustainability Working Group

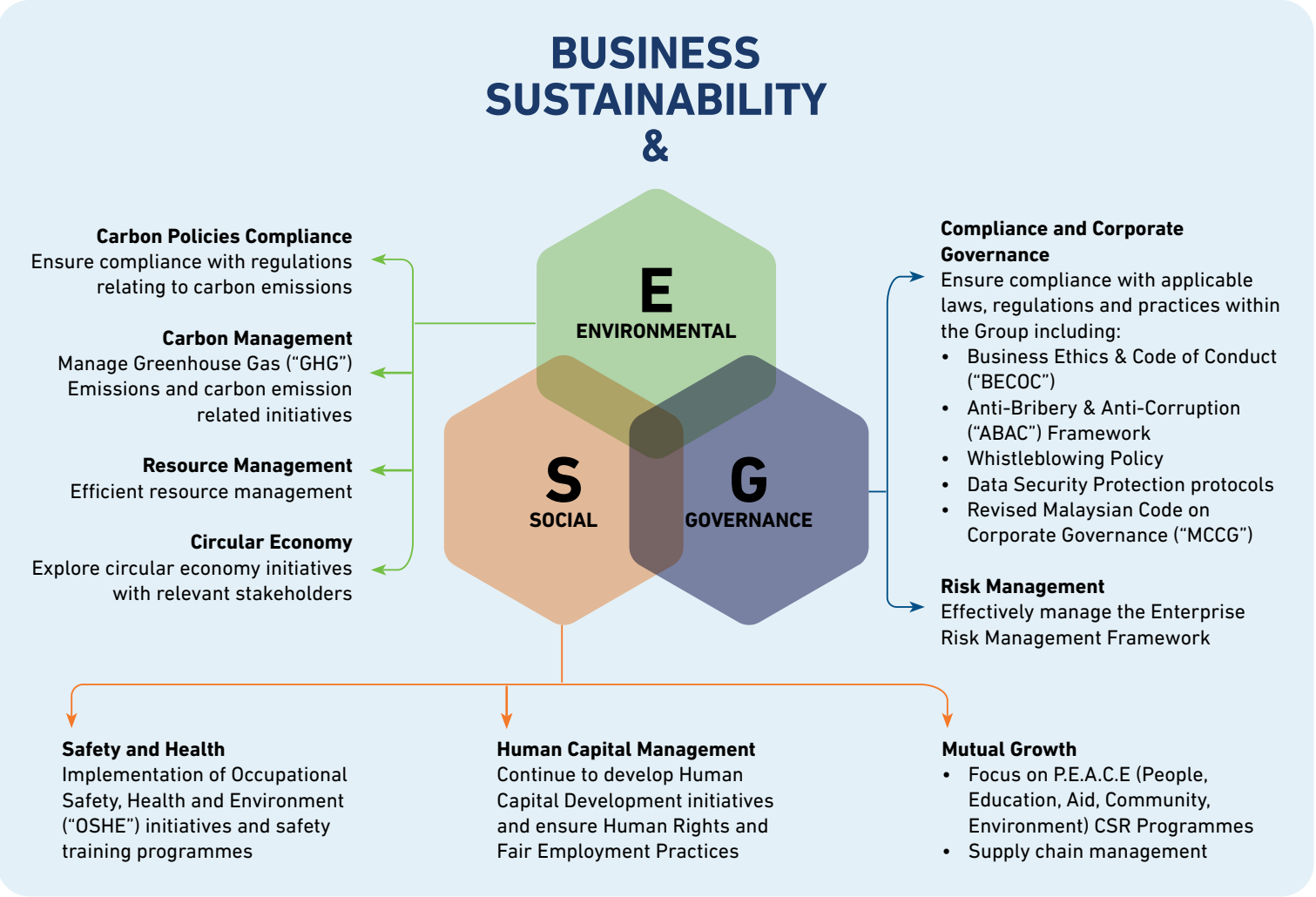


SUSTAINABILITY WORKING GROUP  
CHAIRMAN'S MESSAGE

Our Sustainability Working Group ("SWG"), comprising leaders from all business divisions, continues to play a pivotal role in driving sustainability initiatives and overseeing ESG matters across the Company. The SWG operates under the guidance and leadership of our President & CEO, with ultimate oversight provided by the Board of Directors ("Board"). This structure ensures a clear governance framework, ensuring the Board is regularly informed on ESG performance and regulatory compliance to uphold sound corporate oversight.



To ensure a comprehensive approach to sustainability management, the SWG oversees sub-committees dedicated to various ESG focus areas, ensuring alignment with LCT's business strategy and risk management framework. These sub-committees engage various departments, ensuring active participation and collective responsibility in ESG implementation across the organisation.



SUSTAINABILITY WORKING GROUP  
CHAIRMAN'S MESSAGE

LCT remains committed to complying with evolving regulatory requirements, including the updates in the 3<sup>rd</sup> Edition of the Bursa Malaysia Sustainability Reporting Guide. We have implemented measures to align with the updated framework, ensuring the disclosures of material sustainability matters and continuous improvement in our ESG practices. Our materiality matrix assessments, which gather input from LCT's key stakeholders, including the Board, Senior Management, employees, customers, suppliers, regulators/government bodies, industry associations, local communities, investors and research analysts, are conducted biennially and reviewed annually to reflect emerging trends and ensure alignment with current sustainability priorities.

List of Sustainability Matters in FY2024		
<b>High Importance</b> <ul style="list-style-type: none"><li>Sustainable Manufacturing and Product Quality</li><li>Occupational Safety and Health</li></ul>	<b>Medium-high Importance</b> <ul style="list-style-type: none"><li>Environmental Management and Climate Change</li><li>Customer Value Creation</li><li>Data Security and Protection</li><li>Regulatory Compliance</li><li>Supply Chain Management</li></ul>	<b>Medium Importance</b> <ul style="list-style-type: none"><li>Human Rights and Fair Employment Practices</li><li>Human Capital Development</li><li>Community Development</li><li>Business Development</li></ul>

Further information regarding our Materiality Matrix can be found in Section 3, page 33.

Moving forward, LCT will remain committed to adhering to regulatory requirements while pursuing initiatives that contribute to long-term operational resilience and responsible business practices. We appreciate the continued support and collaboration of our stakeholders as we strive to uphold good governance and sustainable growth.







SECTION 3

OUR  
SUSTAINABILITY  
APPROACH

28	Strengthening Our Resilience Against Uncertainties
29	Understanding Our Stakeholders
32	Sustainability at the Core of Our Business
35	Transformation through Our Business Strategies
36	Our Value Creation Engine



STRENGTHENING OUR RESILIENCE AGAINST UNCERTAINTIES

In navigating through the highly volatile global economy amidst supply chain disruptions, rising inflation, geopolitical turbulence and the pressing need for climate action, our focus is on closely tracking market trends, formulating cost management strategies and improving operational flexibility. These strategic priorities are crucial, not just for enduring these uncertain times, but for navigating the rapidly changing business landscape as well.

Further details on key trends, impacts, 2025 Outlook and our way forward are described below:



KEY TRENDS	IMPACTS	2025 OUTLOOK	WAY FORWARD
<p><b>Unrelenting Global Adversities:</b> Cyclicality and Crude Oil Price Fluctuations</p> <p>In the financial year ended 31 December 2024 (“FY2024”), the petrochemical sector faced significant challenges, with overcapacity and weak demand driving down operating rates. Crude oil price fluctuations, compounded by geopolitical tensions, global inflation and regional economic instability, added volatility to production costs. High levels of capacity additions outpaced demand growth, further pressuring the market amidst slow recoveries in key sectors.</p>	<ul style="list-style-type: none"><li>Crude oil price fluctuations, geopolitical tensions, global inflation and supply chain volatilities continue to create uncertainty in production costs and revenue.</li><li>Deciding between scaling back production or absorb rising feedstock costs.</li></ul>	<ul style="list-style-type: none"><li>Continued volatility of crude oil prices.</li><li>Geopolitical tensions may add further uncertainty to crude oil price movements.</li></ul>	<ul style="list-style-type: none"><li>LCT will focus on managing feedstock costs, improving cost competitiveness, whilst managing our operating rate.</li></ul>
<p><b>Risking Vulnerabilities in Operations:</b> Supply Chain, Currency, Talent and Projects Risks</p> <p>Growing geopolitical tensions continue to affect business risks, impacting operations. The ongoing instability in the macroenvironment intensifies cost-push inflation, driving up raw material prices and creating supply chain volatility. These pressures, compounded by weaker demand and cyclical industry trends, challenge both production efficiency and profitability. Businesses also face interconnected risks, such as talent retention, cost of compliance and project risk.</p>	<ul style="list-style-type: none"><li>Absorbing additional production costs or facing long-term reputational risk.</li><li>Rising costs include overtime payments, expedited shipping and higher input prices.</li><li>Inflationary pressures contribute to wage escalation, increasing talent retention challenges.</li></ul>	<ul style="list-style-type: none"><li>Digitalisation will drive supply chain resilience, but labour shortages and rising inflation remain persistent concerns.</li></ul>	<ul style="list-style-type: none"><li>LCT will focus on diversifying supply sources, strengthening partnerships with reliable suppliers.</li></ul>
<p><b>Forging Sustainable Paths That Are Here to Stay:</b> Climate Change</p> <p>Sustainability reporting frameworks are evolving as governments address the growing complexity of sustainability challenges. Climate change remained a key focus, driving updates to standards that tackle Environmental, Social and Governance (“ESG”) issues. Efforts to standardise sustainability disclosures are ongoing, with the aim of helping businesses align with regulatory and investor expectations in a rapidly changing landscape.</p>	<ul style="list-style-type: none"><li>Increased pressure from stakeholders and financial institutions for businesses to prioritise climate change efforts.</li><li>Adopt sustainability practices, circularity, digitalisation and green alternatives to reduce emissions and irresponsible consumption.</li><li>Non-compliance leads to penalties, reputational harm and business continuity issues.</li></ul>	<ul style="list-style-type: none"><li>Increased emphasis on climate-related disclosures as they transition from voluntary to mandated disclosures.</li></ul>	<ul style="list-style-type: none"><li>LCT to stay abreast of the growing complexities in environmental and climate compliance while strengthening internal sustainability practices.</li></ul>

UNDERSTANDING OUR STAKEHOLDERS

Identifying and assessing the needs of stakeholders is an essential part of LOTTE Chemical Titan Holding Berhad’s communication and engagement imperative structured to create long-term value for all our stakeholders.





LCT conducts a stakeholder prioritisation exercise to assess our key stakeholders based on their influence and dependence on LCT in terms of financial, reputation and operations. We are also committed to engaging with our key stakeholders regularly to obtain their input and feedback on sustainability matters which are material to LCT.

In FY2024, we continue to foster meaningful relationships, open communication and collaboration with various stakeholders to ensure all stakeholders’ expectations and concerns are considered.




OUR STAKEHOLDERS	HOW WE ENGAGE WITH THEM?	WHAT ARE THEIR CONCERNS AND EXPECTATIONS?	RESPONSE	FREQUENCY
 <p><b>BOARD OF DIRECTORS</b> The Board of Directors are responsible for the oversight of LCT’s operations. They assess the overall direction and strategy of the business to ensure long-term sustainable value creation for all shareholders.</p>	<ul style="list-style-type: none"><li>Board meetings</li><li>Annual/Extraordinary General Meeting</li><li>Quarterly result announcement</li><li>Annual report</li></ul>	<ul style="list-style-type: none"><li>Company’s financial and operational performance</li><li>Operational and manufacturing productivity and efficiency</li><li>Corporate governance and regulatory compliance</li><li>Value creation for both internal and external stakeholders</li><li>Company’s ESG performance</li></ul>	<ul style="list-style-type: none"><li>Provide transparent disclosures to our stakeholders in our Annual Report</li><li>Engage in discussions on LCT’s financial and operational performance</li><li>Review LCT’s current ESG performance in Board meetings</li></ul>	<ul style="list-style-type: none"><li>Quarterly</li><li>Annually</li><li>As required</li></ul>
 <p><b>EMPLOYEES</b> With 1,125 employees across Malaysia and 331 employees from Indonesia, they are responsible for driving the day-to-day tasks, ensuring the delivery of quality products and services to our customers.</p>	<ul style="list-style-type: none"><li>Department meetings</li><li>Employee Engagement Survey (“EES”)</li><li>Joint Consultative Committee (“JCC”) and Portal</li><li>Collective Labour Agreement (“CLA”) Meeting at Indonesia</li><li>Internal training programmes and forums</li><li>Company newsletter</li><li>Employees’ events and team buildings</li><li>Employees recognition, incentives and rewards</li><li>Feedback/Grievance channel</li></ul>	<ul style="list-style-type: none"><li>Inclusive and collaborative working environment</li><li>Fair remuneration and benefits</li><li>Operational and manufacturing productivity and efficiency</li><li>Healthy and safe workplace</li><li>Training and development programmes</li><li>Career opportunities and development</li></ul>	<ul style="list-style-type: none"><li>Direct engagement with employees via the JCC in Malaysia and the Labour Union in Indonesia to discuss key employee matters</li><li>Established corporate governance policies to ensure fair treatment of expatriate and local employees</li><li>Conduct support programmes</li><li>Conduct annual EES and employee satisfaction survey to gain understanding of employees’ perception towards the Company</li></ul>	<ul style="list-style-type: none"><li>Daily</li><li>Weekly</li><li>Monthly</li><li>Quarterly</li><li>Annually</li><li>As required</li></ul>



## UNDERSTANDING OUR STAKEHOLDERS

OUR STAKEHOLDERS	HOW WE ENGAGE WITH THEM?	WHAT ARE THEIR CONCERNS AND EXPECTATIONS?	RESPONSE	FREQUENCY
 <b>CUSTOMERS</b> Customers play a crucial role in our business. Their trust in us is what makes our business grow. Hence, we always do our best to respond to their needs and strive to meet their expectations.	<ul style="list-style-type: none"> <li>Site visits</li> <li>Customer satisfaction survey</li> <li>Feedback/Grievance channel</li> <li>Customer gatherings</li> </ul>	<ul style="list-style-type: none"> <li>Product pricing, safety and quality</li> <li>Innovative products and services</li> <li>Good customer service and management</li> <li>Company's ESG practices</li> <li>Data management and cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>A dedicated Customer Engagement Team to oversee sales activities, delivery arrangements and handle complaints</li> <li>Engage with customers to identify improvement opportunities for our products</li> <li>Conduct product training to equip customers with sufficient knowledge on handling our products</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Annually</li> <li>As required</li> </ul>
 <b>SUPPLIERS</b> Our supply chain enables us to create value by providing us with high quality products and services. At the same time, we ensure that value is created for our suppliers to sustain a resilient supply chain.	<ul style="list-style-type: none"> <li>Supplier Self-Assessment Questionnaire</li> <li>Supplier annual performance evaluation</li> <li>Business Continuity Management ("BCM") Survey Questionnaires</li> <li>Site audit</li> <li>Safety training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Encourage LCT to explore other options to ensure timely delivery</li> <li>Ethical and fair tender process</li> <li>Safety, health and environment</li> <li>Corporate governance and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Embed commitments to human rights, safety and health and environmental standards in our Supplier Code of Conduct</li> <li>Conduct supplier site visits for better understanding of suppliers' capabilities and building stronger relationships</li> <li>Introduce an e-procurement system to digitalise value chain process</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Monthly</li> <li>Annually</li> <li>As required</li> </ul>
 <b>REGULATORS</b> Regulators shape policies that support the industry and our country's economy. We maintain a close relationship with them to stay abreast of changing policies and regulations.	<ul style="list-style-type: none"> <li>Public dialogues and conferences</li> <li>Online feedback on the proposed new laws or amendments</li> <li>Seminars and training organised by the relevant regulators</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with relevant laws and regulations</li> <li>Company's ESG practices</li> <li>LCT to observe and adhere to all rules and regulations that are both mandatory and voluntary by nature</li> </ul>	<ul style="list-style-type: none"> <li>Ensure LCT's policies and procedures comply with applicable local regulatory requirements</li> <li>Conduct training programmes on key areas of concern such as insider trading to our employees</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Quarterly</li> <li>Annually</li> <li>As required</li> </ul>
 <b>INVESTORS</b> Investors play a vital role in the success and growth of LCT by providing capital that supports the Company's business operations and development efforts.	<ul style="list-style-type: none"> <li>Investor relations' meetings</li> <li>Annual/Extraordinary General Meeting</li> <li>Quarterly results press releases and presentations</li> <li>Annual report</li> <li>Site visit</li> </ul>	<ul style="list-style-type: none"> <li>Financial and non-financial performance</li> <li>Company's ESG performance</li> <li>Business resilience and sustainability</li> <li>Opportunities and development of business</li> </ul>	<ul style="list-style-type: none"> <li>Present LCT's current performance and expected outlook</li> <li>Ensure transparency through timely and comprehensive disclosures</li> <li>Regular communications/discussion with Management Team</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> </ul>

## UNDERSTANDING OUR STAKEHOLDERS

OUR STAKEHOLDERS	HOW WE ENGAGE WITH THEM?	WHAT ARE THEIR CONCERNS AND EXPECTATIONS?	RESPONSE	FREQUENCY
 <b>INDUSTRY ASSOCIATIONS</b> Industry associations play an important role in providing a collective voice for the industry and sharing of best industry practices. We ensure close collaboration with industry experts to ensure continual improvement in our business.	<ul style="list-style-type: none"> <li>Training programmes, conferences and activities like video competitions, etc</li> </ul>	<ul style="list-style-type: none"> <li>Promote knowledge sharing within the local and international petrochemical industry</li> <li>Company's ESG practices</li> <li>Establish a collective voice for the industry on common issues, clarify doubts surrounding inaccuracies/misinformation about the industry</li> </ul>	<ul style="list-style-type: none"> <li>Participate in various discussions, forums and conferences to ensure the exchange and sharing of industry knowledge for the advancement of the petrochemical industry</li> <li>Provide input and support on issues related to plastic and petrochemical industry for the authorities</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>As required</li> </ul>
 <b>LOCAL COMMUNITIES</b> LCT recognises that our operations may impact the local communities directly or indirectly. Hence, we are committed to fostering strong relationships with local communities through community engagement and development initiatives.	<ul style="list-style-type: none"> <li>Corporate social responsibility ("CSR") programmes</li> <li>Feedback/Grievance channel</li> </ul>	<ul style="list-style-type: none"> <li>Safety and health of local communities</li> <li>Impacts towards social and environment</li> </ul>	<ul style="list-style-type: none"> <li>Conducted CSR initiatives focusing on LCT's five (5) CSR themes – People, Education, Aid, Community and Environment</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>As required</li> </ul>
 <b>RESEARCH ANALYSTS</b> Research analysts provide continual support to LCT's business through the sharing of latest insights on businesses and industries. With this, investors will be able to assess the prospects and fundamentals of LCT and invest into the Company.	<ul style="list-style-type: none"> <li>Investor relations' meetings</li> <li>Annual/Extraordinary General Meeting</li> <li>Quarterly results press releases and presentations</li> <li>Annual report</li> <li>Site visit</li> </ul>	<ul style="list-style-type: none"> <li>Financial and non-financial performance</li> <li>Business development</li> <li>Company's ESG performance</li> <li>Diversity and inclusivity</li> </ul>	<ul style="list-style-type: none"> <li>Present LCT's current performance and expected outlook</li> <li>Ensure transparency through timely and comprehensive disclosures</li> <li>Regular communications/discussion with Management Team</li> <li>Facilitate discussion on the Company's latest prospects</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> </ul>



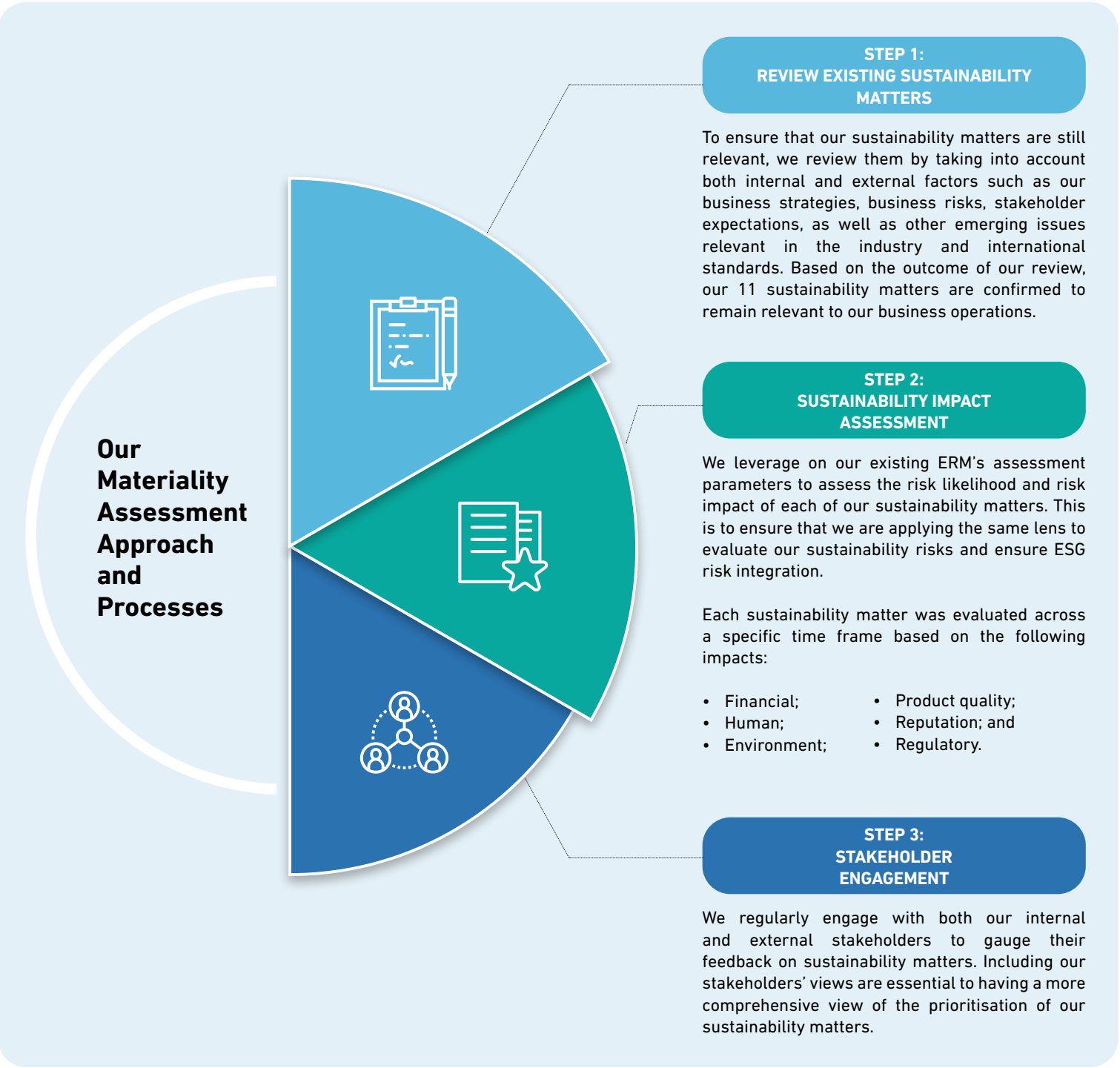
SUSTAINABILITY AT THE CORE OF OUR BUSINESS

Our materiality assessment helps us define and understand the issues that matter most to our business and stakeholders and to understand how our ESG impacts are perceived along our value chain. It enables us to capture and address our impacts to meet stakeholder expectations for better management of our business.

Our materiality assessment was conducted to supplement our Enterprise Risk Management (“ERM”) Process.

We conduct a formal materiality assessment biennially to supplement our ERM Process and enable us to include a sustainability focus on business risks and opportunities. The exercise is carried out in alignment with the Integrated Reporting <IR> Framework’s concept of materiality and to help us identify and prioritise the ESG issues that are most important to our business and our stakeholders.

Our Materiality Assessment Approach and Processes

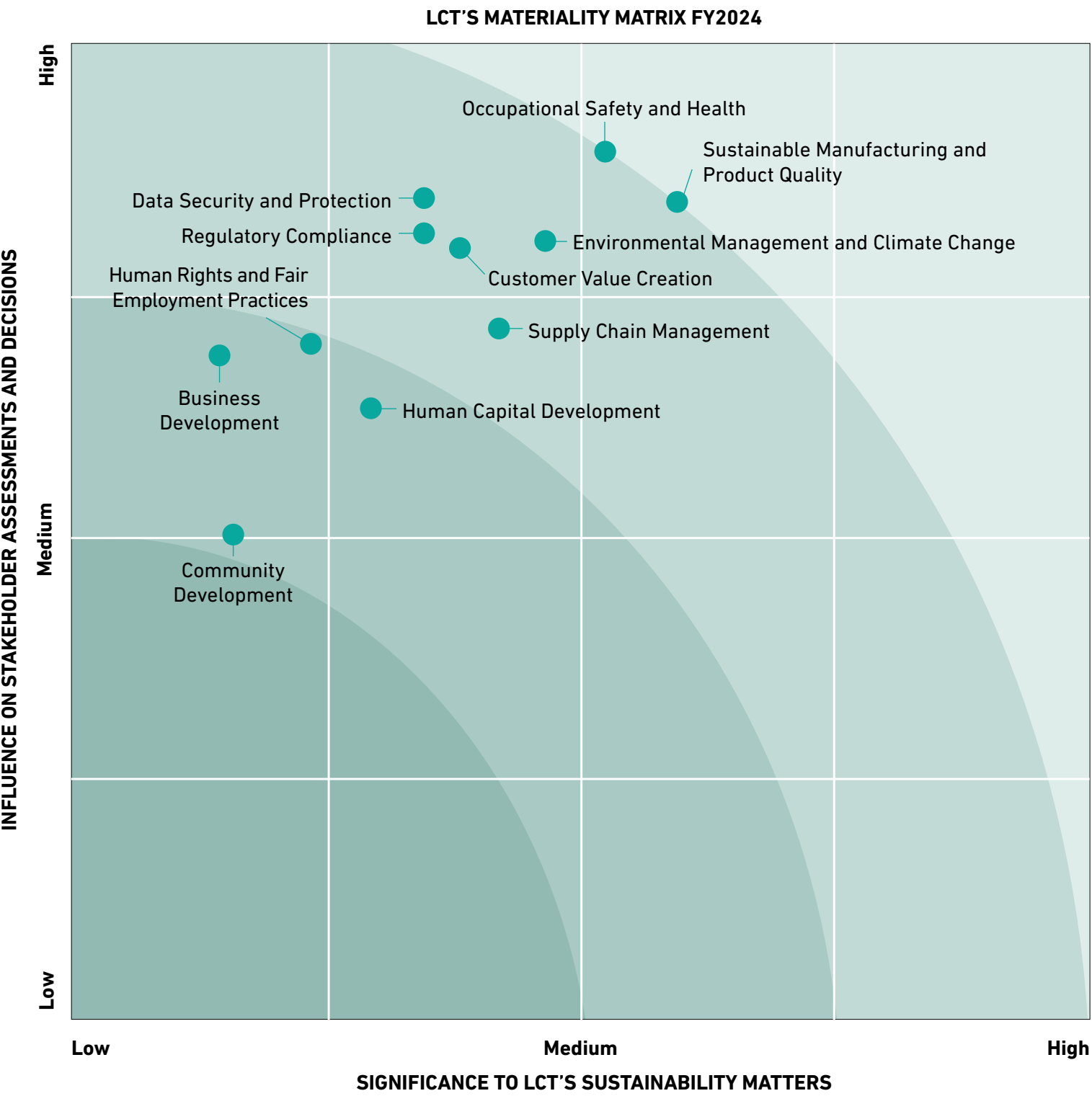


SUSTAINABILITY AT THE CORE OF OUR BUSINESS

Our Materiality Matrix

In FY2024, we conducted a materiality assessment update to ensure alignment with evolving trends and business priorities. The 11 identified sustainability matters remain relevant and were reviewed by the Sustainability Working Group (“SWG”) and Management before being approved by the Board.

Leveraging on these outcomes, the matrix informs LCT’s process in identifying our strategic priorities for the upcoming financial year.





SUSTAINABILITY AT THE CORE OF OUR BUSINESS

The details of our initiatives in managing and mitigating these material sustainability matters are discussed in Section 4: Our Strategy Based On Sustainability Matters on pages 40 to 81 of this report. Further details on why the sustainability matters are important to us are depicted in the table below:

Our Sustainability Matters

SUSTAINABILITY MATTERS	WHAT IT MEANS TO LCT	LINK TO CAPITALS	UN SDGS
Occupational Safety and Health	Establishment of a safe and healthy working environment by implementing key measures to prevent injuries such as safety committee, fire drills and monitoring occupational health among others.		
Sustainable Manufacturing and Product Quality	Consideration of sustainability factors within our manufacturing processes, the development of our products and our production plants through ongoing process improvement, research and development and the application of technologies.		
Customer Value Creation	Initiatives undertaken to maintain a high level of customer satisfaction, including prompt responses to address issues raised by customers.		
Environmental Management and Climate Change	Internal controls and mechanisms to manage environmental impacts, focusing on emissions, waste management, water management, energy management and climate change.		
Regulatory Compliance	Initiatives and processes established to ensure compliance with relevant regulatory requirements including internal company policies such as the Business Ethics & Code of Conduct ("BECOC"), Anti-Bribery & Anti-Corruption ("ABAC") Manual and Whistleblowing Policy.		
Supply Chain Management	Consideration of emerging social, environmental and economic factors within our supply chain and procurement management through the conduct of risk assessment.		
Data Security and Protection	Protection of data/information/intellectual property belonging to stakeholders including customers, suppliers, employees and business partners against cybersecurity breaches.		
Human Rights and Fair Employment Practices	Fostering fair labour practices and ensuring employee welfare by protecting human rights, ensuring no child labour and promoting an inclusive working environment.		
Human Capital Development	Nurturing talent, providing career development opportunities and training programmes for employees including succession planning and talent retention programmes among others.		
Community Development	Initiatives undertaken to maintain positive relationships with the local community such as meetings to clarify and address issues raised by community members.		
Business Development	An agile business model to enable the Group to navigate headwinds, focusing on cost management and operation management to ensure business sustainability.		

TRANSFORMATION THROUGH OUR BUSINESS STRATEGIES

We operate in an increasingly complex and rapidly evolving industry landscape and our business transformation strategies are crucial for striving to stay competitive and relevant. This commitment is the driving force behind our relentless pursuit of effectiveness; progressing through carefully formulated strategies that focus on enhancing our plant operations, elevating our competitive edge to drive customer satisfaction; and upholding our commitments to best practices in sustainability and good governance.





OUR VALUE CREATION ENGINE

OUR VALUE CREATION ENGINE

Guided by our core values, we employ a sustainable growth strategy to maximise value and minimise negative impacts on key material matters.



Legends:

Customers

Board of Directors

Suppliers

Investors

Local Communities

Regulators

Industry Associations

Research Analysts

Employees



#### SECTION 4

## OUR STRATEGY BASED ON SUSTAINABILITY MATTERS

- 40 Strategy Pillar 1 :  
Stable and Safe Plant Operations
- Occupational Safety and Health
  - Supply Chain Management
  - Sustainable Manufacturing and Product Quality
- 52 Strategy Pillar 2 :  
Business Sustainability
- Customer Value Creation
  - Business Development
- 56 Strategy Pillar 3 :  
Environmental, Social and Governance ("ESG")
- Environmental Management and Climate Change
  - Community Development
  - Data Security and Protection
  - Human Capital Management
  - Human Rights and Fair Employment Practices
  - Regulatory Compliance





STABLE AND SAFE PLANT OPERATIONS

### OCCUPATIONAL SAFETY AND HEALTH

At LCT, we prioritise the safety and health of our employees. Our Occupational Safety and Health (“OSH”) policies guide both Management and employees in cultivating a safe and healthy workplace, aligning with our organisational purpose and culture. We are committed to preventing workplace accidents by continuously identifying and mitigating hazards to reduce risks, injuries and exposure to harmful substances in our operations.

Contribution to the United Nations Sustainable Development Goals

Mapping to Our Risks and Opportunities

- Operational Risk
- Compliance Risk – OSH

#### Business Capitals

##### Financial Capital

- Invested in necessary resources to implement safety and health measures to improve safety and health management systems and ensure compliance with local regulations.

##### Intellectual Capital

- We remain guided by our established OSH management system, equipment and tools to ensure the safety and health of all stakeholders within our business premises.

##### Skilled Talent

- The Occupational, Safety, Health and Environment (“OSHE”) Steering Council at LCT is overseen by the Management and the OSHE team.

##### Social and Relationship Capital

- We actively collaborate with contractors to ensure compliance with safety and health standards via our Contractor Management Programme.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

Governance, Policies and Procedures

We have established safety and health standards to safeguard our workforce from risks in our operations. In compliance to local regulations and OSH guidelines, we strive to cultivate a workplace that prioritises the safety and health of all within our premises.

MALAYSIA

Our Malaysian operations adhere to the OSH Policy, which is reviewed annually to regulate and enhance practices at our manufacturing facilities. All employees and contractors are mandated to comply with this policy. The governance structure is outlined as follows:

The OSHE Steering Committee is responsible for overseeing issues related to occupational safety and health of our employees of our Malaysian facilities.

The OSHE Steering Committee comprises Top and Senior Management from various departments who provide direction and have full authority on OSHE-related matters. Our President & CEO serves as the Chairman of the OSHE Steering Committee, which convenes annually to review LCT’s OSHE performance.

In line with the Occupational Safety and Health Act 1994, we have established a Safety, Health and Environment (“SHE”) committee. This committee includes a Chairman, secretary and representatives from Management and employees. The Operations Director chairs the SHE committee meetings, with employer representatives from various disciplines appointed by the Chairman for their operational knowledge and who are also given decision-making responsibilities.

We remain committed to fostering a robust safety culture and an effective Process Safety Management (“PSM”) – TRANSFORM Programme. A PSM governance committee was established to ensure the sustainability of the programme.

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STRATEGY PILLAR 1

STABLE AND SAFE PLANT OPERATIONS

Since the PSM – TRANSFORM Programme was implemented in FY2021, notable improvements have been observed in safety management, including improved leadership qualities and heightened safety compliance among employees and contractors. This programme aims to enhance processes and cultivate a robust safety culture throughout the premises, with 10 times per year PSM Committee Meetings to convey safety performance updates, address concerns and promote a culture of continuous improvement. The annual Insurance Risk Engineering Survey conducted by the risk engineers from LCT’s insurers and brokers also follow up on the implementation of the PSM system.

Apart from that, to efficiently track, manage and coordinate our OSHE data, we employ an Environmental, Health and Safety (“EHS”) Legacy system. This system is accessible to all employees and includes functions such as incident reporting, tracking Lost Time Incident (“LTI”) cases, field risk assessment audit, maintenance of legal register, issuance of Personal Protective Equipment (“PPE”), management of trainings and oversight of contractor management.

In FY2024, the system was enhanced to improve the tracking of contractor-related compliance matters, such as Safety Warning Notices (“SWNs”) and banned notice features.

INDONESIA

In our Indonesian operations, we have in place a Quality, Safety, Health and Environmental (“QSHE”) Policy along with an OSHE Management System to effectively manage our safety and health practices, which are in line with government regulations.

The OSHE Committee, spearheaded by Top Management, includes representatives from both Management and employees, ensuring that OSHE policies are effectively implemented across our operations. The Manufacturing Director is responsible for overseeing all aspects related to OSHE. Moreover, our operations have designated representatives for the Merak Industrial Emergency Response Team (“MIERT”), comprising representatives from various companies in the vicinity. The MIERT conducts monthly meetings to deliberate and assess OSHE-related matters.

EMPLOYEES PARTICIPATION AND COMMUNICATION PROCEDURE

We encourage and value employees’ feedback on our OSHE policies. We believe that by actively engaging with our employees, we can gain insights on how we can further improve our safety and health practices and discuss ways to manage the safety challenges within our facilities. Maintaining consistent communication is essential to ensure compliance to safety and health standards.

MALAYSIA

Within our Malaysian operations, employees are given opportunities to give feedback on the development, implementation and evaluation of our OSH Management System (ISO 45001:2018 MS). This is achieved through structured forums designed for employees to share their perspectives and discuss aspects such as SHE committee toolbox meetings, permit issuances, workplace inspections and risk assessments.

LCT focuses on fostering a culture of workplace incident reporting among employees. Bi-weekly sharing of incident investigation lessons to improve safety awareness among all employees. This initiative results in improved management and a greater willingness to conduct incident reporting, viewing each case as an opportunity for improvement.

Our Contractor Management Programme facilitates engagement with contractors on safety and health compliance. OSH requirements are shared with all LCT’s contractors, emphasising compliance to cultivate a safety mindset and culture. Quarterly safety meetings are conducted with their Top Management while monthly safety meetings are with the safety representative and site supervisor.

Additionally, to further improve contractor management, LCT mandates training for all contractors prior to commencing work. Regular reviews of Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) align with the latest workplace risks.

In FY2024, LCT introduced the ‘Best Contractor Safety Award’ where two (2) companies were awarded for best contractor performance. Going forward, we plan to update our contractor safety management procedure that covers contractor selection to post-contract evaluation, as well as appoint a Field Contract Administrator to serve as the primary liaison with contractor personnel during ongoing work. These measures will help elevate safety standards across LCT’s operations.

INDONESIA

At our operations in Indonesia, employees report OSHE concerns to their immediate superiors or the OSHE Committee. The Committee convenes quarterly to discuss and implement corrective actions for issues raised. The secretary follows up on recommendations and reports their status in subsequent meetings. Non-compliance issues are reported to the local government (Manpower Department of Banten Province).

In FY2024, we implemented the following measures to strengthen OSHE compliance in our facilities:

- Conducted routine examinations of our operations, encompassing safety audits and permit audits to ensure compliance to OSHE procedures and practices.
- Organised safety talks within each department, to raise understanding of SHE standards among employees and partners in our supply chain.
- Collaborated closely with our contractors which involved implementation of safety coaching, safety audits/inspections and comprehensive safety audits. These procedures are formalised in our Contractor Safety Management System.

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STABLE AND SAFE PLANT OPERATIONS

OSH INITIATIVES IN FY2024

Since 2019, the LOTTE Group has been committed to fostering a “Global Top Sustainable Safety Culture” in safety management. This involves implementing the LOTTE Global Culture Transform journey, referred to as the TRANSFORM programme, which guides our facilities to transition towards more sustainable operations.

To this end, we executed the following initiatives across all our operations:

- All employees are encouraged to report unsafe acts and conditions observed at the workplace in the EHS legacy system.
- The Field Risk Assessment (“FRA”) Programme minimises potential hazardous incidents through structured observations using the Barriers of Protection – Personnel, Facilities, Technology concept during Field Safety Observations at process plants. In FY2024, LCT completed a new FRA reporting system for the Operation Shift team to prevent process safety incidents through identification and mitigation actions before the incidents occur.
- The Pre–Startup Safety Review (“PSSR”) ensures comprehensive safety measures are considered for new or modified facilities before startup.
- The Emergency Response Management Approach identifies gaps in emergency response readiness and formulates improvement plans, establishing incident command teams and protocols for efficient incident management during site operations.

Additionally, specific initiatives were conducted in our Malaysia and Indonesia operations:



MALAYSIA

- The enhancement of Ergonomic Management Programme continued to be implemented to enhance awareness of ergonomic and manual handling in the workplace. A ‘Functional Capability Evaluation Test’ was performed to evaluate employees’ capacity to meet the physical requirements of their roles, identifying risks in daily manual tasks and determining necessary modifications to prevent future injuries.
- A Hearing Conservation Programme was implemented since FY2019 and includes training on hearing conservation and the use of Personal Protective Equipment (“PPE”). A two (2) year Hearing Fit Test Programme was implemented for FY2024 and FY2025, where 60% of the manufacturing employees have completed the test. The remaining 40% will complete the hearing test by the end of FY2025. This real–world measurement is referred to as Personal Attenuation Rating and assesses individual auditory fitness, highlighting the effectiveness of their hearing protection devices.
- The ‘Life–Saving Rule’ initiative has been introduced to emphasise workplace activities with high potential for severe injuries or death. Communication methods include quizzes, informative cards, LED board displays and screensaver reminders.
- The Safety Leadership Capability Development Programme organised a workshop to elevate front–line supervisor skills in Production and Maintenance, through hazard and risk identification training, emphasising their leadership responsibilities in establishing and maintaining safety standards.
- The Asset Integrity Manual was established to manage process safety critical equipment effectively, with rapid assessments conducted to identify opportunities and assess their value. In FY2024, the Total Asset Integrity Programme has achieved approximately 91% of the overall improvement scope.



INDONESIA

- Similar to operations in Malaysia, Indonesia conducts a FRA called ‘HIRAC’ for every routine and non–routine jobs.
- Noisy machines are controlled by adding reducers, limiting working time and providing PPE ear plugs and earmuffs. Noise measurements are carried out every six (6) months by a licensed third party. Next, the employee’s hearing ability is tested annually through Medical Check–up.
- Educate employees on safety information through safety signs, videos, cards, boards and banners.
- Conduct an annual SHE Training Programme which includes compliance with OSHE expert certification regulations and supported a national safety month yearly to increase safety awareness.
- Implemented mechanical integrity programme, including the identification and categorisation of equipment and instrumentation, development of maintenance procedures, training for process maintenance activities, inspection and testing, correct any deficiencies in equipment.

SAFETY AND HEALTH TRAINING

We remain steadfast in our commitment to maintaining rigorous safety and health standards across our entire supply chain. To achieve this, we provide training to our employees and contractors, ensuring a comprehensive and collective understanding of safety practices in our business operations.



MALAYSIA

In the year under review, our operations in Malaysia diligently conducted 41 safety and health training programmes, totaling 138 training sessions and 22,205 training hours. A significant emphasis was placed on confined space training as well as Authorised Entrant and Standby Person (“AESP”) and Authorised Gas Tester and Entry Supervisor (“AGTES”) training courses. The AESP course focuses on educating workers about confined space hazards and preventive measures, while the AGTES course provides knowledge on gas testing to ensure confined spaces are safe for Authorised Entrants to enter and perform their job. Both courses are in strict compliance with the Industrial Code of Practice (“ICOP”) for Safe Working in a Confined Space, 2010 which is mandatory for employees involved in confined space activities, requiring refresher courses every two (2) years.

LCT appreciates the commitment and dedication shown by its employees in attending safety–related trainings. Positive participation was achieved, whereby LCT’s employees surpassed the target for training hours this year. These trainings are essential as they help employees understand potential workplace hazards, equipping them with the knowledge to recognise and mitigate risks, and enhance overall productivity by reducing accidents and associated downtime.

Additionally, we conducted 149 Safety Orientation Course (“SOC”) classes, covering essential aspects such as PPE requirements, OSH regulations, work permit systems and gas detection training for the contractors to facilitate the Turnaround (“TA”) 2024. Our commitment to enhancing safety awareness and competence is reflected in two (2) key training programmes: the three (3)–hour General Safety Training for new joiners and the introduction of OSH regulations and on–the–job training tailored with personnel handling specific risks. The team consistently reviews training needs to ensure compliance to local requirements.

STABLE AND SAFE PLANT OPERATIONS

Other OSH training programmes conducted in FY2024 include:

- Incident Investigation Management
- Confined Space Rescue
- Hearing Conservation Administrator (“HCA”)
- Management of Change (“MOC”) and Pre–Startup Safety Review (“PSSR”)
- Basic Fire Fighting Training
- Work Permit System Training
- SHE Committee Training
- FRA Workshop
- Field Contract Administrator
- Working at Heights
- Process Safety Management Overview

For contractors at LCT, specialised training sessions include Work Supervisor Briefing (“WSB”), Permit to Work (“PTW”), Fire Watch Training and General Risk Assessment (“GRA”). Our multifaceted approach demonstrates our unwavering commitment to fostering a culture of safety and competence across our workforce and contractor base.



INDONESIA

Our operations in Indonesia delivered 1,906 hours of safety and health training to our employees, including drills simulating a factory surrounded by burning ships, safety inductions and training on safety toolboxes.

Similar to Malaysia, we provided safety and health trainings for employees in our Indonesia operations such as:

- Material Safety Data Sheet (“MSDS”) and Chemical Handling
- Incident/Accident Reporting
- Ergonomics Training for Office Staff
- Hazards of Chemical Handling
- Hot work permit authority
- Training on statutory turnaround
- Fire protection system class D & C
- First aider officer

IN–PLANT MEDICAL CLINICS

At our operational sites, in–plant medical clinics are established to address both communicable and non–communicable diseases, including HIV/AIDS, tuberculosis and malaria. A designated Occupational Health Doctor oversees the management of these health issues and implements on–site action plans. Prevention programmes and health campaigns are conducted occasionally, aligning with the Ministry of Health (“MOH”) requirements and recommendations from the Communicable Disease Control Unit in Malaysia.

Our on–site Occupational Health Protocols and Procedures are routinely updated to meet evolving national requirements. Comprehensive communication ensures that all personnel are informed and have constant access to this vital information.

Additionally, we have implemented the Mental Wellness Support Programme to enhance employees’ wellbeing, mental health and work–life balance while preventing mental illness. In our Malaysian operations, a health campaign was organised with speakers from Regency Specialist Hospital, KPJ Puteri Specialist Hospital and KPJ Johor Specialist Hospital to discuss topics such as workplace ergonomics, anxiety, occupational illnesses and obesity. LCT’s in–plant clinics also provided free basic health screening to all employees in collaboration with Regency Specialist Hospital.

As for our contractors and local communities, the following provisions are in place:

- Fitness screening prior to work commencement
- Emergency medication and treatment

These initiatives underscore our commitment to the health and wellbeing of both employees and the wider community, aligning with our proactive approach to OSH.

ELIMINATION/MINIMISATION OF POTENTIAL HAZARDS/RISKS AT THE WORKPLACE

To ensure the safety of our operations, we regularly conduct various safety audits, including the PTW Audit, Interlock Bypass Audit and Fire Water Pump Tests. These audits ensure strict compliance with our policies and local safety and health requirements. In the event of an accident related to process or occupational safety, the respective OSH teams will investigate the incident and effectively manage associated hazards.



MALAYSIA

Within our Malaysian operations, our hazard identification process is divided into two (2) categories: process safety and OSH.

i. Process Safety

- **Process Hazards Analysis (“PHA”):** We conduct PHA to identify, evaluate and control hazards associated with highly hazardous processes. This best practice is applied to both greenfield and brownfield facilities. The PHA is executed through the widely recognised HAZOP methodology. Recommendations based on the HAZOP exercise are pursued and closed within specified timeframes. In FY2024, our commitment to safety continued to lead us in conducting HAZOP studies for our existing process and utility areas.
- **Risk Management:** To effectively manage operational risks, we emphasise the importance of updated risk assessments and a comprehensive understanding of current operations. LCT conducts HAZOP studies and periodic revalidation to mitigate or eliminate potential hazards, preventing accidents and injuries. In FY2024, LCT successfully completed a HAZOP revalidation study for the BTX plant.
- **Change Management:** In FY2024, LCT prioritised strengthening its Change Management framework by upgrading the MOC procedures to enhance their robustness and alignment with industry best practices. Training sessions focusing on procedural updates and practical application were conducted for Managers, Engineers and Superintendents from Operations, to ensure seamless implementation.



STABLE AND SAFE PLANT OPERATIONS

ii. Occupational Safety and Health

As part of our standard OSH measures, we execute the following across our operations:

- **The GRA:** A GRA is mandated for both routine and non-routine work activities. The assessment is in line with the DOSH' Guidelines for HIRARC and the ISO 45001:2018 OSH Management System standard, which aims to identify, analyse and evaluate the risk levels associated with each activity. Periodic assessments including Chemical Exposure Monitoring ("CEM"), Noise Risk Assessment ("NRA"), Indoor Air Quality ("IAQ") monitoring and Chemical Health Risk Assessment ("CHRA") are also conducted as part of our OSH risk management.
- **PTW:** For both mandated routine and non-routine work activities, the objectives of PTW implementation are (i) to ensure the safety measures of workers, properties and environment, (ii) to identify, prevent or minimise all possible risks prior to the work commencement and (iii) to ensure effective communication among all parties involved.
- **Discipline-Specific Training:** Trained personnel from various work disciplines including Operation, Technical, Safety, Mechanical, Electrical and Instrument are assigned to conduct Incident Investigation and GRA. Each department is responsible for ensuring that all work conducted by its personnel undergoes a rigorous assessment. Significant risks with potential elimination opportunities are recorded in the Risk and Opportunity Register, as per the ISO 45001 clause 6.1 requirement.
- **Employee Reporting Responsibility:** Employees play a crucial role by immediately reporting any work-related hazards or hazardous conditions to their immediate superiors or the Safety Department. All incidents are documented in the Incident Reporting System within the EHS Legacy System.
- **Learning from Incidents:** Root causes and proposed corrective actions from incident investigations are shared across the Malaysian operations complex for learning purposes. Each leader reviews the findings to identify the presence of similar hazards in their process units. In cases of identified hazards, immediate actions are taken to prevent the recurrence of similar incidents within their process units.



INDONESIA

In our Indonesian operations, hazard identification is categorically divided into two (2) areas:

i. Process Hazard Identification (related to Process Safety)

- **Periodic Process Hazard Analysis ("PHA"):** A PHA is conducted every five (5) years, to identify, evaluate, prioritise, control and monitor hazards. The PHA is conducted through recognised methods such as HAZOP. Alternatively, a Pre-HAZOP may be undertaken as a preliminary risk assessment to determine if the residual risk is at an 'Unacceptable' or 'Not tolerable' level, which requires a subsequent HAZOP analysis.

ii. Hazard Identification Risk Assessment Control (related to OSH)

- **Hazard Identification Risk Assessment Control ("HIRAC") for New Projects:** A HIRAC is conducted for new projects and is a prerequisite before commencing routine and non-routine work. Site supervisors who are responsible for risk assessments play a pivotal role in providing recommendations to minimise hazards.
- **Employee and Contractor Awareness:** Both our employees and contractors are expected to be well-versed in the HIRAC procedure. To reinforce awareness, HIRAC and PTW documents are distributed to employees and contractors, serving as reminders of potential hazards.
- **Preventive Measures and Root Cause Analysis:** In our commitment to preventing recurrent incidents, we identify and recommend preventative measures by leveraging identified cause-based evidence through methodologies such as the Five-Why, Failure Modes and Effects Analysis ("FMEA") and Comprehensive List of Causes ("CLC"). These analytical tools allow us to examine root causes, enabling effective preventive measures.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT SYSTEM

At LCT, we are committed to ensuring the effectiveness of our OSH management system by actively pursuing nationally and internationally recognised certifications.



MALAYSIA

- Our Malaysian operations are currently ISO 45001:2018 certified, underscoring our commitment to robust OSH practices. The OSH-related internal audits that are conducted involve all levels of employees, from Senior Management to field technical staff, ensuring ongoing compliance with the ISO standard. OSH Management System conformity and effectiveness are evaluated through a yearly audit by the certification body, further validating our commitment to safety. In FY2024, LCT successfully passed the audit, and was recertified in ISO 45001:2018 with zero non-conformities ("NCRs").
- Any identified risks are presented during the annual management review meeting of the OSH Management System. Plant SHE Committee quarterly meetings, department safety meetings and contractor safety meetings are held to identify, assess and manage unsafe acts and behaviour.
- To enhance OSH awareness, we conducted training sessions for both employees and contractors, focusing on the ISO 45001:2018 OSH Risk Assessment procedure. These sessions, delivered through physical platforms, aimed to empower our workforce with the latest safety practices. We also conducted an annual management review meeting to evaluate our OSH performance and risks.

In recognition of our outstanding OSH performance, we received the following awards:

- One (1) Gold Merit and three (3) Gold Class 1 Awards from the Malaysian Society for Occupational Safety and Health ("MSOSH").
- The annual Chief Government Security Office ("CGSO") Audit resulted in a remarkable score of 94%.

STABLE AND SAFE PLANT OPERATIONS



INDONESIA

- In Indonesia, we have recently renewed the SMK3 (OSH Management System) certificate, achieving a gold rating from the Kementerian Tenaga Kerja (Occupational Minister) for our outstanding OSH implementation. This prestigious certification is valid until 2025, reflecting our continuous dedication to maintaining exceptional OSH standards.

OUR OUTPUT – HOW WE PERFORMED

In FY2024, we achieved zero (0) fatalities across our operations in Malaysia and Indonesia. We will continue to strive towards achieving zero Lost Time Accident ("LTA") cases.

We strive to promptly respond to OSH violations. All incidents are reported by process unit within 24 hours to the Safety Department. Subsequently, an incident investigation committee is established to identify the root cause of the incident. Corrective measures will be proposed and implemented to prevent the recurrence of similar violations in the future.

PERFORMANCE DATA

Description	 Malaysia			 Indonesia		
	2022	2023	2024	2022	2023	2024
Number of work-related fatalities	0	0	0	0	0	0
Lost time incident rate	0.12	0.12	0.29	0	0	0
Number of employees trained on safety and health standards	1,467	950	867	53	51	74

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

Given the inherent nature of our operations and products, the importance of safety and health at the workplace is not only a paramount concern but also a guiding operational principle shaping our organisations' internal ethos and our relationship with external stakeholders.

Additionally, we strive to enhance our compliance to safety and health standards and regulations. We will actively pursue additional certifications to demonstrate our commitment to the highest standards of safety.

FUTURE OUTLOOK – OUR PRIORITY


Going forward, LCT will prioritise employee health and process safety to enhance our OSH measures. We established an annual target of zero (0) LTAs for all our operations. We will continue to conduct regular safety refresher training for our employees.

In addition, LCT is in the process of implementing stringent safety and health standards throughout its supply chain by undertaking initiatives to enhance contractor safety management. Simultaneously, LCT is committed to the development and provision of training for leadership roles, emphasising their responsibility in establishing and upholding safety standards. This initiative aims to bolster leadership engagement and facilitate continuous improvement in the safety management system.

LCT will also focus on heightening employees' operational awareness, by fostering the right attitude to ensure tasks are performed with precision. In the long-term, LCT plans to invest in emergency safety equipment at our plant sites, further contributing to the safety of workers in their daily tasks.




STABLE AND SAFE PLANT OPERATIONS



### SUPPLY CHAIN MANAGEMENT

A robust supply chain management is imperative for optimising our operational efficiency. We consistently evaluate our procedures and policies governing supply chain management to uphold efficiency. This ongoing review aims to identify and prioritise risks, facilitating effective monitoring and mitigation strategies.


**Contribution to the United Nations Sustainable Development Goals**



**Mapping to Our Risks and Opportunities**


- Cyclicity in Petrochemical Industry Risk
- Supply of Feedstock Risk
- Foreign Exchange Risk
- Market Risk

**Business Capitals**




**Financial Capital**

- Procurement expenditure on local suppliers across both Malaysia and Indonesia operations.



**Skilled Talent**

- Employees with an understanding on managing supply risks through demand forecast and margin impact assessment.



**Social and Relationship Capital**

- Maintaining a good relationship with all our suppliers and vendors.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

We consistently collaborate with suppliers to secure products and services that are vital to our operations. These include raw materials, packaging, machinery supplies like spare parts and consumables which are essential for maintaining our production plants. Furthermore, we partner with third-party service contractors for various needs, such as maintenance, inspections, engineering, IT and warehousing.

We actively support local economic development by promoting local procurement and sourcing from established suppliers in Malaysia and Indonesia. In line with our environmental efforts, we are exploring more efficient sourcing practices to reduce waste.

At LCT, ensuring operational continuity with minimal disruption is paramount. We mitigate risks by diversifying our sources and engaging multiple suppliers to reduce the risk of supply interruptions. Additionally, we maintain supply continuity by conducting regular inventory checks and closely monitoring delivery statuses.

To prevent delays due to shipping, we collaborate closely with suppliers on logistics arrangements and optimise buffer stocks.

POLICIES AND PROCEDURES

Our supply chain management is guided by the Supplier Code of Conduct (“SCOC”) throughout our operations.



The SCOC for the Malaysian operations outlines our expectations for suppliers and contractors to engage in responsible and ethical business practices in compliance with all relevant laws and regulations. The SCOC mandates the following:

- Prohibits forced labour and child labour – all suppliers are expected to fully comply to the employment and human rights laws and regulations, including aspects such as working hours, salary, living conditions and freedom of association.

- Commits to environmental, safety and health standards – all suppliers to comply to environmental laws, regulations and related safety standards.

We communicate our SCOC to suppliers and contractors through various channels via the Company website and email. To ensure clarity, both Bahasa Melayu and English versions are provided. For new vendors, the SCOC is included as part of the Vendor Validation Questionnaire (“VVQ”) required for registration. The SCOC is conveyed to existing vendors participating in tenders via a Bidder Declaration Form through email. Additionally, vendors participating in tenders for contracts worth over RM300,000 must acknowledge the SCOC in their Bidder Declaration Forms.

Additional requirements for LCT’s suppliers include:

- A revalidation of the declaration of interest for existing vendors submitting tender bids if the declaration exceeds one (1) year.
- Inclusion of Anti-Bribery & Anti-Corruption (“ABAC”) related questions in the VVQ and the annual Vendor Self-Assessment Questionnaire for key vendors.
- Implementation of a safety pre-evaluation checklist as part of the vendor registration process for on-site contractors.

LCT conducts screenings for new local suppliers through the Malaysian Anti-Corruption Commission (“MACC”) website to ensure compliance with anti-corruption standards. For new international suppliers, LCT performs sanction screenings and requires them to complete a sanction declaration within the VVQ form. Additionally, both MACC and sanction screenings are applied to bidders participating in contracts valued at RM300,000 or above. Beyond these screenings, LCT has enhanced its evaluation of the financial stability of new suppliers and tender bidders, aiming to partner only with those who are financially robust and reliable.

Additionally, LCT continues to adopt its e-procurement system that was implemented in FY2023 to digitalise LCT’s value chain processes and reduce paper wastage. The transition has been smooth overall and LCT strives to implement bidding by e-procurement for all purchases moving forward.

STABLE AND SAFE PLANT OPERATIONS



In our operations in Indonesia, suppliers must adhere to the specified clauses in the Business Ethics & Code of Conduct (“BECOC”) and Program Penilaian Peringkat Kinerja Perusahaan (“PROPER”) Guidelines. Compliance with these guidelines ensures adherence to policies related to human rights, forced labour and non-discrimination. Furthermore, we routinely assess the compliance status of our Indonesian suppliers using the sanctions search website.

SUPPLIER ASSESSMENT

Apart from conveying our expectations to new suppliers, we consistently evaluate the practices of our existing suppliers to verify their alignment with our values.

We routinely conduct supplier performance reviews, assessing suppliers based on a set of criteria that encompass Environmental, Social and Governance (“ESG”) considerations in addition to evaluating their performance in key areas such as price, quality, service, delivery, documentation and safety compliance. Furthermore, we conduct due diligence reviews on potential new suppliers through risk assessments. There were no instances of non-compliance identified through our regular supplier audits for both our Malaysian and Indonesian operations, in the year under review.



In Malaysia, new potential suppliers are assessed on their quality, SHE, ABAC, governance, risk management and conflict of interest standards. LCT also conducts affiliate checking on new suppliers.

For our current selected key suppliers, we mandated the completion of a supplier self-assessment questionnaire. This questionnaire covers various aspects, including ESG considerations such as Greenhouse Gas Emissions (“GHG”), quality management systems, governance, legal and compliance, human rights, supplier management and risk management.



Within our operations in Indonesia, existing suppliers and vendors must complete a questionnaire to evaluate their adherence to regulatory requirements. Additionally, we conduct annual supplier audits, selecting suppliers based on supplier’s grouping of chemical, mechanical, electric, project and consumables. Two (2) suppliers from each group are selected for the audit and are assessed on quality, raw material control, certification and traceability.

VENDOR MANAGEMENT

We actively employ measures to oversee and conduct thorough assessments of all our vendors, including contractors. LCT conducted the following due diligence activities:

- **New Vendors:** In FY2024, all 65 new vendors were required to complete a declaration form to confirm their compliance with LCT’s established standards and policies.
- **Assessment and Reassessment:** LCT’s vendor assessment process is ongoing, with a target to reassess existing vendors every three (3) years. Since August 2023, a total of 629 declarations have been collected, encompassing both new and existing vendors, to ensure continued adherence to our standards and policies.

- **Site Visits:** In FY2024, LCT conducted site visits for two (2) selected vendors, including one (1) contractor and one (1) scrap collector. Vendors undergoing site visits were required to complete a questionnaire, covering areas such as quality, safety, environment, governance and legal and compliance. The responses provided during the assessment were verified on-site by LCT’s Person-In-Charge (“PIC”).

Additionally, new on-site contractors must complete a safety pre-evaluation checklist during the vendor registration process, with additional criteria on anti-corruption, sanction declaration and financial conditions. Furthermore, contractors are required to submit a form affirming the adequacy of their SHE procedures. Failure to meet these requirements results in the non-engagement of potential contractors. In FY2024, LCT’s Safety Team reviewed and updated the contractor safety management procedure to ensure continuous improvement and compliance with the latest regulations.

In Indonesia, two (2) vendor site visits were jointly conducted with the user and SHE to assess the vendor’s equipment, performance and safety. There were no instances of non-compliance identified during the vendor due diligence process, in the year under review.

VENDORS’ CAPABILITY TRAINING

At LCT, safety is a top priority. We require all contractors to adhere to stringent safety, environmental and health standards, implementing best practices to ensure service delivery. This commitment is reinforced through LCT’s safety training sessions and compulsory supplier meetings, where contractors gain insight into our expectations. These sessions also provide valuable opportunities for feedback, helping us understand the challenges contractors face in meeting our standards.



To keep our vendors well-informed about the new systems and processes in place, guidelines on LCT’s e-procurement system and new vendor registration have been disseminated to all vendors.

Furthermore, material suppliers have been briefed on the practices and procedures for handling chemical spills during transit to enhance their awareness and response capabilities. Our commitment to keeping our suppliers informed on the latest information underscores our dedication to maintaining a seamless and efficient collaboration.



In our Indonesian operations, safety training sessions are key to the bidding process for contractors, given the escalating restrictions on safety requirements. LCT is committed to verifying contractors’ certifications in safety training to ensure their eligibility before a contract is awarded.



STABLE AND SAFE PLANT OPERATIONS

SECURE FEEDSTOCK SUPPLY

LCT’s feedstock supply is mainly sourced from the regions of Asia, the Middle East and Europe. To safeguard our feedstock supply and mitigate supply chain disruptions, we implemented the following measures:

- **Spot Pricing** – to maintain cost-effectiveness throughout our supply chain, we employ spot pricing for short-term price advantages and establish long-term supply contracts with a pre-determined pricing formula based on market prices. Price counting is distributed to mitigate the impact of market volatility.
- **Compliance with Import/Export Regulations** – our Malaysian and Indonesian operations actively engage with regulators to ensure efficient customs clearance processes for the import/export of materials.
- **Recognition of Supply Chain Risks** – we have identified and addressed potential risks in our Risk Register, accompanied by relevant action plans and emergency procedures.
- **Petrochemical Market Risks** – recognising the cyclical nature of the petrochemical market and the related feedstock and product price volatility, we ensure that there is optimal buffer stock in our operations and maintain close communication with suppliers to minimise any potential supply chain disruptions.

OUR OUTPUT – HOW WE PERFORMED

Total Number of Suppliers

LCT strives to maintain cost-effectiveness of our supplier base through ongoing collaboration with local vendors.

Number of suppliers appointed	2022		2023		2024	
	MY	IN	MY	IN	MY	IN
Local suppliers	635	332	608	361	603	339
Foreign suppliers	143	36	152	46	128	30
Total	778	368	760	407	731	369
Percentage of local suppliers	82%	90%	80%	89%	82%	92%
Percentage of foreign suppliers	18%	10%	20%	11%	18%	8%

Note: MY = Malaysia Operations, IN = Indonesia Operations.  
Note: The data excludes feedstock suppliers.

New Suppliers

Number of new suppliers	2022	2023	2024
Malaysia	63	73	65
Indonesia	52	71	53
Total	115	144	118

Note: The data excludes feedstock suppliers.

Amount of Expenditure for Suppliers

Value of Expenditure	2022 (RM Million)		2023 (RM Million)		2024 (RM Million)	
	MY	IN	MY	IN	MY	IN
Local suppliers	451	145	343	172	389	129
Foreign suppliers	173	25	156	32	66	27
Total	624	170	499	204	455	156
Proportion of spending on local suppliers	72%	85%	69%	84%	86%	83%

Note: The data excludes feedstock suppliers.

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

We enhanced our supply chain processes by shortening delivery times and achieving cost reductions. In doing so, we have offered contract terms to suppliers, enabling us to enjoy flexibility in switching suppliers based on supply availability and prices.

In addition, we actively support our suppliers in upholding safety and health standards through regular safety training sessions and meetings. In FY2024, we supported the turnaround for spare part purchase and engaged contractors for major plant equipment cleaning, repair and overhaul services.

FUTURE OUTLOOK – OUR PRIORITY

Going forward, LCT aims to increase its engagement in supply chain management by fostering close communication with key major suppliers. We will strengthen our supply chain resilience by diversifying the sourcing of suppliers and vendors. This will help reduce the risk of supply disruptions during both production and maintenance activities.

STABLE AND SAFE PLANT OPERATIONS



SUSTAINABLE MANUFACTURING AND PRODUCT QUALITY

Our commitment to business sustainability empowers us to capitalise on stable and safe plant operation, ensuring long-term business viability.

Contribution to the United Nations Sustainable Development Goals



Mapping to Our Risks and Opportunities

- Cyclicality in Petrochemical Industry Risk
- Operation Risk

Business Capitals



- Financial Capital**
- Investment in maintaining a stable and safe plant operation and management system.



- Manufactured Capital**
- Existing infrastructure, machineries and systems used at production site.



- Natural Capital**
- Utilise various natural and manufactured resources in the production process such as naphtha, hydrogen gas, water and electricity.



- Skilled Talent**
- A team of highly qualified employees who specialise in research and development.



- Intellectual Capital**
- Leveraging the expertise and knowledge from our resourceful manufacturing and technical workforce.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

Our Day-to-day Manufacturing Process

LCT prioritises operational excellence in daily manufacturing by regularly improving our machinery for enhanced output. We conduct preventive maintenance to minimise equipment breakdown risks and gradually upgrade existing machinery for optimal performance.

Safety is paramount to our operations; we cascade necessary measures to protect our workers. Our Malaysian facilities comply with the Occupational Safety and Health (Amendment) Act 2022. Compliance is ensured through periodic maintenance, machinery refurbishment and risk-based inspection programmes.

Plant Enhancement Initiatives

Efforts to increase operational efficiency

We continue to implement various improvements and cost savings initiatives. This involves carrying out regular maintenance, refurbishing and modifying machinery and equipment.



MALAYSIA

In our aim to maintain stable and safe plant operations, we completed the upgrading and enhancement of our facilities with the Emergency Shutdown System (“ESD”) and Distributed Control System (“DCS”) in FY2024. These improvements aim to safeguard existing facilities and ensure employee safety during operational emergencies, enhancing the control and monitoring of operational stability within the production plants.

With the implementation of Operator Training Simulator (“OTS”) in the Naphtha Cracker Plant 2 (“NC-2”), the OTS helps in training new operators, refining the skills and knowledge of existing operators and boosting their confidence for smoother plant start-ups and shutdowns. The OTS has also contributed to reducing abnormal situations, trips and other untoward incidents at the plant.



INDONESIA

In FY2024, following the successful completion of the TA in 2023, our Indonesia operations prioritised stable and safe plant operation at the PE-1, PE-2 and PE-3 plants.

Additionally, LCT undertook several projects aimed at enhancing reliability to ensure stable operations:

- Replacement of the Gear Pump for Extruder-1 to enhance reliability and product quality.
- Acquisition of a new X-Ray Fluorescence (“XRF”) Spectrometer to ensure product quality, replacing the outdated model with obsolete spare parts.
- Installation of an additional plate heat exchanger in PE-3 to optimise the cooling system and support high-capacity operations.



STABLE AND SAFE PLANT OPERATIONS

PRODUCT QUALITY ASSURANCE

We are committed to upholding the highest quality standards in our operations, ensuring every product undergoes regular quality assessments and meets customer expectations.



Our operations in Malaysia remain guided by the Quality Policy and Quality Principle. Our quality management system aligns with the ISO9001:2015 Quality Management System, enabling us to conduct Quality Control (“QC”) tests in compliance to international standards and licensors’ method statements, ensuring the delivery of excellence.

As part of our quality management system, we executed the following initiatives:

- An annual audit conducted by the external certification bodies to ensure compliance with ISO Standards – this assessment encompasses operational control of organisational processes, internal auditing, management review and management responsibility for organisational policies.
- Designated facilities in Malaysia performed QC testing on our products – for feedstock and petrochemical products, QC tests are performed in a monomer laboratory and two (2) polymer laboratories. Rigorous QC procedures were implemented at each stage, from feedstock to in-process products, extending to final monomer and polymer products while QC tests are conducted on all monomer products and all grades of polymers, in accordance with product specifications and international standard methods.
- Conducted quality tests on our products in our Malaysian operations, with resampling in the event of discrepancies in specifications – in our QC process, close communication with the Technical Services (“TS”) and Production Departments ensured proper coordination before products are bagged, ensuring the delivery of quality products.
- Purchased new equipment – including melt index analysers to enhance production quality and efficiency.



In our Indonesian operations, we proactively conducted regular quality checks and consistently upgraded our equipment to attain the highest production standards. Our commitment to sustaining high-quality performance and elevating customer satisfaction is reflected in our customer satisfaction surveys, distributed via email. Additionally, we monitor the effectiveness of our production processes through regular surveys and ensure our employees participate in refresher training courses to uphold stringent quality control.

PRODUCT RESPONSIBILITY AND INNOVATION

Product responsibility and innovation are two (2) critical imperatives in our approach towards creating real change in sustainable production and consumption of our products that have positive impacts on society and the environment. The synergy between innovation and our steadfast commitment to product responsibility shapes our business sustainability and drives our competitive edge to deliver customer satisfaction and value.

TECHNICAL SERVICES AND SUPPORT

Our Plastic Technical Centre (“PTC”) in Malaysia and the Technical Service and Product Development (“TSPD”) Department in Indonesia offer extensive customer support for product applications, development, production consultancy and technical training. The majority of our customers are local Small and Medium-sized Enterprises (“SMEs”). To strengthen collaborations and elevate the knowledge and expertise of our customers, our PTC conduct partnership programmes by request. These programmes focus on new applications, product developments and enhancements in quality and productivity. Meanwhile in Indonesia, our TSPD Partnership programme focuses on modification on properties of existing product.



In FY2024, the PTC team from our Malaysian operations provided training for 138 employees from 17 customers, enhancing their product and market knowledge while boosting production output and product performance. The training programmes covering topics such as fabrication and product development. Moving forward we plan to continue this effort by offering diverse training courses based on customers’ requests, including new initiatives, like training on new products.

Additionally, we responded to 61 lab analysis requests, aiding customers in market development and troubleshooting.



Our operations in Indonesia maintain customer engagement through periodic visits, adhering to safety and health protocols and conducting technical training and sharing sessions. This reflects our appreciation to our customers and strengthens customer relations.

CONTRIBUTION TO THE PETROCHEMICAL INDUSTRY



In our Malaysian operations, our PTC provides technical support to local government entities, Non-Governmental Organisations (“NGOs”), schools and industry associations, such as the Malaysian Plastics Manufacturers Association (“MPMA”) and the Malaysia Petrochemicals Association (“MPA”)– Plastics Resin Producers Group (“MPAPRPG”).

In the year under review, LCT has participated in industry discussions:

- Participated in Post Council session for Solid Waste Management Technical Working Group under National Circular Economy Council (“NCEC”) on the utilisation of Material Flow Analysis (“MFA”) for plastic to calculate the national recycling rate and way forward.
- Participated in the National Standards Committee on Plastic and Plastic Products (NSC10, NSC 10/TC3 and NSC10/TC5).
- Participated as committee member for technical committee and video competition to support the MPA Technical Sustainability Seminar 2024 to create awareness in public on the sustainable approach in plastic industry.
- Supported MPMA International Plastics Conference (“MIPC”) 2024 by attending as a participant.

STABLE AND SAFE PLANT OPERATIONS

LCT was invited by the MPMA Johor Branch to take part in the annual Johor Bahru Chingay Festival, a century-old festival, on 29 February 2024. The objective was to promote “A Litter Free Chingay”. More than 20 volunteers from LCT, MPMA and other plastic manufacturers were stationed at four (4) different locations along the Chingay route. Each station was equipped with bins for recyclables, non-recyclables and food waste, to educate the public on the proper segregation and disposal of rubbish. Banners and signages were raised along the road to catch the attention of public to promote 3R awareness.

On 22 June 2024, 25 volunteers from LCT participated in a beach cleanup at Desaru Public Beach. This initiative focused on removing plastic waste and general waste from the shoreline, helping to restore the beach and promote a cleaner environment. The effort not only contributed to preserve the environment but it also raised awareness among the participants and community about the importance of protecting our beaches from pollutants.



In Indonesia, LCT supported initiatives through its membership in the Asosiasi Industri Plastik (“INAPLAS”) Indonesia and contributed to the AllPack Indonesia 2024 Exhibition by providing consultations and hosting a seminar.

POLICY/LAWS AND COMPLIANCE

For our Malaysian operations, customers can easily access our Product Guide Status through our Company website and request product certificates. Our online system also allows for the self-preparation of specific chemicals and ensures regulatory compliance, tailored to meet individual needs.

In Indonesia, we rigorously assessed 100% of our products for compliance with the Restriction of Hazardous Substances (“RoHS”). Furthermore, we conducted migration tests in alignment with Commission Regulation (EU) 2016/1416, focusing on plastic materials and articles intended for food contact.

Refer to ‘Our Products and Quality’ in Section 1 for the list of certifications received by LCT.

OUR OUTPUT – HOW WE PERFORMED

We are steadfast in our efforts to prevent any unscheduled plant shutdowns and safety incidents, aiming to maintain stable and safe plant operations.

a) Total Production Volume (KT)

Year	Malaysia	Indonesia
2022	2,382	361
2023	2,052	331
2024	1,714	330

b) Plant Utilisation (%)

Year	Malaysia	Indonesia
2022	76%	80%
2023	66%	74%
2024	55%	73%

c) Product Quality Assessment on Safety and Health

	Number of Products Tested in Year 2024	
Type of Assessment	Malaysia	Indonesia
1	15 <sup>(1)</sup>	58 <sup>(3)</sup>
2	39 <sup>(2)</sup>	58 <sup>(4)</sup>

Notes:

1. ROHS for compliance Directive (EU) 2015/863.  
Products tested: HDPE (3 grades), LDPE (1 grades), PP (11 grades).  
Remark: One PP grade was not tested due to no production.
2. FDA Internal Analysis.  
Product tested: HDPE (10 grades), LDPE (9 grades), PP (20 grades).
3. ROHS for compliance Directive (EU) 2015/863.  
Products tested: HDPE (31 grades), LLDPE (27 grades).
4. Migration Test for compliance Commission Regulation (EU) No.10/2011.  
Product tested: HDPE (31 grades), LLDPE (27 grades).

d) Incidents of Non-Compliance of Products and Services related to the Safety and Health

There were zero reported cases of non-compliance in relation to safety and health throughout our operations in Malaysia and Indonesia, in the year under review.

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS


We continue to enhance operational efficiency and optimise resource utilisation. Our focus remains on sustainable manufacturing, product quality and maintaining high standards of safety and health across our processes.

FUTURE OUTLOOK – OUR PRIORITY

We remain dedicated to process integration and continuous improvement to support stable and safe plant operations. This includes maintaining equipment and systems to enhance efficiency while reducing the risk of disruptions. Additionally, LCT remains focused on managing long-term operational costs, improving product quality and mitigating operational risks.



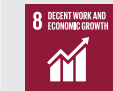
BUSINESS SUSTAINABILITY



### CUSTOMER VALUE CREATION

Customer engagement is crucial for fostering collaborative partnerships that drive value creation and enhance business competitiveness. We view our customers as key partners who contribute to our innovative processes.


**Contribution to the United Nations Sustainable Development Goals**



**Mapping to Our Risks and Opportunities**


- Supply of Feedstock Risk
- Market Risk – Competition

**Business Capitals**




**Skilled Talent**

- A dedicated sales and marketing team to ensure we exceed customers' expectations.




**Social and Relationship Capital**

- Strong relationships with our customers based on trust and ethical business practices.



**Manufactured Capital**

- Leverage the expertise and knowledge from our resourceful manufacturing and technical workforce to collaborate with our customers to develop and diversify our products.



**Intellectual Capital**

- Collaborate with business partners, utilising our combined areas of expertise to develop new products and diversify applications of our existing products.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

Building and sustaining positive customer relationships remains a top priority in delivering products and services that exceed expectations. We continue to disseminate information through various communication platforms, with initiatives in Customer Management, Customer Engagement, Customer Partnership Initiatives and Customer Satisfaction Survey.

CUSTOMER MANAGEMENT

Effective customer management is vital to ensuring customer satisfaction, understanding their evolving needs and building long-term relationships that are essential for our sustained business growth.

The Sales, PTC, Quality Management, Operations and Logistics Departments have oversight of our customer management in Malaysia. They work closely with the Production Department in planning and coordinating delivery arrangements, managing after-sales services and addressing technical queries or customer complaints. During the year, we received 38 enquiries regarding quality and physical issues, including those related to visual appearance and packaging matters.

Our new employees from Sales and Technical Services are obliged to attend product training sessions to improve their proficiency in addressing customer product enquiries. Meanwhile, ongoing coaching programmes were conducted to consistently elevate job competency. We also organised additional training sessions with our additive vendors, assisting our Technical Service Engineers in enhancing their understanding of current and emerging technologies and their impact on our products.

At LCT Indonesia, Customer Management, which includes domestic sales, exports and technical services, falls under the purview of the Commercial Department. We provide training sessions to enhance our customers' technical expertise, aiding them with ISO and other standards audits. Additionally, all employees are mandated to undergo annual compulsory training in product knowledge pertaining to production and procurement.

CUSTOMER ENGAGEMENT

We continue to preserve our relationship with our customers by regularly engaging with them and serving their needs.

We engage with our customers through regular site visits and annual gatherings for domestic customers while virtual meetings are held for export customers. Additionally, LCT connects with export customers annually in global events such as the leading plastic and rubber exhibition, CHINAPLAS.

During these engagements, we introduce innovative products that leverage technological advancements to enhance operational efficiency. We also gather feedback and share insights with the respective departments for continuous improvements.

This year, PTC conducted a total of 149 customer engagements, strengthening our relationships and providing valuable insights to enhance our offerings.

LCT Indonesia conducted physical engagements with customers to boost rapport. Site visits were organised to gather and share insights while physical training sessions were held to share product knowledge and technical competency.

CUSTOMER PARTNERSHIP INITIATIVES

Building strong partnerships with our customers enables us to deliver tailored solutions through our products and services. By collaborating with industry players, we develop innovative, industry-driven solutions that support mutual growth. These partnerships expand our capabilities, address diverse market needs and create shared value for all stakeholders. Our focus on forging strong customer relationships enables us to improve our offerings and provide effective solutions, helping our customers remain competitive in their respective industries.

Notably, we work with our business partners to source locally produced goods, aiming to achieve cost-effectiveness and ease in logistics.

In 2024, LCT has continued to explore sustainable innovation through strategic collaborations with valued customers that showcase PB210, LCT's biodegradable polypropylene resin. These partnerships, including a significant collaboration with a leading food container manufacturer in Johor Bahru, resulted in the fabrication of 10,000 biodegradable food containers featured at the Majlis Bandaraya Pasir Gudang ("MBPG") Green Dinamika event at Pasir Gudang. This initiative aligns with both organisations' dedication to reducing environmental impact through responsible material choices. Similarly, LCT has also collaborated with another local fabricator of packaging products to produce 45,000 biodegradable food containers, which were then integrated into LCT's in-house cafeteria operations. By incorporating PB210 containers into daily cafeteria operations, LCT has set an internal benchmark for adopting biodegradable solutions that contribute to a greener workplace. With these collaborations, LCT is paving the way for scalable, sustainable solutions that provide lasting value to both our customers and the environment.

Looking ahead, LCT remains committed to working closely with supply chain partners and industry stakeholders to create a sustainable ecosystem for mechanical post-consumer recycling in plastic product. LCT has been actively helping our clients to meet their sustainability goals while providing competitive and high-quality products that meet the rigorous standards of today's industries through the mechanical Post-Consumer Recycling ("mPCR") approach. This year, we have successfully developed one (1) new mPCR grade for pail application in response to customer demand for sustainable manufacturing. From the test and trial outcome, the product grade met the quality performance required and has similar impact properties as compared to virgin resin.

The growth of the biodegradable polypropylene resin and mPCR segment will largely depend on market interest and potential regulatory support. Given the current challenges, LCT will continue to explore opportunities to enhance product quality and expand business partnerships while monitoring market demand for sustainable solutions.

STRATEGY PILLAR 2



BUSINESS SUSTAINABILITY

OUTPUT – HOW WE PERFORMED

Turnover for Customer Service

We strive to address all customer feedback promptly. Upon receiving feedback, we engage the relevant internal departments internally to ensure effective resolution of any issues.

Customer complaints/feedback received

Types of Complaints	Number of Complaints	
	 Malaysia	 Indonesia
Resolved Complaints	38	12
Unresolved Complaints	0	0
Total number of Complaints received in FY2024	38	12

In FY2024, our Malaysian and Indonesian operations received complaints primarily related to visual appearance and packaging of products, specifically related to handling during transportation. These complaints were addressed following our Customer Complaint Handling Procedure, with process controls improved and material replacements made after investigation. At LCT Indonesia, complaints mainly concerned product appearance. Investigations were conducted to resolve the issues, and appropriate measures implemented to address the concerns.



We have successfully resolved all complaints from both countries within the targeted response time of three (3) working days and will continue to work towards accomplishing zero (0) customer complaints while ensuring that any complaints received are effectively resolved.

Customer Satisfaction Survey

We conduct our annual Customer Satisfaction Survey to measure our customers' satisfaction level with our products and services. The survey is carried out with our domestic and international customers from various portfolios to provide a comprehensive view of our performance. The results from the survey offer us insights to improve and strengthen our relationships with our customers.

In Malaysia, a total of 182 customers, comprising 81 domestic and 101 export customers, participated in our survey, which revealed a 100% satisfaction rating. In Indonesia, 45 customers participated, and a 99% satisfaction rating was recorded. The ratings were applicable to LCT's product quality, response and communication, technical services, product development/improvement, shipping and delivery and supply reliability.

LCT takes low ratings seriously as we cascade the results to relevant departments to understand and address the area of dissatisfaction.

Year	 Malaysia	 Indonesia
2022	100%	97%
2023	100%	95%
2024	100%	99%

52 LOTTE CHEMICAL TITAN HOLDING BERHAD

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BUSINESS SUSTAINABILITY

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

Our customer engagement stems from a proactive approach focused on prioritising customers' needs, fostering trust and enhancing loyalty. Despite challenges in the overall market in FY2024, including increased supply from China and other Southeast Asian countries, LCT maintained customer loyalty by upholding high service standards and promptly addressing feedback and complaints. Through robust partnerships, we aim to bolster customer confidence by continuously improving our products to remain competitive in the market.

FUTURE OUTLOOK – OUR PRIORITY

LCT remains committed to sustainable growth by focusing on resource efficiency, product quality and customer relationships. Moving forward, we will prioritise business sustainability, explore opportunities for sustainable product development and strengthen customer engagement through ongoing interactions and market monitoring.



BUSINESS SUSTAINABILITY



BUSINESS DEVELOPMENT

The global business environment remains challenging, with geopolitical uncertainties and market fluctuations impacting the petrochemical industry. The rapid expansion of global petrochemical capacity has outpaced demand growth, leading to persistent oversupply and affecting our business performance. In response, LCT remains committed to sustaining its business through operational efficiency and strategic adaptability.

Contribution to the United Nations Sustainable Development Goals



Mapping to Our Risks and Opportunities

- Cyclicity in Petrochemical Industry Risk
- Market Risk – Competition
- Project Risk

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

The uncertainty in the global business environment is expected to persist, influenced by factors such as inflationary pressures, government sanctions, regulatory changes and market oversupply. Despite these challenges, LCT continues to monitor developments closely while seeking opportunities to strengthen its position.

In this context, the LOTTE Chemical Indonesia New Ethylene (“LINE”) Project in Merak, Indonesia, is expected to be completed this year. LCT will continue to assess domestic and regional market dynamics to ensure a smooth transition to commercial operations.

OUTPUT – HOW WE PERFORMED

LCT will continuously assess market conditions to maintain strategic alignment and operational readiness for its development projects.



Business Capitals



Financial Capital

- We remain focused on prudent financial management to ensure liquidity and long-term stability.



Skilled Talent

- Our experienced leadership and skilled workforce are key to navigating challenges and driving project execution.



Social and Relationship Capital

- Strong partnerships with government bodies, business partners, suppliers, customers and local communities support our operational resilience and growth.

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS


LCT remains committed to business sustainability by closely monitoring financial stability, market dynamics and regulatory changes. The Company continues to explore opportunities for operational improvements and long-term resilience.

FUTURE OUTLOOK – OUR PRIORITY

Moving forward, LCT will adapt its business model to evolving market conditions, balancing growth opportunities with prudent risk management to sustain operations and navigate industry challenges effectively.







ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



### ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE

As a lifetime value creator, we are committed to reducing our environmental impacts and addressing climate change. We focus on efficient operations, complying with local regulations and optimising processes to minimise emissions and waste.

**Contribution to the United Nations Sustainable Development Goals**



**Mapping to Our Risks and Opportunities**

- Operational Risk
- Compliance Risk – Safety, Health and Environment

**Business Capitals**

**Financial Capital**

- Invested in environmental facilities and environmental systems to maintain regulatory compliance, mitigate risks and improve operational efficiency.

**Natural Capital**

- We utilise natural resources such as water and natural gas in our manufacturing processes. We are also guided by environmental policies, guidelines and accreditations in our approach to environmental sustainability management.


**Skilled Talent**

- Employed a diverse team to oversee environmental monitoring, ensure compliance and drive continuous improvement.


OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

All our manufacturing activities fully comply with the ISO 14001:2015 Environmental Management System standard. We are committed to maintaining full compliance with ISO 14001 for all Olefins and Derivatives and Polymers’ products manufacturing processes.


Additionally, we have taken the following measures:

- 

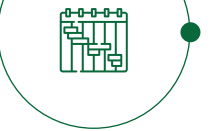
Adhered to local authorities’ requirements, including the Department of Environment in Malaysia and the Department of Environmental and Forestry in Indonesia



Participated in the PROPER programme for our operations in Indonesia



Stayed informed on the latest requirements and technical knowledge in environmental management




Organised annual technical and external training to enhance the knowledge of our employees on our environmental management system

WASTE MANAGEMENT

Our waste management in Malaysian and Indonesian plants are regularly overseen by the respective Environment and Operation Departments. They manage the monitoring, management and disposal of our industrial and general waste.


ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



### INDONESIA

In Indonesia, we maintain our waste management practices in compliance to the Environment Management Performance Rating/ Program Penilaian Peringkat Kinerja Perusahaan (“PROPER”) Guidelines and Environmental Law No. 22/2021 on Environmental Protection and Management.


**WATER MANAGEMENT**



### MALAYSIA

In our Malaysian operations, the Environment Department is responsible for ensuring compliance and overseeing the monitoring of water treatment facilities. Meanwhile, the Manufacturing Department operates the treatment systems and ensures performance monitoring is conducted for each processing unit.

We maintained sufficient water for internal use, enabling uninterrupted plant operations for over 48 hours in accordance with the Water Services Industry Act 2006 (Water Reticulation and Plumbing) Rules 2014.




### INDONESIA

The Health, Safety and Environment (“HSE”) Department and Production Department oversee our water management initiatives at our operations in Indonesia. The HSE Department is responsible for regular reporting to the government as mandated. Our Indonesian operations currently adhere to the requirements outlined in PERMEN LHK No. 1/2021 at PROPER. In FY2024, we continued implementing the following water recycling systems:

- Recycle Coal Boiler Wet Ash Water:** Our current coal boiler system utilises a wet ash conveyor system that uses water to cool coal ash post-combustion. We continue to implement a sedimentation process to separate water from the coal ash, enabling the water to be recycled in our coal boiler system. We also use high-quality coal with less bottom ash and fly ash.
  - Utilise Prepolymer Drier Cooling Water for Fire Water Tank:** In the manufacturing processes of our PE-1 and PE-2 plants, we employ prepolymerisation reactors to produce catalysts. This process includes the utilisation of cooling water for the prepolymerisation drying process. The resulting by-product, demineralised water, is recycled for the fire water tank.
- In addition, we executed the following initiatives to reduce our water consumption:
- Reduced the operating hours for the coal boiler in our production plant, leading to a reduction in the consumption of cooling water from the bottom ash cooler.
  - Set up an on-site in-house lab to enhance monitoring and treatment processes.
  - Regularly monitored our wastewater data to ensure consistent long-term water management.
  - Conducted daily checks on industrial and domestic wastewater levels to ensure compliance to regulatory requirements. Furthermore, a third party has been engaged to monitor quality levels in compliance to local government requirements.

- Conducted checks on all potable and demineralised water network to identify any potential leaks.
- Improved boiler quality, allowing for the operation of a single boiler.


AIR EMISSIONS AND CARBON EMISSIONS



### MALAYSIA

In our Malaysian operations, the Environment and Operation Departments oversee the monitoring of air emissions and performance. They are tasked with conducting emissions monitoring, ensuring compliance with environmental regulations and periodically reporting these emissions to the government in line with the national Environmental Management Plan (“EMP”) requirements. The following measures have been implemented to monitor our emissions:

- Implemented a Continuous Emission Monitoring System (“CEMS”) and Predictive Emission Monitoring System (“PEMS”) for all our boilers and Heat Recovery Steam Generators (“HRSG”) respectively. The CEMS and PEMS allow continuous, 24-hour online monitoring of the boilers and Heat Recovery Steam Generators (“HRSG”). Emissions reported by the CEMS and PEMS remained within the acceptable thresholds as per DOE’s guidelines. Established online data connection to DOE’s i-Remote to facilitate DOE’s monitoring.
- Conducted regular noise and vibration inspections and assessments during heavy flaring at boundary and residential areas to ensure our emissions are within acceptable limits. These inspections are carried out by a third-party accredited laboratory.
- Monitored Volatile Organic Compound (“VOC”) readings every six (6) hours at 13 of our locations to ensure smooth and safe operations.
- Additional VOC Photo Ionisation Detector (“PID”) equipment to monitor VOC levels around our Tanjung Langsat plant vicinity is in progress of installation, with completion expected by the end of April 2025.
- Modified four (4) Air Pollution Control Systems (“APCS”) for more effective control of emissions.



### INDONESIA

In Indonesia, the HSE Department and Risk Department oversee the monitoring of air emissions and performance. We have implemented the following initiatives to minimise our environmental impacts:

- Operated an Ethylene Recovery Unit (“ERU”) to mitigate GHG emissions by capturing hydrocarbons from plant flares.
- Collaborated with independent third-party assessors to measure the VOC levels in the plant vicinity.
- Submitted reports of GHG emission levels from boilers and plant flares to the Ministry of Environmental and Forestry every six (6) months, in compliance with Indonesian regulations.
- Conducted regular maintenance on our recycled gas compressor equipment.
- Installed solar panels for LCT Merak office to decrease carbon emissions.
- Submitted Liquefied Petroleum Gas (“LPG”) forklifts to electric forklifts in Merak plant.
- Switched to electric forklifts from diesel forklifts.
- Demolished incinerator used for burning waste to reduce the release of waste gases.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

ENERGY MANAGEMENT



MALAYSIA

Our Technical Department currently oversees the energy usage of our Malaysian operations. Their responsibilities include optimising energy consumption in plant operations and developing action plans to implement energy–saving opportunities.



INDONESIA

In Indonesia, the Energy Management Task Force Team, comprising the Technical, Operations, Maintenance and HSE Departments, oversee energy management. We have obtained an Energy Audit Certificate from the Department of Energy and Mineral Resources, complying with the Indonesian regulations established for the implementation of our energy management system.

ENVIRONMENTAL–RELATED TRAINING AND CAPACITY BUILDING



MALAYSIA

In our Malaysian operations, we identified enhancements in environmental compliance through on–site observations, focusing on SW Management, clean air regulations, effluent discharge compliance and the implementation of environmental aspects and impacts.

As part of our environmental training initiatives, we engaged external consultants and organised in–house training sessions for our employees. We have implemented several procedures to enhance employee capabilities and optimise our operations:

- **Training for Contractor Environmental Officers:** During turnaround periods, we prioritise specialised training for Contractor Environmental Officers to minimise major incidents related to environmental management and enhance the overall effectiveness of our scheduled waste management practices.
- **Environmental Risk Assessments (“ERA”):** We frequently conduct ERAs involving our operations, maintenance, environment teams and contractors. This ensures the identification of all environmental aspects and impacts well before the commencement of any plant activities, enabling immediate corrective actions in case of environmental risk issues.
- **Competency–based Training:** Our employees undergo a range of competency–based training programmes covering modules such as SW Management (“CePSWaM”), Industrial Effluent Treatment (“CePIETSO–PCP”, “CePIETSO–BP”) and Scrubber and Bag Filter Operation (“CePSO”, “CeFBFO”). These programmes equip our employees with the skills and knowledge necessary for responsible and compliant operations within their respective fields.
- **Training on Environmental Management Systems:** Employees at our Pasir Gudang and Tanjung Langsat operations receive training on Environmental Management Systems, equipping them with knowledge to implement and maintain environmentally sustainable practices, demonstrating our commitment to robust environmental management practices.
- **In–House Training Modules:** Our in–house training approach encompasses diverse modules, covering areas such as SHE Committee, Incident Investigation, TRANSFORM’s Root Cause Analysis (“RCA”), OSH Awareness, Noise Exposure Regulations 2019 and Incident Command System.
- **Quarterly Competent Person Meeting:** In FY2024, we initiated the quarterly Competent Person Meeting to foster teamwork, synergy and information sharing. The meeting focuses on regulatory updates, best practices, discussions and performance monitoring.



INDONESIA

In our Indonesian operations, we conduct training programmes focused on environmental protection, to establish effective pollution control methods.

- **Environmental Training:** To facilitate environmental management, LCT delegates personnel to participate in training on air pollution control and prevention, hazardous waste management, ISO14001 environmental management and water pollution control.
- **ERA:** LCT consistently conducts ERA across all tasks in every department. These assessments are carried out regularly and are updated to reflect the latest regulations, with a focus on identifying aspects and environmental impacts.

OUR OUTPUT – HOW WE PERFORMED

Energy Consumption

In line with global climate goals, we track and manage energy consumption, aiming for continuous improvement across our plants to address challenges encompassing climate change, energy security and competitiveness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



MALAYSIA

Energy Consumption	Units	2022	2023	2024
Natural gas <sup>(a)</sup>	MW	197	162	150
Fuel gas <sup>(b)</sup>	MW	808	622	564
Purchased electricity <sup>(c)</sup>	MW	39	45	41
Total energy consumption	MW	1,044	829	755
Production	Kilotonnes (kT)	2,382	2,052	1,714
Energy intensity	MW/kT	0.44	0.40	0.44



INDONESIA

Energy Consumption	Units	2022	2023	2024
Natural gas <sup>(a)</sup>	MW	1.58	2.30	4.44
Coal	MW	2.44	2.05	1.46
Fuel gas	MW	0.14	0.11	-
Purchased electricity <sup>(c)</sup>	MW	24.93	23.26	23.86
Total energy consumption	MW	29.09	27.72	29.76
Production	Kilotonnes (kT)	361	331	330
Energy intensity	MW/kT	0.08	0.08	0.09

Notes:

- <sup>(a)</sup> Natural gas consumption covers data from boilers and gas turbines.  
<sup>(b)</sup> Fuel gas consumption covers data from production plants at Pasir Gudang, including fuel gas usage in boilers and gas turbine.  
<sup>(c)</sup> Purchased electricity covers all production sites as well as Johor and Merak offices only.

GHG EMISSIONS



MALAYSIA

GHG Emissions	Units	2022	2023	2024
Scope 2 GHG emissions	tCO <sub>2</sub> eq	268,153	303,229	282,329

Note:

Data for FY2022 and FY2023 have been restated based on the updated Grid Emission Factor (“GEF”) in Malaysia published in 2024.



INDONESIA

GHG Emissions	Units	2022	2023	2024
Scope 2 GHG emissions	tCO <sub>2</sub> eq	172,498	160,973	165,089



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

WATER CONSUMPTION

We routinely assess water management plans, monitor our progress and enhance water consumption through conservation efforts, process improvements and the integration of technologies for treating, reusing and recycling water from our operations.



Water Consumption	Units	2022	2023	2024
Water consumption <sup>(a)</sup>	Megalitres	12,053	10,596	10,453
Production volume	kT	2,382	2,052	1,714
Water intensity	Megalitres/kT	5.06	5.16	6.10

Note:

<sup>(a)</sup> Water consumption reported is only applicable to our plant operations in Pasir Gudang and Tanjung Langsat.



Water Consumption	Units	2022	2023	2024
Water consumption <sup>(a)</sup>	Megalitres	101	104	117
Production volume	kT	361	331	330
Water intensity	Megalitres/kT	0.28	0.31	0.35

Note:

<sup>(a)</sup> Water consumption reported is only applicable to our plant operations in Merak.

WASTEWATER DISCHARGE QUALITY

LCT regularly monitors and assesses the quality of discharged wastewater, including drainage system integrity, to minimise our environmental and ecosystem impacts.



Wastewater Discharge	Units	2022	2023	2024
Temperature	°C	31.93	32.09	33.28
Potential of Hydrogen (pH)	-	7.18	7.23	7.26
Biological Oxygen Demand (BOD <sub>5</sub> )	mg/L	11.89	17.82	12.80
Chemical Oxygen Demand (COD)	mg/L	50.64	75.88	53.55
Suspended solids	mg/L	21.84	23.94	16.69
Oil and grease	mg/L	1.61	2.40	1.86
Ammoniacal Nitrogen	mg/L	4.23	3.87	3.83

Note:

<sup>(a)</sup> The data for FY2022 and FY2023 have been restated following a revision of the data scope.



Wastewater Discharge	Units	2022	2023	2024
Temperature	°C	28.83	29.50	28.16
Potential of Hydrogen (pH)	-	7.87	7.97	7.65
Biological Oxygen Demand (BOD <sub>5</sub> )	mg/L	11.08	11.92	8.00
Chemical Oxygen Demand (COD)	mg/L	27.25	31.00	20.92
Suspended solids	mg/L	51.25	37.67	23.33
Oil and grease	mg/L	2.74	2.47	2.00
Ammoniacal Nitrogen	mg/L	0.28	0.81	0.44

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

AIR EMISSIONS

As part of our sustainability efforts, LCT is committed to minimising air emissions in its operations. We employ advanced technologies, complying to strict regulations and collaborating with stakeholders to reduce pollutants throughout our operations.



Air Emissions	Units	2022	2023	2024
Nitrogen Oxides (NO <sub>x</sub> )	kg	2,389,363	1,739,859	2,092,432
Sulfur Oxides (SO <sub>x</sub> )	kg	197,999	145,141	110,142
Carbon Monoxide (CO)	kg	643,184	483,413	560,469
Particulate Matter (including dust)	kg	134,779	85,600	136,312

The data for FY2022 and FY2023 have been restated due to revisit of calculation methodology.



Air Emissions	Units	2022	2023	2024
Nitrogen Oxides (NO <sub>x</sub> )	kg	63,340	76,860	33,570
Sulfur Oxides (SO <sub>x</sub> )	kg	91,900	200,330	205,810
Carbon Monoxide (CO)	kg	225,659	123,843	148,623
Particulate Matter (including dust)	kg	18,590	23,070	23,720

WASTE MANAGEMENT

We monitor both hazardous and non-hazardous waste. Our operations generate hazardous waste, including waste oil, spent solvent, used batteries, e-waste, sludge, spent catalyst, contaminated rags and filters, mixed chemicals, used drums and filters and coal ash. We continued to monitor our non-hazardous waste, including waste such as used plastics, wood and metal scraps and tin cans, among other types of general waste.



Waste Generation	Units	2022	2023	2024
Hazardous waste	tonne	2,553.44	3,754.01	21,056.18
Non-hazardous waste	tonne	4,292.24	3,791.97	3,491.05
Total waste generation	tonne	6,845.68	7,545.98	24,547.23
Total waste diverted from disposal	tonne	4,325.99	4,594.29	9,744.09
Total waste directed to disposal	tonne	2,519.69	2,951.69	14,803.14

Note:

<sup>(a)</sup> Data for ‘non-hazardous waste’ and ‘total waste diverted from disposal’ in FY2022 and FY2023 have been restated following a revision of the data scope.



Waste Generation	Units	2022	2023	2024
Hazardous waste	tonne	610.88	470.05	621.54
Non-hazardous waste	tonne	291.75	208.48	333.39
Total waste generation	tonne	902.63	678.53	954.93
Total waste diverted from disposal	tonne	0	0	0
Total waste directed to disposal	tonne	902.63	678.53	954.93



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

## OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

LCT strives to reduce environmental impacts in the countries it operates in. We prioritise the maintenance and enhancement of our environmental management systems and monitoring equipment. Additionally, continuous efforts are made to identify opportunities for advanced environmental monitoring equipment, especially in emissions monitoring to address climate change risks.

LCT is dedicated to environmental compliance in all our operations and any identified non-compliance or issues will be promptly rectified, demonstrating our commitment to ethical conduct and regulatory standards.

## FUTURE OUTLOOK – OUR PRIORITY

Our approach to environmental management is driven by a commitment to develop, maintain and operate our business while complying with industry standards and best practices. In our Malaysian operations, we remain committed to continuously upgrading the Air Pollution Control Systems (“APCS”) and Industrial Effluent Treatment Systems (“IETS”).

In Indonesia, we aim to transition PROPER’s rating from blue to green by initiating a waste recycling programme. Going forward, LCT will persist in its efforts to minimise waste production and water consumption through ongoing waste and water recycling initiatives.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



## COMMUNITY DEVELOPMENT

LCT acknowledges the potential we have in creating positive impacts on communities, especially in our operational areas within Malaysia and Indonesia. As such, we invest in community development programmes through purposeful CSR initiatives.

### Contribution to the United Nations Sustainable Development Goals



### Mapping to Our Risks and Opportunities

- Compliance Risk – Safety, Health and Environment

### Business Capitals



#### Financial Capital

- Expenditure on CSR programmes.



#### Skilled Talent

- Employees’ participation in CSR activities.



#### Social and Relationship Capital

- Maintaining good relationships with the local community in our operating areas.

## OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES





We are guided by our CSR theme encompassing People, Education, Aid, Community and Environment, or “P.E.A.C.E” when engaging with our communities. The “P.E.A.C.E” theme enables us to support as many aspects as needed by the community, gaining their confidence and trust which is essential for fostering sustainable development.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Our CSR initiatives in FY2024 are as follows:

CSR Theme	CSR activities in FY2024
<div></div> <div><b>People</b></div> <div>Providing financial assistance to underserved groups.</div>	<ul style="list-style-type: none"><li>Supplied nutritious food to pregnant women and infants.</li><li>Covered the Badan Penyelenggara Jaminan Sosial (“BPJS”) Kesehatan health insurance fees for underprivileged individuals in Rawa Arum, Gerem Village and Cilegon City.</li><li>Conducted a socialisation programme on HIV/AIDS for pregnant women in collaboration with Puskesmas Gerogol.</li></ul>
<div></div> <div><b>Education</b></div> <div>Providing learning skills development, learning tools and financial incentives to underprivileged students.</div>	<ul style="list-style-type: none"><li>A group of 30 students and a lecturer from the Chemical Engineering Faculty at UTM participated in a study tour. The visit included an informative briefing and a guided tour of our plant facilities.</li><li>Covered the educational fees for underprivileged children in Untirta Cilegon City through the implementation of the Sustainable Scholarship Programme.</li><li>Provided stationeries and school bags to students in Rawa Arum and Gerem Village.</li><li>Donated materials for school renovation.</li><li>Provided opportunities for residents to participate in free diploma education programmes in collaboration with the Ministry of Industry, enabling them to compete for job opportunities in the industry based on qualifications and company requirements.</li><li>Provided education for elementary, senior high school and college students through events that introduce the Korean language, engineering professions and industry needs.</li></ul>
<div></div> <div><b>Community</b></div> <div>Assisting local communities to improve their wellbeing by enhancing public amenities and facilities.</div>	<ul style="list-style-type: none"><li>LCT, as the main sponsor, organised the Bubur Lambuk Perdana Pasir Gudang initiative, successfully distributing 10,500 packs to the community.</li><li>In collaboration with MBPG, LCT contributed towards the organisation of the Dynamic Sports Day Fun Run and Fun Ride 2024 as the main sponsor.</li><li>Donated cement and other materials for the construction of public facilities.</li><li>Provided basic food supplies to the community around the plant as part of the Ramadhan Programme.</li><li>Donated livestock to residents near the plant for Eid Adha.</li><li>Assisted farmers within the local community, aiming to increase their household income by providing necessities such as plant seeds, fertiliser, mulch, fence construction and other essentials.</li><li>Provided design and packaging support to Usaha Mikro, Kecil dan Menengah (“UMKM”) Gagin in Rawa Arum Village.</li><li>Offered assistance with fish seed provision for Situ Rawa Arum.</li></ul>
<div></div> <div><b>Environment</b></div> <div>Increasing environmental awareness by organising recycling programmes in collaboration with the local community, local authorities and industrial associations.</div>	<ul style="list-style-type: none"><li>Participated in the Desaru Public Beach Clean-Up 2024, an initiative organised by MPMA.</li><li>Supported the Waste Bank by donating trash bins and renovating the Waste Bank.</li><li>Provided plant fruits to support green areas at Public Facility in Rawa Arum Village.</li><li>Donated trash bins to elementary schools in Gerem and Rawa Arum Village.</li></ul>

We aim to better understand our local communities to address their needs more effectively. As we continue to work closely with local councils, government agencies and NGOs, we strive to enhance our ongoing efforts to best serve our communities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

COMMUNITY ENGAGEMENT

Active engagement with communities is essential to building trust and promoting social inclusion. In FY2024, we enhanced our Safety, Health and Environment (“SHE”) efforts by hosting an Information to Public (“ITP”) session to share updates on TA activities. We collaborated with MBPG to disseminate information through their Facebook page and public electronic billboards. Additionally, we expanded our network of community leaders to include representatives from Taman Mawar and Taman Air Biru, ensuring broader outreach and support. These initiatives underscore our commitment to addressing local needs and fostering a sustainable future.

- No major safety and environmental incidents were reported in 2024.
- Regularly monitor noise pollution and vibration from flaring.
- Gained recognition from the Mayor of Cilegon and the Cilegon government for our CSR initiatives.
- Regularly attend government CSR programmes organised for industrial companies.

GRIEVANCE MECHANISM – LOCAL COMMUNITIES

We advocate transparency by ensuring that our stakeholders have a channel to express their concerns without fear of reprisal. To this end, we implemented a grievance mechanism, serving as a vital tool for discovering, understanding and addressing issues promptly.



MALAYSIA

- Local communities can engage with us by giving their feedback and/or complaints by calling our hotline or visiting our registration counter located at our security guardhouse.
- To date, we have not received any major complaints on either platform.





INDONESIA

- We have a WhatsApp platform for receiving grievance reports, to which we have committed to responding and resolving complaints within a day.
- During the year under review, we have not received any reported cases on the platform.

OUTPUT – HOW WE PERFORMED

Contribution for FY2024

Giving back to communities has helped us build an enduring relationship with them, especially when a crisis arises and is resolved together. Additionally, these contributions provide a fulfilling platform for our people and foster a sense of ownership and commitment among the community members, ensuring the sustainability of the Company’s investments in the long run.

Items	<div> Malaysia</div>		<div> Indonesia</div>	
	2023	2024	2023	2024
Volunteering hours	578	379	212	422
Number of beneficiaries	12,258	11,731	2,856	11,900

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS


The community will continue to benefit from our “P.E.A.C.E” driven CSR initiatives. By proactively engaging them through dialogues and collective action with stakeholders, our social projects are designed not only to make an immediate positive impact but also to build trust and promote sustained social change within these communities.

FUTURE OUTLOOK – OUR PRIORITY

Amidst challenging business landscape, LCT remains committed to driving meaningful CSR initiatives that create long-term value for communities. Our approach will focus on delivering high-impact programmes that align with our corporate values while ensuring the efficient use of resources.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



### DATA SECURITY AND PROTECTION

Digitalisation is gaining prominence in our business as we continue to increase the amount of data we create and store. Consequently, safeguarding information through robust data protection is critical. We prioritise data recovery and restoration with the fastest turnaround time in case of system corruption. Protecting data against being compromised and ensuring data privacy are integral aspects of our data protection measures.


**Contribution to the United Nations Sustainable Development Goals**



**Mapping to Our Risks and Opportunities**


- System Integrity and Cybersecurity Risk

**Business Capitals**




**Financial Capital**

- Invested in software and hardware as well as IT systems to reinforce data security.



**Intellectual Capital**

- Advanced IT architecture to ensure our Company's systems and information assets remain safe and secure.



**Skilled Talent**

- IT team to implement our centralised IT architecture to ensure robust information security across Group.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

We prioritise IT and data security, with our system supervised by the IT Department under the IT Policy and Group Information Security Policy, ensuring a robust security programme. All employees are required to understand, acknowledge and comply with these policies, including procedures for remote working with the necessary security directives and guidelines to ensure organisational risks are mitigated.

SAFEGUARDING CYBERSECURITY

LCT focuses on data security and stakeholder information protection by implementing robust cybersecurity measures. These include firewalls to detect external threats, spam and email virus filtering systems, antivirus software for all devices and an offsite disaster recovery centre with real-time server replication to mitigate business interruptions. Regular information security training and quarterly ITS Newsletters further enhance employee awareness. These efforts underscore LCT's commitment to minimising cyber risks, ensuring operational continuity and safeguarding stakeholder trust.

We have implemented the following initiatives to safeguard our cybersecurity:

- Utilised Virtual Private Network (“VPN”) and Remote Desktop Service (“RDS”) for authorised employees working remotely, enhancing security by encrypting confidential information and incorporating Two-Factor Authentication (“2FA”) for enhanced protection.
- Ensured employees adhere to IT policies to safeguard proprietary information and minimise data breach risks while using the VPN and RDS.
- Regularly reminded employees about IT policies via email to reinforce compliance.
- Increased employee awareness by conducting at least two (2) phishing email mock tests, strengthening cybersecurity preparedness.
- Reviewed monthly firewall reports to monitor employees' internet usage patterns and identify potential vulnerabilities.
- Distributed Data Loss Prevention (“DLP”) and Document Rights Management (“DRM”) monitoring email to department managers for oversight, preventing potential data breaches.

IT SECURITY SYSTEM AND INFRASTRUCTURE

The centralisation of information security systems in Malaysia and Indonesia is overseen by the Group IT Department in Korea which assumes leadership in driving and monitoring the implementation of cybersecurity initiatives. In FY2024, our Malaysian and Indonesian operations continue to implement secure measures and essential steps to enhance their respective IT infrastructure and vigilance.

- Observed all Information Security systems and continuously sought ways for improvement.
- Implemented Endpoint Detection Response (“EDR”) to help prevent virus attacks and to monitor and address any virus or malware-related issues.
- Incorporated an Advanced Persistent Threat (“APT”) prevention solution for email which reduces the risk of cybersecurity incidents due to zero-day threats and phishing/scam emails.

- Annual renewal license and monitoring APT mail security system.
- Continued with the EDR system and performed monthly preventative maintenance.
- Replaced WAN optimiser devices.
- Implemented load balance Internet devices.

RISK MANAGEMENT EXERCISES

Our IT Department plays an important role in maintaining data privacy and information security. The Department is tasked to stay informed about the latest trends in threats and their corresponding solutions. Additionally, regular training sessions are conducted to heighten staff awareness of IT security, ensuring they are well-informed about evolving threats.

STRATEGY PILLAR 3

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

IT AWARENESS TRAINING

LCT proactively prevents and mitigates user risks through security awareness training. Our various programmes also empower our employees to effectively combat information security breaches:

- Information Security Awareness training sessions are conducted online in the form of video contents. To enhance understanding, employees are required to participate in a quiz after the training session.
- Employees are required to participate in simulated phishing tests to assess their level of awareness and those who are unsuccessful will undergo further face-to-face training.
- Superiors are tasked to conduct pre-resignation checks on employees including data transfer history, access history on sensitive files, records of emails shared to personal emails and file backup records. This procedure, carried out prior to the employee leaving the organisation, safeguards LCT against potential risk of data breaches.
- Quarterly newsletters are distributed to employees, updating them on information privacy and security.
- Utilising desktop screensavers and banners as a platform, we incorporate cybersecurity awareness such as Clear Desk and Screen policy and phishing email prevention in all employees' computers to update them on policies and current security threats.

KEY INITIATIVES/ACTIVITIES

In FY2024, we undertook effective measures and implemented defensive strategies to strengthen the resilience of our IT, data privacy and security systems by:

- Implemented an off-site Disaster Recovery (“DR”) migration to cloud project to enhance the DR process and procedures. This ensures effective management of the DR replication process, optimising data recovery capabilities in the event of a security incident or data breach and minimising the risk of important data loss if the physical device is compromised.
- Deployed an email APT solution to safeguard our information assets from cybersecurity threats or attacks, including zero-day exploits and ransomware.
- Installed an updated WiFi system with WPA3, entailing higher speed and security.
- Distributed laptops to critical users for user mobility and management of risk during disasters or government movement control orders, which ensured minimal impact on business operations.
- Undertook a digital transformation journey, migrating to cloud facilities and introducing Robotic Process Automation (“RPA”) to optimise operational processes.
- Invested in an e-invoice system to meet government e-invoicing requirements and implemented an e-admin system to convert hardcopy documents into digital formats.
- Gradual implementation of m365 to all users starting Q3 2024 and target to complete by Q2 2025.

Apart from frequent firmware updates, the effectiveness of the virtual machine infrastructure has guarded us against risk security issues for the IT services system, resulting in seamless operations. Additionally, we also executed the following:

- Developed annual information security plans.
- Conducted periodic PC and server security inspections.
- Administered security patches for PC and server.
- Delivered preventive maintenance for firewall, endpoint security, DRM and DLP.
- Organised training sessions for internal and external.
- Migrated database plant to the latest version.
- Implemented Cloud backup methods.

OUTPUT – HOW WE PERFORMED

During the year under review, we have recorded zero (0) cases of cybersecurity breaches and incidents, applicable to both the Malaysian and Indonesian operations.

Year	2022	2023	2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Year	2022	2023	2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

We fortified the organisation's IT security by developing robust cybersecurity practices and increasing employee awareness through training sessions. This also enabled the prevention of any loss or leakage of information on top of cybersecurity breaches.

FUTURE OUTLOOK – OUR PRIORITY


Moving forward, LCT will continue to explore new solutions pertaining to cybersecurity threats, aiming to enhance information security while aligning with the principles of cost-effectiveness. We hope that by embracing technological advancements, we can better assess and eliminate redundant data security protection mechanisms, such as outdated firewalls.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



### HUMAN CAPITAL DEVELOPMENT

We recognise human capital as our most valuable asset in driving sustainable business growth. Our organisation's performance is driven by the strength of LCT's diverse team, whose talents and skills are key to our success. As such, we invest in workforce development to promote innovation and resilience, ensuring our organisation not only survives but thrives.

**Contribution to the United Nations Sustainable Development Goals**



**Mapping to Our Risks and Opportunities**

- Talent Management Risk

**Business Capitals**

**Financial Capital**

- Invested in training and career development programmes in our Malaysia and Indonesia plants, engaging an external consultant to enhance both technical and non-technical training outcomes.

**Skilled Talent**

- Led by the Board, a highly experienced Management team and supported by a skilled and committed workforce.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

Policies and Procedures

At LCT, our employees' knowledge and competencies are top priorities in our human capital development agenda. We accomplish these priorities by implementing policies and procedures which define our approach to organising training and development, facilitating career advancement and conducting performance appraisal. Our commitment extends to implementing several systematic approaches to cover training procedures and certification modules. Regular reviews and updates to our policies and procedures are integral to providing continuous support and inspiration for our employees on their learning journey within our organisation.



In FY2023, the Employment (Amendment) Act 2022 came into effect, along with some key changes to the First Schedule which outlines employees who will be covered by the amended Employment Act. It is crucial to emphasise that we have actively observed and diligently complied with changes mandated by the Act.



Indonesia's Ministry of Manpower ("MOM") has introduced substantial changes to labour regulations in FY2024, prioritising adaptability and fairness.

The following are the key updates:

- Continued implementing the Omnibus Law to create a more flexible and attractive labour market.
- Focused on improving social protection (e.g., JKP, BPJS) for broader coverage.
- Adjusted minimum wage policies to align with economic conditions and inflation.
- Expanded worker protections for vulnerable sectors, including migrant workers and the gig economy.

- Emphasised skills development to adapt the workforce to digitalisation and automation.

TRAINING AND DEVELOPMENT PROGRAMMES

We are committed to supporting the professional development of our people. Our targeted training programmes are designed to align with individuals' career goals, fostering sustained motivation and continuous enhancement of competencies.

The training team consistently assesses the effectiveness of our programmes, making revisions for optimal outcomes and continuous improvement. We evaluate our training programmes through pre-test and post-test assessments to measure the impacts and successes of the respective training. This year, LCT continued to conduct employee training options and sustained HR Learning and Development Programmes to enhance learning awareness. Building on the success of previous initiatives, the programme's impact will be assessed through metrics such as Competency Gap, Learning Culture and Learning Effectiveness, fostering a culture of continuous learning and motivation among talents across Malaysia and Indonesia.



The foundation of our Learning and Development initiative is built upon five (5) main pillars:

- Job Competency
- Soft Competency (including motivational and mental wellbeing)
- Safety and Environment
- Leadership
- Compliance

In FY2024, LCT successfully conducted several training sessions for its staff, encompassing both in-person and virtual formats. These sessions addressed various areas, including job skills, safety, compliance, environment and soft skills. The programmes were strategically combined with performance management to emphasise strategic communication, providing invaluable insights crucial for shaping leaders' skills and competencies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

The technical training modules were meticulously designed to enhance employees' proficiency in their respective roles, ensuring they remain abreast of the latest industry developments.

LCT also gave special attention to the refinement of soft skills through training sessions covering stress management, mental wellbeing and the cultivation of positive work habits and self-motivation skills. This holistic approach equips our staff with essential interpersonal and personal development tools for their daily work interactions. By combining technical proficiency with a focus on soft skills, our goal is to create an environment that encourages the well-rounded development of our employees.

Furthermore, a training evaluation survey was disseminated to gather participants' feedback on various training courses, revealing a preference for more case studies during sessions and expanded training opportunities for all levels.



- In FY2024, we employed the comprehensive Training Needs Analysis ("TNA") to design our training initiatives. Each Head of Department is assigned with the responsibility of identifying critical training needs essential for the upcoming financial year.
- We organised the training needs into three (3) categories:
  - Mandatory Training:** Encompasses essential skills such as forklift and crane operation.
  - Competency Training:** Targets crucial aspects like effective supervision, excellence in behaviour and cultivating a positive attitude.
  - Technical Skill Training:** Involves specific operational abilities, demonstrated by tasks like extruder and pump operation.
- We also provided accelerated programmes for future leaders at the employee level. Additionally, we offer Lifetime Empowerment and Acceleration Programme ("LEAP"), a six (6)-month initiative designed to develop both hard and soft competencies of identified potential leaders.
- To facilitate these training programmes, we utilised various platforms, including e-learning, online and offline libraries and on-site training within our plant facilities. This diverse approach ensured that our workforce received tailored and effective training, contributing to their professional development and overall competence.

CAREER DEVELOPMENT PROGRAMMES

We are dedicated to supporting the success and accomplishments of our employees. Hence, we have developed comprehensive programmes for our employees to advance their careers and realise their full potential. In FY2024, we conducted the following programmes:

- Career Programme Development for all Employees:** Supported employees by helping them to recognise areas where their competencies may be lacking, enabling them to cultivate the skills required to bridge these gaps.

- Internship, Scholarship Programmes and Apprenticeship:** We provide internship placements and scholarships for students at Sultan Agung Tirtayasa University and Politeknik Industri Petrokimia Banten, Indonesia. In FY2024, we conducted a three (3) to twelve months apprentice programme, with selected individuals being offered permanent positions. Additionally, we recently concluded interviews for scholarship candidates. The internship programme accommodates university students, senior high school/vocational school students and educators, with up to 10 interns or lecturers accepted each month. These programmes are aligned with initiatives from the Ministry of Industry, Ministry of Education and Culture and Ministry of Labour.
- Industrial Site Visits:** Provided students with the opportunity to engage in on-site visits to our manufacturing facilities.
- Employee Transition Assistance Programme:** Facilitated smooth transitions to retirement, ensuring readiness and offering support with pension and insurance processes for retiring employees.
- Customised Supervisory Programme:** Offered leadership skills training to selected individuals at the supervisory level, with a focus on strengthening their people management capabilities to better support their roles.
- Job Grade Conversion:** This programme, applicable in Malaysia, allows employees who have furthered their studies to a degree or master's level to transition from the skilled group to the exempt group.

TALENT MANAGEMENT

At LCT, we cultivate a culture of excellence through robust training and development programmes. We empower our team with tailored initiatives, fostering skills, leadership and adaptability. Committed to continuous improvement, we invest in our greatest asset—our people—ensuring they thrive in a dynamic and evolving professional landscape.



In 2024, LCT Malaysia proactively boosted organisational performance by implementing performance management system across all leadership levels. To ensure clarity in staff expectations and goals, the Company introduced detailed Key Performance Indicators ("KPIs") that serve as benchmarks for employee performance, establishing specific targets and objectives contributing to the overall success of the organisation.

As key part of the performance management process is a robust review mechanism, incorporating continuous feedback from officials. This feedback loop enables leaders to gain valuable insights into their performance, fostering a dynamic and responsive approach to improvement. LCT values officials' input, leveraging their perspectives to ensure a comprehensive assessment of leadership effectiveness.

LCT Malaysia also aligns individual performance with organisational goals, providing employees with a clear development roadmap and helping them understand the direct impact of their contributions on the Company's success.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



INDONESIA

Through our talent management initiatives, we aim to inspire, engage and retain employees, fostering improved performance using the following approach:

- **Talent Acquisition:** Identify the most suitable individuals for specific roles, whether through experienced hires or initiatives to cultivate new talent.
- **Talent Mapping:** Conduct gap analysis and position employees in roles that align with their identified talents through the talent mapping process.
- **Talent Development:** Enhance existing talent pool by tapping into the potential identified through talent mapping, achieved through training programmes and workshops based on employees’ competencies.
- **Career Management:** Implement succession planning to support career progression, with “LEAP” as one of our talent development programmes.

In FY2024, we initiated the implementation of various people development programmes which include the following:

- **Engineering Development Trainee (“EDT”):** EDT provides experienced employees and certified engineers with the tools and support needed to enhance their contributions to business development, with a focus on fostering responsibility towards the surrounding community, particularly in our manufacturing environments. This programme is conducted in partnership with Politeknik Banten (Petrochemical Polytechnic) as part of a vocational initiative.
- **Apprenticeship Programme:** LCT established an internal apprenticeship programme, offering on-the-job training opportunities for students from schools and universities. In collaboration with the Ministry of Industry, we provide selected students with the chance to undertake a one-year apprenticeship within the Company.
- **Internship Programme:** LCT collaborated with the Ministry of Industry in a government internship programme, hosting two (2) candidates as part of this initiative.

PERFORMANCE APPRAISAL

The evaluation and documentation of an employee’s performance, with the aim of improving work quality, output and efficiency, constitute the performance appraisal process. At LCT, we apply an e-Appraisal system through the Employee Self Service (“ESS”), which features a 180-degree evaluation process involving the employee, their immediate superior and the Head of Department. This e-Appraisal system has been instrumental in identifying, evaluating and enhancing the long-term performance of employees.

SUCCESSION PLANNING

In line with our commitment to sustaining organisational excellence, our succession planning framework undergoes a thorough biennial review. Emphasising the cultivation of leadership skills and capabilities among our workforce, our focus extends to LCT leaders in Malaysia and Indonesia. Our succession programme for LCT leaders is built upon key pillars, including Leadership Modules, Leadership Development Programmes and Leadership Coaching and Mentoring initiatives. This holistic approach ensures a dynamic and well-prepared leadership pipeline, fostering the continuous growth and success of our teams across the region.



MALAYSIA

In our Malaysian operations, we utilise LOTTE Academy’s 180-degree leadership assessment survey for employees holding managerial positions and above. The survey findings assist in recognising areas where employees may have opportunities for improvement, prompting the creation of plans to address these areas. Furthermore, the process extends to identifying potential successors and implementing designated Leadership Modules to enhance employees’ leadership styles and competencies.

In FY2024, LCT Malaysia continued to implement the following succession planning initiatives:

- Restructuring of positions within job grading.
- Advancements based on competency, extending beyond specific job vacancies.
- Implementation of the Leader Allowance Policy, allowing qualified employees deemed competent to assume leadership responsibilities and receive corresponding leader allowances.

RETIREMENT PROGRAMME

We are committed to empowering individuals for a smooth transition into the next chapter of their lives by providing essential support and resources.

- **Pre-retirement:** Intended retirees are offered pre-retirement planning and those who are interested in extending their service, with one of the several post-retirement placement packages available. Our operations in Indonesia have implemented a pre-retirement planning initiative designed to facilitate the transition of employees approaching retirement. This programme aims to support individuals in preparing for non-working life, ensuring readiness for retirement and offering assistance with the submission of pension plan and insurance programme applications. Pre-retirement training is provided to employees who are approaching retirement. This training aims to cultivate a positive attitude towards retirement by offering seminars on retirement preparation. In addition to the training sessions, we also present retirees with souvenirs in various forms, such as precious gold and other special gifts, to serve as memorable tokens of appreciation for their contribution to the Company.
- **Post-Retirement:** The available packages encompass fixed-term employment, short-term project support, advisory service contracts and job placements within subsidiary companies. These options are determined based on factors such as age, length of service, experience and any specialised skills that contribute to the organisation. The Fixed Term Employment Contract Policy remains applicable in 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

OUR OUTPUT – HOW WE PERFORMED

a) Total Training Hours

i. By employee category



MALAYSIA

Employee Category	2022	2023	2024
Senior Management	132	176	112
Middle Management	2,299	1,717	1,820
Executive	12,963	22,514	10,177
Technician and below	18,263	30,534	25,938



INDONESIA

Employee Category	2022	2023	2024
Senior Management	0	0	12
Middle Management	152	200	512
Executive	2,686	2,155	3,080
Technician and below	2,478	3,231	3,452

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

We empower our workforce by investing in their training and development, empowering them with the necessary expertise and knowledge to fulfil their responsibilities and manage challenges of our knowledge-intensive and skill-focused industry. Our efforts stand as an advantage in enhancing our competitive edge. Moreover, our commitment to sustainable value creation is underscored through the substantial emphasis we place on employee leadership and succession planning.

FUTURE OUTLOOK – OUR PRIORITY

We are committed to supporting employee growth by promoting continuous learning and development while nurturing future leaders to drive the Company’s long-term success. Through diverse training programmes, we equip our employees with both soft and technical skills to excel in their roles. Looking ahead, LCT remains dedicated to fostering employee development by expanding learning opportunities, enhancing leadership programmes and introducing coaching initiatives to empower our leadership team. This commitment reflects our dedication to comprehensive employee growth and the well-rounded development of our workforce.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

### HUMAN RIGHTS AND FAIR EMPLOYMENT PRACTICES

Compliance serves as a foundation for LCT’s approach to employment and career opportunities. While we adhere to regulatory requirements, our sustainability plan sets a higher standard by actively safeguarding the rights of all stakeholders. We extend this commitment to employees, suppliers and communities. We believe that every employee should be afforded the opportunity for meaningful employment and fair remuneration.

**Contribution to the United Nations Sustainable Development Goals**

**Mapping to Our Risks and Opportunities**

- Talent Management Risk

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

Commitment to Human Rights and Non-Discriminatory Behaviour

We uphold internationally proclaimed human rights of all employees, condemning discrimination based on gender, age, religion, race, sexual orientation, disabilities, nationality or educational background. Our BECOC serves as a guide, outlining our commitment to diversity, equal opportunity and human rights, with a proactive stance against sexual harassment and workplace violence.

Within our BECOC, the following commitments and statements are outlined:

- Committed to promoting diversity and equal opportunities for every employee to foster an inclusive workplace.
- Our strong opposition to child labour is explicitly communicated in our recruitment and staffing policies. This policy prohibits the hiring of minors for any roles within LCT, extending to third-party service providers and contractors. Employment is exclusively open to individuals aged 18 and above.

We actively promote adherence to expected behavioural standards by maintaining continuous engagement with both employees and stakeholders. This includes comprehensive training sessions on policy content, annual declarations and refresher training on BECOC and specialised programmes addressing critical topics such as sexual harassment and bullying. We also publish an HR newsletter on the Company’s zero-tolerance policy on sexual harassment, conduct online awareness training for employees and host expert talks in collaboration with the Ministry of Women, Family and Community Development (“JPW”) to promote collective responsibility in preventing misconduct. These initiatives are integrated into performance management processes to reinforce a culture of ethics and accountability.

Business Capitals

Financial Capital

- Hiring skilled talents (i.e., management and operational workforce) to ensure business continuity.

Skilled Talent

- Led by a highly experienced Management team and supported by a skilled and committed workforce.

ELIMINATION OF EXCESSIVE WORK HOURS

In our commitment to fostering a healthy work environment and preventing adverse effects such as employee burnout and work-life imbalances, our Overtime Compensation and Limitation Policy strategically guides us in tackling potential issues such as overtime, safety concerns, absenteeism and decreased productivity.

We strongly encourage our team leaders to actively oversee and manage their teams’ overtime, emphasising the importance of utilising overtime only when absolutely necessary.

Taking a proactive stance, we have addressed the issue of equal pay and equal work within our organisation through comprehensive documentation, including our BECOC and Collective Labour Agreement (“CLA”). The principle of ‘Equal Employment Opportunity,’ outlined in our BECOC, also guides us in upholding equal opportunities for employment and advancement for all qualified individuals in the organisation. This helps in preventing any form of discrimination based on age, colour, national origin, race, religion, sex, physical or mental disability or veteran status. On an annual basis, we instil accountability by requiring all employees to certify compliance with both the BECOC and the ABAC Manual, reinforcing our dedication to maintaining a workplace of fairness and equal treatment.

MALAYSIA

Ensuring compliance with the Employment Act 1955, we prioritise fair compensation for our employees based in Malaysia. We diligently manage our workforce to meet operational requirements and foster a healthy work environment to prevent excessive work hours.

INDONESIA

Our operations in Indonesia consistently follow the relevant Indonesian legal regulations concerning payroll disbursements, particularly with regard to compensating shift members for overtime.

STRATEGY PILLAR 3

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

FAIR AND EQUAL TREATMENT

Our internal policies and procedures for labour practices are designed to uphold fair and equitable treatment for all employees, promoting and safeguarding fundamental human rights. The BECOC, Whistleblowing Policy and CLA, alongside the recently revised Grievance Handling Procedure, specifically address staffing and selection, health and wellbeing, compensation and grievance handling. All employees are treated fairly regardless of nationality. Moreover, our approach emphasises equality, extending the same rights and considerations to expatriate employees, as stipulated in the CLA. No complaints were made regarding any unfair treatment of expatriate employees in FY2024. These policies underscore our commitment to the following:

**Strive for equal opportunity:** We hire and retain top talents based on merit and qualifications, without discrimination based on a person’s age, race, religion, gender or physical disability.

**Ensure merit-based selection:** We screen applicants’ basic qualifications, job experience and various aspects, verifying the details provided in their applications to select the right candidates.

**Maintain transparency:** We clearly communicate the recruitment process to candidates, from application to selection.

**Uphold ethical standards:** We formalise our commitment towards fair and ethical hiring practices, as stipulated in our BECOC.

We established a systematic process to identify, attract and hire qualified talents. Our recruitment procedures follow a general framework:

- Internal Manpower Requisition
- Job Vacancies Advertisement
- Candidates Screening
- Interview Sessions Invitation
- Technical and Skills Tests
- Management Approval
- Pre-Employment Medical Examination Tests
- Letter of Offer Issuance and Acceptance

In addition, we prioritise local hiring in our recruitment process, reflecting our commitment to community growth and creating job opportunities for residents in the areas where we operate.

EMPLOYEE REMUNERATION REVIEW

We offer equitable and competitive compensation packages to our employees, ensuring that they receive proper remuneration and recognition for their contributions in the workplace.

MALAYSIA

- Employee remuneration packages are shaped by individual performance, evaluated through KPIs. We gauge competency, innovation and development to determine annual increments, performance bonuses and promotions.
- The Human Resources Department conducts assessments, while the final decisions are made by the Heads of Department. This meticulous process aims to provide fair compensation for employees, reinforcing the principle of equal pay for equal work as outlined in our Salary Guideline policy, which defines remuneration based on job grade and salary range.

INDONESIA

- We conduct an annual remuneration review to ensure a thorough and equitable evaluation of our employees’ remuneration packages.
- Remuneration packages are determined based on employees’ achievements, innovation, as well as team development during the evaluation process.

The criteria for the annual remuneration review are outlined in the CLA, encompassing factors such as annual inflation, performance criteria and the Company’s financial condition.

EMPLOYEE WELFARE AND BENEFITS

Our commitment to labour practices is firm, marked by our strict adherence to legal standards and proactive responsiveness to evolving regulatory requirements. Our remuneration packages not only meet but exceed current minimum wage requirements, demonstrating our commitment to fair and competitive compensation. We regularly benchmark against industry peers and conduct thorough reviews of remuneration packages, including extensive healthcare benefits for outpatient, hospitalisation and dental treatments. Other benefits include:

- Parental Leave
- Flexible Working Arrangements (Malaysia)
- Condolence and Calamity Donations
- Allowances and Subsidies
- Pension Fund
- Government Social Security Agency (BPJS Kesehatan and Ketenagakerjaan)

The terms specified in the individual contracts determine other welfare and benefits extended to our contract employees.

Employees in Malaysia and Indonesia benefit from interest-free loans, encompassing personal, education and emergency financial assistance.

EMPLOYEE ENGAGEMENT

We have conducted the Employee Engagement Survey (“EES”) and Employee Satisfaction Survey (“ESS”) across our Malaysian and Indonesian operations. The EES evaluates the employees’ engagement levels, while the ESS assesses their satisfaction across various aspects. These surveys form part of our ongoing commitment to gain better insights and understanding of our employees’ perceptions towards the Company.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

In FY2024, we also conducted EES and Compliance Survey for our operations in Indonesia showing improved results as compared to last year’s findings. This result is attributable to the formation of the Compliance Task Force Team which was established to develop and implement the Employee Engagement and Corporate Compliance. As a result, employees are better able to adhere to all regulations and laws within the Company.

EMPLOYEE GRIEVANCES/TRADE UNION

For our operations in Indonesia, we remain guided by the CLA, which supports employees’ right to freedom of association and collective bargaining, as stipulated by the following clauses:

- All workers, without any discrimination, possess the right to join or establish trade unions of their choice and engage in collective bargaining.
- Employers are encouraged to maintain an open and supportive approach towards the activities of trade unions and their organisational endeavours.
- Workers’ representatives should not face discrimination and must be granted access to fulfil their representative functions within the workplace.
- In instances where legal restrictions impede the right to freedom of association and collective bargaining, the employer is obligated to facilitate, rather than impede, the development of alternative avenues for independent and unrestricted association and bargaining.



We have established an internal platform known as the Joint Consultative Committee (“JCC”) which serves as a grievance mechanism for our Malaysian employees. This forum facilitates monthly discussions and addresses various matters, including safety and health, employee benefits and compensation with around 30 employee-elected representatives. The involvement of employees is ensured by securing elected members through the 76 organisation’s constitution and providing them with compensation for serving as representatives in the JCC.

The JCC holds 10 annual sessions to address and resolve employee-company issues and follows a standard operating procedure with three (3) key steps:

- 
- It maintains an open-door policy, allowing anyone to raise concerns or problems.
- 
- An external advisor is involved in meetings to offer diverse perspectives on the issues at hand.
- 
- Unresolved issues are escalated to the president for high-level attention.

This approach reflects a commitment to fair decision-making and proactive issue resolution. In FY2024, 10 JCC sessions were held as mandated to address 38 issues.



In Indonesia, Labour Union meetings are held at least once a month, and as needed. The CLA for the period of 2024 to 2026 has been renewed. The CLA was officially registered with the Ministry of Labor in August 2024, and we have briefed the details of the revised CLA to all of our employees.

We have also taken an active step to foster a collaborative work environment by founding a trade union for our employees. This union, led by an elected chairperson and deputy, comprises seven (7) representatives. Committed to upholding the principles outlined in Indonesian labour laws, our union has been a vital conduit for transparent communication between Management and employees. We are gearing up to propose a new CLA that will set the foundation for the union’s activities from 2024 to 2026, with a particular focus on accommodating new members to join our workforce.

OTHER EMPLOYEE ENGAGEMENT INITIATIVES

By consistently fostering open communication and collaboration, we aim to create a vibrant and enriching atmosphere that empowers our team members.



In FY2024, various employee engagement initiatives were implemented to foster a supportive and inclusive work environment. These included high tea events tailored to specific departments for non-executive groups, an open mental wellness support programme and updates on employment laws. Additionally, ESG Awareness and Wellbeing Engagement programmes were introduced, featuring Sexual Harassment and ABAC Awareness Talks.

LCT also organised Employee Wellbeing Service Counters in collaboration with Employees Provident Fund (“EPF”), Social Security Organization (“SOCSO”), Amanah Saham Nasional Berhad (“ASNB”) and Tabung Haji to provide employees with direct access to support services. LCT was also recognised by EPF under its Employer Well-Being Index, achieving a 100% score in the Compliance and Engagement matrices. These efforts underscore LCT’s dedication to employee welfare, mental wellbeing and fostering a culture of ethical practices and care.

These efforts aimed to strengthen employee relations, enhance the working environment and promote mental wellbeing and stress management, underscoring the Company’s commitment to employee welfare.



In Indonesia, LCT implemented a range of engagement activities throughout FY2024. These included townhall events, Umrah trips, team building for each department, Employee of the Year Award and Department of the Year Award as well as Mini Olympic and health talk events for employees and their family. Additionally, LCT offers facilities such as lactation rooms and actively supports employees’ hobbies and activities. These efforts demonstrate a comprehensive approach to employee engagement and support within the Indonesian branch, showcasing LCT’s dedication to fostering a positive and inclusive work environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

OUR OUTPUT – HOW WE PERFORMED

Note:

The figures for our Malaysian operations exclude temporary staff.

Employee Profile

Indicator	 Malaysia						 Indonesia					
	2022		2023		2024		2022		2023		2024	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Total employees	1,156	-	1,150	-	1,125	-	341	-	341	-	331	-
Total new hires	109	-	129	-	83	-	32	-	16	-	25	-
Total attrition	95	8.22%	97	8.43%	83	7.38%	12	3.52%	8	2.35%	18	5.44%

Employees by Employment Type

Employment Type	 Malaysia						 Indonesia					
	2022		2023		2024		2022		2023		2024	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employees that are contractors or temporary staff	8	0.69%	3	0.26%	4	0.36%	7	2.05%	5	1.47%	6	1.81%

Employees with a Disability

Disability	 Malaysia						 Indonesia					
	2022		2023		2024		2022		2023		2024	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Employees with a disability	0	0.00%	0	0.00%	0	0.00%	1	0.29%	1	0.29%	1	0.30%



New Hires by Gender

Gender	 Malaysia						 Indonesia					
	2022		2023		2024		2022		2023		2024	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Male	89	81.65%	102	79.07%	71	85.54%	27	84.38%	15	93.75%	20	80.00%
Female	20	18.35%	27	20.93%	12	14.46%	5	15.62%	1	6.25%	5	20.00%





ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Employee Turnover by Employee Category



Turnover by Employee Category	 Malaysia			 Indonesia		
	2022	2023	2024	2022	2023	2024
	Number	Number	Number	Number	Number	Number
Senior Management	1	0	1	0	0	1
Middle Management	2	2	3	0	0	0
Executive	47	34	44	9	7	14
Technician and below	45	61	35	3	1	3

Employee Diversity

Gender	 Malaysia						 Indonesia					
	2022		2023		2024		2022		2023		2024	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
	Senior Management											
Male	22	85%	20	80%	22	85%	4	100%	4	100%	2	100%
Female	4	15%	5	20%	4	15%	0	0%	0	0%	0	0%
Below 30 years	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
30 – 50 years	7	27%	10	40%	11	42%	0	0%	0	0%	0	0%
Above 50 years	19	73%	15	60%	15	58%	4	100%	4	100%	2	100%
Middle Management												
Male	47	69%	48	66%	46	64%	25	89%	25	89%	24	86%
Female	21	31%	25	34%	26	36%	3	11%	3	11%	4	14%
Below 30 years	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
30 – 50 years	43	63%	49	67%	49	68%	16	57%	17	61%	17	61%
Above 50 years	25	37%	24	33%	23	32%	12	43%	11	39%	11	39%
Executive												
Male	264	69%	255	67%	249	68%	107	74%	107	73%	103	73%
Female	118	31%	127	33%	117	32%	38	26%	39	27%	39	27%
Below 30 years	103	27%	116	30%	97	27%	22	15%	20	14%	15	11%
30 – 50 years	210	55%	195	51%	191	52%	96	66%	98	67%	98	69%
Above 50 years	69	18%	71	19%	78	21%	27	19%	28	19%	29	20%
Technician and below												
Male	610	90%	601	90%	593	90%	157	96%	157	96%	153	96%
Female	70	10%	69	10%	68	10%	7	4%	6	4%	6	4%
Below 30 years	148	22%	145	22%	135	20%	39	24%	40	24%	40	25%
30 – 50 years	467	69%	458	68%	457	69%	89	54%	89	55%	90	57%
Above 50 years	65	9%	67	10%	69	11%	36	22%	34	21%	29	18%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Number of Substantiated Complaints Concerning Human Rights Violations

Indicator	 Malaysia			 Indonesia		
	2022	2023	2024	2022	2023	2024
	Number	Number	Number	Number	Number	Number
	Number of substantiated complaints concerning human rights violations	0	0	0	0	0

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

Our unwavering commitment to responsible and ethical employment practices has generated tangible outcomes for every team member, including fair and equitable treatment. The results of our dedication to diversity and inclusivity are evident in our recruitment and promotion processes, consistently delivering equal opportunities regardless of ethnicity. By prioritising the value and growth of our employees and fostering an inclusive workforce, we have successfully attracted, developed and retained exceptional talent in the market. This has contributed to creating substantial value for our stakeholders and our Company.

In FY2024, there were zero (0) instances of discrimination or non-compliance related to labour standards reported in our operations in Malaysia and Indonesia.


FUTURE OUTLOOK – OUR PRIORITY

We remain steadfast to upholding human rights and promoting a diverse, inclusive workplace for our employees. We will continue prioritising internal communication to actively engage with our employees, while also leveraging our workforce to contribute to the local economy and create new job opportunities. Additionally, we remain dedicated to complying with labour laws and regulations, ensuring fair employment practices and the protection of human rights.







ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)



### REGULATORY COMPLIANCE

LCT is committed to maintaining high standards of corporate responsibility by ensuring compliance in all our activities. This dedication, at the core of our values, fosters strong connections with stakeholders, regulators and governmental agencies.

**Contribution to the United Nations Sustainable Development Goals**



**Mapping to Our Risks and Opportunities**

- Compliance Risk – Safety, Health and Environment
- Compliance Risk – License

### Business Capitals

**Social and Relationship Capital**

- Maintaining good relationships with all stakeholders including government, regulators, suppliers, customers and the communities in which we operate.

OUR STRATEGIC ENABLERS – MITIGATING RISKS AND MATERIALISING OUR OPPORTUNITIES

At LCT, we diligently maintain the trust and confidence built over the years through our steadfast adherence to ethical principles and robust governance practices across our value chain. We believe that trust is not just a concept but is truly manifested in our actions, reflecting the integrity embedded in our organisational ethos.

With oversight and endorsement from our Board, our ethical conduct and governance are guided by our Anti-Bribery & Anti-Corruption (“ABAC”) Framework, including but not limited to the implementation of the following policies:

- Business Ethics & Code of Conduct (“BECOC”)
- ABAC Manual
- Whistleblowing Policy
- Supplier Code of Conduct

The framework and policies developed comply with the corporate liability provisions in the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The Company maintains a zero-tolerance policy for any form of bribery or corruption and has established appropriate procedures and mechanisms to ensure full and continuous adherence to all applicable laws and regulations.

In FY2024, we maintained our commitment to implementing the monitoring programme within our Malaysian operations, as outlined in the ABAC Framework. This initiative included annual ABAC Certifications by all departments, regular ABAC reviews and continuous enhancements to our third-party due diligence processes. Additionally, mandatory annual ABAC training sessions were implemented from year 2024 onwards to ensure ongoing compliance and understanding across the organisation.

BECOC

Our BECOC is accessible to all of our employees in Malaysia and Indonesia, and is available in English, Bahasa Malaysia and Bahasa Indonesia. It outlines the following policies and procedures:

- Responsible and ethical business conduct from the Board of Directors to working-level employees, ensuring full compliance with applicable laws and regulations.

- Equal employment opportunity, diversity, faithful service and the prevention of corruption, abuse of power, sexual harassment and workplace violence.
- Guidelines governing employee conduct in business engagements with third parties, including suppliers and consultants.
- ABAC policies, including the No Gift Policy, which we practice with limited exceptions. The Legal and Compliance Team sends out regular email reminders on this policy to our people especially during festive seasons.

It is mandatory for all LCT employees to make an annual declaration in compliance with the BECOC.

ABAC MANUAL

Our ABAC Manual informs our strict zero-tolerance stance on bribery and corruption. We communicate this stance through existing and recurring BECOC, ABAC and Whistleblowing Policy refresher training sessions for our employees. The manual is readily available on both the employee portal and Company website. LCT consistently emphasises compliance with the ABAC Manual to our vendors by embedding it into our legal documentations.

WHISTLEBLOWING POLICY

Our Whistleblowing Policy promotes the reporting of wrongdoing or improper conduct within LCT. It sets clear procedures and a reporting channel for the Board of Directors, employees and third parties to voice concerns or report unethical or illegal behaviour.

- Whistleblowing forms are accessible on both our employee’s portal and Company’s website for reporting and submission of potential unethical or illegal behaviour.
- The policy ensures whistleblower protection whereby confidentiality is maintained, except in instances where disclosure is mandated by law.

Whistleblowing reports can be directed to either the immediate superiors, the Compliance Officer, President & CEO or the Chairman of the Audit Committee. This ensures independence, transparency and governance in protecting confidentiality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

PERSONAL DATA PROTECTION ACT AND PERSONAL DATA PROTECTION LAW

Personal Data Protection Laws and Regulations

In today’s interconnected digital landscape, LCT places paramount importance on safeguarding personal data integrity. Our commitment extends beyond legal and compliance, embodying a core ethical principle. By prioritising transparency and respecting individual rights, we nurture enduring partnerships built on trust and integrity.



In Malaysia, our commitment translates into strict adherence to the Personal Data Protection Act (“PDPA”) 2010. Our compliance involves keeping abreast of new developments in the law, reflecting our dedication to safeguarding personal data against any unauthorised access or misuse. Additionally, LCT’s in-plant clinics are registered as data users with the Department of Personal Data Protection.



Similarly, in Indonesia, we are proactive in responding to the newly enacted Law No. 27 of 2022 concerning Personal Data Protection (“PDP Law”). Since its enactment on 17 October 2022, we have embarked on a comprehensive journey to align our processes with the requirements of the PDP Law. This includes:

- Engaging in detailed assessments to identify areas for alignment with the PDP Law.
- Implementing necessary changes and enhancements in our data handling and privacy policies.
- Ensuring all relevant departments are fully informed and trained in compliance with the new law.

The Personal Data Protection (“PDP”) Policy, effective from 11 October 2024, has been established. Relevant departments, including Procurement, Commercial, and HR, are currently in the process of developing their respective PDP Standard Operating Procedures (“SOPs”). LCT issued a PDP Policy which dedicates a personal data protection officer to ensure compliance with PDP law through the establishment of the personal data protection system and procedures in collaboration with the relevant departments within the Company.

Our pledge to protect personal data is unwavering. As regulations evolve and technology advances, LCT remains steadfast in its commitment to privacy, viewing it as an essential component of the trust our stakeholders place in us. We continually strive to enhance our data protection measures, ensuring we remain at the forefront of compliance and ethical responsibility.

INSIDER TRADING

In Malaysia, we conduct regular briefings on insider trading for all employees. In Indonesia, such briefings are conducted annually for managerial staff and above. These training sessions encompass crucial topics including insider information, actions classified as insider trading, the liabilities facing both the Company and its employees and the legal ramifications of any breaches.

ONGOING EFFORTS TO MITIGATE BRIBERY AND CORRUPTION

In our ongoing efforts to reduce the risk of bribery and corruption across our operations, we proactively take the following initiatives:

- New staff receive ABAC briefings during their onboarding.
- Provided annual refresher training on ABAC policies to enhance awareness and enforce compliance to the Company’s ABAC Framework.
- Employees based in our Malaysian operations must make an online declaration, confirming their understanding and agreement to adhere to the BECOC, ABAC Manual and other relevant Group policies and procedures.
- Conflict of interest declarations are made annually by Malaysian employees and every three (3) years by employees in Indonesia, while new joiners declare any conflicts upon joining. The Company enhanced the conflict of interest policy by implementing additional measures and reporting procedures to manage conflict of interest situations.
- Anti-bribery clauses are integrated into our official documents, policies and standard agreements, obligating all parties to comply with these provisions.
- Each line department is responsible for obtaining a signed Third-Party Declaration form from new customers, suppliers, consultants and any third parties involved in business with LCT or its subsidiaries.
- All new customers, suppliers, consultants and any third parties dealing with LCT are required to complete a Third Party Due Diligence Questionnaire. This initiative is being implemented Company-wide in stages. Vendors, customers, suppliers, consultants and third parties dealing with LCT are assessed on their ABAC procedures.

The Group’s commitment to compliance with applicable laws and regulations is evident in annual reviews, focusing on areas such as the Business Compliance Processes, Legal Register updates and ABAC Framework improvements. In Indonesia, LCT has implemented Business Compliance Processes and Legal Registers across all departments to ensure and monitor compliance on all applicable laws and regulations affecting business operations. At the same time, continuous and relevant training on applicable laws for our employees ensures a strong understanding in our Group operations.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

OUR OUTPUT – HOW WE PERFORMED

a) ABAC related Training

Percentage of Employees Who Received Training Related to ABAC

LCT ensures that all employees receive ABAC training. Each employee is expected to refresh their ABAC training once every year.



	2023	2024
Senior Management	92%	77%
Middle Management	95%	94%
Executive	90%	93%
Technician and below	82%	88%

Note:  
Prior to year 2024, each employee was required to refresh their ABAC training once every three (3) years.



	2023	2024
Senior Management	100%	100%
Middle Management	100%	100%
Executive	100%	100%
Technician and below	100%	100%

b) Operations Assessed For Corruption–Related Risks

Percentage of Operations Assessed For Corruption–Related Risks

Year	2022	2023	2024
Malaysia	100%	100%	100%
Indonesia	100%	100%	100%

c) Confirmed Incidents of Corruption and Action Taken

Year	2022	2023	2024
Malaysia	0	0	0
Indonesia	0	0	0

d) Political Contribution

LCT prohibits any form of political contributions.

OUTCOME – VALUE CREATED FOR OUR BUSINESS AND STAKEHOLDERS

We are dedicated to continuously enhancing the Company’s corporate governance structure and corporate culture. LCT’s security and governance principles maintain the trust of our stakeholders’ so that they remain intact.

FUTURE OUTLOOK – OUR PRIORITY

LCT is steadfast in its commitment to strict compliance with laws and regulations across its operational countries. We emphasise strong ethical business practices through robust governance policies. Continuous enhancements on compliance and corporate governance practices are implemented where necessary.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)







SECTION 5

# OUR LEADERSHIP

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PROFILE OF BOARD OF DIRECTORS

TAN SRI DATO' ABDUL RAHMAN MAMAT  
Independent Non-Executive Chairman

Nationality

Gender

Age





73

DATE OF APPOINTMENT

2 June 2011  
(7 years and 8 months as Independent Director since Date of Listing)<sup>(1)</sup>

ATTENDED BOARD MEETINGS:

During the financial year  
7/7 (100%)

MEMBERSHIP OF BOARD COMMITTEES  
Nil



OTHER DIRECTORSHIPS

Listed Entities

- MCE Holdings Berhad
- ECA Integrated Solution Berhad
- Theta Edge Berhad

Public Companies

- Malaysian Industrial Development Finance Berhad
- Malaysian Technology Development Corporation Sdn Bhd (subsidiary of Khazanah Nasional Berhad)

QUALIFICATION(S)

- Bachelor of Economics (Honours), Universiti Malaya ("UM")
- Advanced Management Programme, Harvard Business School

EXPERIENCE AND EXPERTISE

An accomplished figure in Malaysia's corporate sector, **Tan Sri Dato' Abdul Rahman Mamat** had an illustrious career serving the Government of Malaysia, with extensive knowledge in international trade, economics, investments, corporate governance and entrepreneurship. He was appointed as the Chairman of the Board on 31 March 2017.

He joined the Ministry of International Trade and Industry ("MITI") in April 1975 as an Assistant Director. During his 35-year career at MITI, he held various senior positions before retiring in December 2010. Among them, include Deputy Trade Commissioner, Malaysian Trade Office, New York, the United States ("US"); Director of Trade, Malaysian Trade Centre, Taipei, Taiwan; Economic Counsellor/Trade Commissioner and Deputy Permanent Representative to the United Nations Economic and Social Commission, Malaysian Trade Office, Bangkok, Thailand; Special Assistant to the then Minister of MITI; Member of the Board of Directors, Malaysian Industry-Government Group for High Technology ("MIGHT"); Director of Industries; Senior Director of Policy and Industry, Services Division; Deputy Secretary General (Industry) of MITI; and Secretary General of MITI.

He was also MITI's appointed representative on the boards of various government-linked entities including the Malaysian Investment Development Authority ("MIDA"), Johor Corporation, Regional Economic Development Authority ("RECODA") Sarawak, SME Corporation Malaysia, Pahang State Economic Development Corporation, Malaysian Technology Development Corporation and Malaysia External Trade Development Corporation ("MATRADE").

He represented Malaysia at many international meetings, negotiations, conferences and symposiums and was involved in formulating, implementing and monitoring policies and strategies on international trade and industries and entrepreneurship development.

He was an honorary member of the ASEAN Federation of Engineering Organisations, a Malaysian Leader for the High-Level Task Force on ASEAN Economic Integration and a member of PEMUDAH (Special Taskforce To Facilitate Business).

He also sits on the boards of several private limited companies in Malaysia, operating in finance, manufacturing, retail and services sectors covering global logistics, healthcare, as well as oil, gas and energy.

JANG SEON PYO  
President & Chief Executive Officer,  
Non-Independent Executive Director

Nationality

Gender

Age





55

DATE OF APPOINTMENT

1 December 2024

ATTENDED BOARD MEETINGS:

During the financial year  
No Board meeting was held following  
Mr Jang's appointment on 1 December 2024

MEMBERSHIP OF BOARD COMMITTEES  
• Risk Management Committee



DIRECTORSHIPS IN OTHER PUBLIC AND LISTED COMPANIES

- Nil

QUALIFICATION(S)

- Degree in Accounting, Dongguk University, Republic of Korea
- Masters in Business Administration (MBA), Korea University

EXPERIENCE AND EXPERTISE

**Mr Jang Seon Pyo** was appointed President & Chief Executive Officer of LCT on 1 December 2024. He has over 20 years of leadership experience in the petrochemical industry. Mr Jang's experience covers business development, corporate strategy, financial management and risk mitigation, with a particular focus on sustainability and innovation.

Mr Jang joined LOTTE Chemical Corporation ("LCC") in 2012 as a member of Aromatics Planning Team and rose through the ranks and successfully led operational and strategic initiatives, driving growth and operational excellence in the petrochemical sector.

In 2014, Mr Jang joined Monomer Planning Team and subsequently transitioned to the Finance Team in the same year. In 2016, he was appointed as the Leader of Finance Team and later in 2017, he assumed the role of Leader of General Accounting Team. In 2019, he was promoted to Head of Procurement Department (Vice President).

Prior to his current position, Mr Jang was the President Director of PT LOTTE Chemical Titan Tbk, a public listed company on the Indonesia Stock Exchange and the President Director of PT LOTTE Chemical Titan Nusantara.

Mr Jang is an appointed representative of LCC, the major shareholder of the Company.



PROFILE OF BOARD OF DIRECTORS

ANG AH LECK  
Independent Non-Executive Director

Nationality

Gender

Age





69

DATE OF APPOINTMENT  
31 March 2017<sup>(1)</sup>

ATTENDED BOARD MEETINGS:  
During the financial year  
7/7 (100%)

- MEMBERSHIP OF BOARD COMMITTEES
- Audit Committee (Chairman)
  - Nomination and Remuneration Committee
  - Risk Management Committee



DIRECTORSHIPS IN OTHER PUBLIC AND LISTED COMPANIES

- Listed Entities
- Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust

- Public Companies
- Nil

- QUALIFICATION(S)
- Chartered Accountant, Malaysia
  - Member of the Malaysian Institute of Accountants
  - Member of the Malaysian Institute of Certified Public Accountants
  - Member of the Chartered Tax Institute of Malaysia

**EXPERIENCE AND EXPERTISE**  
**Mr Ang Ah Leck** is a qualified chartered accountant by profession, with over four (4) decades of expertise in audit, finance, corporate advisory, risk management, regulatory compliance and governance.

He began his career as an auditor with Peat Marwick Mitchell & Co. (currently known as KPMG PLT, Malaysia) in 1978. Between 1987 and 1989, he was seconded to the KPMG office in Houston, Texas, US, where he accumulated experience in the audits on some of the country's largest oil and gas companies.

In 1997, he was appointed audit partner at KPMG PLT, where he served as the partner-in-charge of the Firm's Johor Bahru office until his retirement in 2011.

Whilst in KPMG PLT, Mr Ang gained extensive experience in coordinating and managing complex assurance assignments in the oil and gas, plantation, manufacturing, trading, construction and property development industries. He also worked on numerous due diligence exercises on many Initial Public Offerings ("IPOs"), corporate bonds and rights issue.

Mr Ang opted out of retirement in August 2014 by joining BDO as its Executive Director, Advisory, where he is an Engagement Director for Internal Audit, Enterprise Risk Management, Corporate Governance, forensic accounting and litigation support services. He retired recently from BDO.

Mr Ang was appointed as an Independent Non-Executive Director of Pavilion REIT Management Sdn Bhd, the Manager of Pavilion Real Estate Investment Trust, which is listed on the Main Market of Bursa Malaysia Securities Berhad on 2 December 2024.

PROFILE OF BOARD OF DIRECTORS

TAN SRI DATUK (DR.) RAFIAH BINTI SALIM  
Independent Non-Executive Director

Nationality

Gender

Age





78

DATE OF APPOINTMENT  
31 March 2017<sup>(1)</sup>

ATTENDED BOARD MEETINGS:  
During the financial year  
4/7 (57%)  
*Please refer to page 90 for further information<sup>(2)</sup>*

- MEMBERSHIP OF BOARD COMMITTEES
- Audit Committee
  - Nomination and Remuneration Committee (Chairperson)
  - Risk Management Committee



- OTHER DIRECTORSHIPS**
- Listed Entities
- Cyberjaya Education Group Berhad
- Public Companies
- Nil
- QUALIFICATION(S)
- Bachelor of Laws, Queen's University Belfast, Northern Ireland, United Kingdom
  - Master of Laws, Queen's University Belfast, Northern Ireland, United Kingdom
  - Honorary Doctor of Laws, Queen's University Belfast, Northern Ireland, United Kingdom
  - Certificate of Legal Practice ("CLP")
  - Honorary Doctor of Laws, Universiti Malaya

**EXPERIENCE AND EXPERTISE**  
**Tan Sri Datuk (Dr.) Rafiah binti Salim** is a notable figure in the Malaysian financial regulatory sector with significant local and international exposure in the areas of legal, human capital, risk and internal controls, governance and corporate finance.

A qualified lawyer, she began her career in 1974 as an Associate Professor at the Faculty of Law, UM, where she lectured on the Law of Contract, Company and Commercial Law, Evidence and Family Law.

Tan Sri Datuk (Dr.) Rafiah obtained her CLP in 1980 and was admitted as an Advocate and Solicitor of the High Court of Malaya in the same year. In 1988, she entered the corporate arena, moving from her position as Dean of the Law Faculty, UM, to join Malayan Banking Berhad as Head of the Legal Department. She was promoted to General Manager of the Human Resource Department in 1991. Between 1995 and 1997, she was Assistant Governor for the Security Department, Legal Department and Property and Service Department at Bank Negara Malaysia.

She gained substantial international experience when she joined the United Nations, New York, as Assistant Secretary General for the office of Human Resource Management from 1997 to 2002. Between 2003 and 2005, she was Executive Director of the International Centre for Leadership in Finance ("Iclif"). Since 2003, she was appointed as pro-chancellor of Universiti Kebangsaan Malaysia. She was then appointed Vice-Chancellor/President of UM, where she served until 2006.



PROFILE OF BOARD OF DIRECTORS

TAN SRI DATIN PADUKA SITI SA'DIAH BINTI SHEIKH BAKIR  
Independent Non-Executive Director

Nationality

Gender

Age





72

DATE OF APPOINTMENT  
1 February 2019

ATTENDED BOARD MEETINGS:  
During the financial year  
7/7 (100%)

MEMBERSHIP OF BOARD COMMITTEES

- Audit Committee
- Risk Management Committee (Chairperson)



OTHER DIRECTORSHIPS  
Listed Entities

- Nil

Public Companies

- Awqaf Holdings Berhad (Chairperson) (resigned w.e.f. 1 February 2025)

QUALIFICATION(S)

- Bachelor of Economics, Universiti Malaya
- Master of Business Administration, Henley Business School, University of Reading, United Kingdom
- Honorary Doctor of Letters, University of Reading, United Kingdom
- Honorary Doctor of Philosophy (Corporate Management), Universiti Utara Malaysia ("UUM")

EXPERIENCE AND EXPERTISE

Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir is a distinguished corporate figure and a respected leader in the healthcare and education services sectors with extensive experience in leadership, strategy and business transformation in Malaysia.

She began her career with Johor Corporation ("JCorp") in 1974 and joined JCorp's Healthcare Division in 1978. She was the Chief Executive of Kumpulan Perubatan (Johor) Sdn Bhd from 1989 until the company's listing on the Main Board of Bursa Malaysia in 1994 known as KPJ Healthcare Berhad ("KPJ").

At KPJ, she served as Managing Director from 1993 until her retirement in 2012, and then as the company's Corporate Advisor from 2013 to 2014. In her years at KPJ, Tan Sri Datin Paduka Siti Sa'diah led the transformational strategies that has made KPJ one of the leading private healthcare service providers in Malaysia today. She was an Independent Director of KPJ from 2015 until 2020.

She was also the Chairman of KPJ Healthcare University College ("KPJUC") from 2011 to 2016, Pro-Chancellor of KPJUC from 2011 to 2018 and the Chancellor of KPJUC from January 2019 until 31 October 2022.

She was an Independent Non-Executive Director of Bursa Malaysia from 2004 to 2012 and was a Board Member of MATRADE from 1999 to 2012. She served as a Director of a few other public listed companies under Johor Corporation Group namely Al-Aqar Healthcare REIT, Kulim (M) Berhad, KFC Holdings Malaysia Bhd and QSR Brands (M) Holdings Bhd from 2006 to 2016. She was the Chairman of Nationwide Express Holdings Berhad from 2016 to 2019 and was a Director of OSK Holdings Berhad from 2016 to 2021. She served as the Chairperson of Awqaf Holdings Berhad from 1 November 2017 to 1 February 2025.

In 2010, Tan Sri Datin Paduka Siti Sa'diah was conferred the "Malaysia's CEO of the Year 2009 Award", jointly by the New Straits Times Press and American Express. Between 2011 and 2015, she received numerous awards and accolades for her contributions to the healthcare industry in Malaysia. In 2013, she published her biography titled "Siti Sa'diah: Driven by Vision, Mission and Passion".

Tan Sri Datin Paduka Siti Sa'diah is also a passionate leader in the development of Malaysia's talent landscape. She served as a Director of UUM and was the Chairman of the Board of UUM from 2016 to 2018. She was a member of the Leadership Development Committee, Razak School of Government from 2013 to 2018. She was the Pro-Chancellor of the University of Technology Malaysia ("UTM") from 2016 to 2021 and a member of Azman Hashim Business School UTM from 2019 to 2022. She was a member of the Strategy Board, Henley Business School, University of Reading, London from 2021 to 2024.

Dedicated to advancing the quality of Malaysian healthcare, she was the President of the Malaysian Society for Quality in Health ("MSQH"), a national accreditation body for healthcare services since its inception in 1997 until her retirement in December 2018. She also sits on other national-level councils and committees.

PROFILE OF BOARD OF DIRECTORS

YU SEUNG YONG  
Non-Independent Executive Director

Nationality

Gender

Age





54

DATE OF APPOINTMENT  
1 December 2024

ATTENDED BOARD MEETINGS:  
During the financial year  
No Board meeting was held following Mr Yu's appointment on 1 December 2024

MEMBERSHIP OF BOARD COMMITTEES

- Nil



DIRECTORSHIPS IN OTHER PUBLIC AND LISTED COMPANIES

- Nil

QUALIFICATION(S)

- Degree in Chemical Engineering, University of Seoul, Republic of Korea

EXPERIENCE AND EXPERTISE

Mr Yu Seung Yong joined the Company on 1 December 2024 as Executive Vice President, Manufacturing. He is responsible for overseeing and managing all production units, maintenance, technical processes, safety, quality, task force and innovation.

Mr Yu has over 27 years of experience in production operations and project management in the petrochemical industry. He joined LCC in 1998 and has established a strong foundation in technical operations. In recent years, Mr Yu has held senior leadership roles, including serving as the Head of Production Division 2 at Yeosu Plant and Head of Production Department at Daesan Plant, showcasing his operational and strategic expertise.

Mr Yu is an appointed representative of LCC, the major shareholder of the Company.



PROFILE OF BOARD OF DIRECTORS

**PARK JAE SUN**  
Non-Independent Non-Executive Director

Nationality

Gender

Age





51

**DATE OF APPOINTMENT**  
5 July 2019

**ATTENDED BOARD MEETINGS:**  
During the financial year  
**5/7** (71%)

**MEMBERSHIP OF BOARD COMMITTEES**  
• Nomination and Remuneration Committee



**DIRECTORSHIPS IN OTHER PUBLIC AND LISTED COMPANIES**  
• Nil

**QUALIFICATION(S)**

- LLB, Yonsei University, Republic of Korea
- LLM in International Commercial Law, Law School at Queen Mary University of London
- LLM in Business Law, Law School of the University of California, Los Angeles ("UCLA"), US
- Qualified and licensed lawyer in New York State, US
- Qualified and licensed lawyer in the Republic of Korea

**EXPERIENCE AND EXPERTISE**  
**Ms Park Jae Sun** joined LCC as Legal Counsel in 2012 and assumed her role as General Counsel of the Legal Affairs team in 2015. Currently, she is the Vice President of the Legal Department.

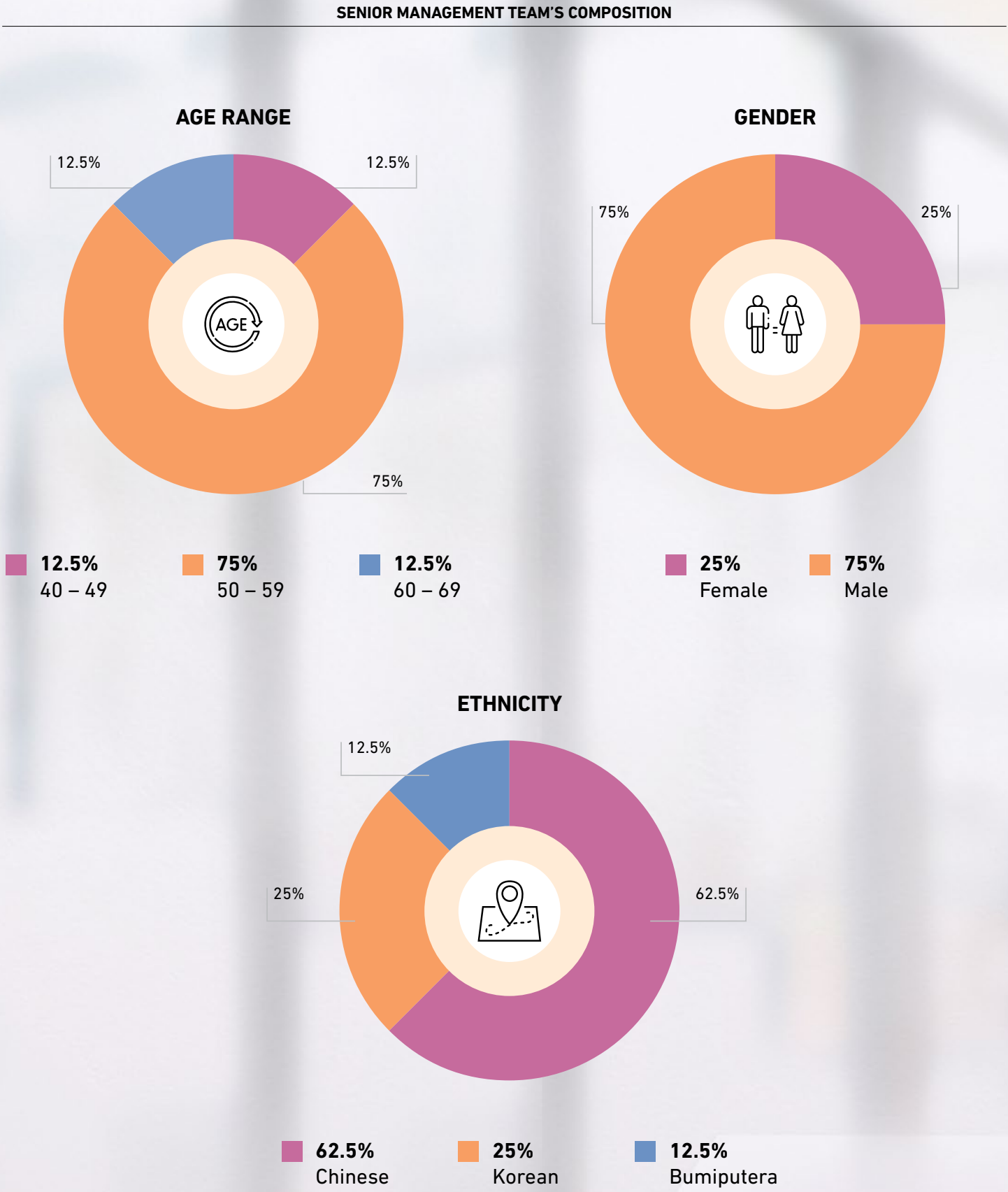
Ms Park's portfolio includes providing compliance and legal advice on corporate transactions, mergers and acquisitions, litigation and arbitration. Prior to that, she was an in-house Legal Counsel for a US-based global finance company, AIG Korea, from 2009 to 2010. Between 2004 and 2007, she gained legal experience in media law and alternative dispute resolution at the Press Arbitration Commission, South Korea.

Ms Park is an appointed representative of LCC, the major shareholder of the Company.

- All Members of the Board of Directors**
- Have no family relationship with any director or major shareholder of the Company.
  - Have no conflict of interest with the Company or its subsidiaries.
  - Have not been convicted of offences in the past five (5) years.
  - Do not have any public sanction or penalty imposed by any regulatory body during the financial year.
  - Details of Directors' attendance at Board meetings during the financial year are contained on page 105.

<sup>(1)</sup> Tenure as Independent Non-Executive Director commences from 11 July 2017 (Date of Listing) for Tan Sri Dato' Abdul Rahman Mamat, Mr Ang Ah Leck and Tan Sri Datuk (Dr.) Rafiah binti Salim.  
<sup>(2)</sup> Tan Sri Datuk (Dr.) Rafiah binti Salim was absent from the Board and Board Committee meetings held between January 2024 to May 2024 as she was on medical leave.

PROFILE OF SENIOR MANAGEMENT TEAM





PROFILE OF SENIOR  
MANAGEMENT TEAM



**JANG SEON PYO**  
President & Chief Executive Officer,  
Non-Independent Executive Director

Nationality

Gender

Age

55

**DATE OF APPOINTMENT**  
1 December 2024

For **Mr Jang Seon Pyo**'s profile, please refer to page 85 of this Integrated Annual Report.



**YU SEUNG YONG**  
Executive Vice President,  
Manufacturing, Non-Independent Executive Director

Nationality

Gender

Age

54

**DATE OF APPOINTMENT**  
1 December 2024

For **Mr Yu Seung Yong**'s profile, please refer to page 89 of this Integrated Annual Report.



**PHILIP KONG CHOCK HOON**  
Executive Vice President,  
Corporate Planning

Nationality

Gender

Age

65

**DATE OF APPOINTMENT**  
1 February 2018

- QUALIFICATION(S)**
- Bachelor of Law (Hons), Middlesex University, London, United Kingdom
  - Barrister-at-Law, Lincoln's Inn
  - Malaysian Association of Company Secretaries

**PROFESSIONAL EXPERIENCE**  
**Mr Philip Kong** is the Executive Vice President of Corporate Planning since 1 February 2018. He is responsible for corporate planning, communications, sustainability and legal and compliance.

He has over 40 years of working experience, including stints at reputable companies such as Shearn Delamore & Co., Shell Group of Companies in Malaysia and Thames Water, Asia Pacific, Singapore.



**JEAN CHING GUEY JING**  
Vice President,  
Finance and Treasury (CFO)

Nationality

Gender

Age

46

**DATE OF APPOINTMENT**  
1 May 2022

- QUALIFICATION(S)**
- Bachelor of Commerce in Accounting and Finance, Monash University, Melbourne, Australia
  - Member, Malaysian Institute of Accountants
  - Member, CPA Australia

**PROFESSIONAL EXPERIENCE**  
**Ms Jean Ching** is the Chief Financial Officer since 1 May 2022. She is responsible for treasury and finance matters of LCT.

She has over 24 years of working experience in audit and accounting functions. Prior to joining LCT, Ms Jean Ching obtained experience in the field of audit, tax and accounting while working at established companies such as Deloitte.



PROFILE OF SENIOR  
MANAGEMENT TEAM



**SAW EWE BENG**  
Vice President,  
Olefins and Derivatives Business

Nationality

Gender

Age

59

**DATE OF APPOINTMENT**  
1 January 2022

**QUALIFICATION(S)**  
• Bachelor of Science, Universiti Malaya

**PROFESSIONAL EXPERIENCE**  
**Mr Saw Ewe Beng** is the Vice President, Olefins and Derivatives Business since 1 January 2022. He is responsible for the purchase of feedstocks and the sales and marketing of olefins and derivatives.

He has over 32 years of sales and marketing experience with LCT, covering domestic polymer sales, feedstocks purchase and sales and marketing of olefins and derivatives. Mr Saw expanded his regional sales exposure during his secondment to Indonesia as Senior Regional Manager in 2010. He returned to Malaysia in 2011 and was redesignated as Senior Manager of Olefins and Derivatives Business to oversee the feedstocks purchase and sales and marketing of olefins and derivatives.



**OTHMAN BIN MD SALLEH**  
Vice President,  
Procurement, Admin, IT and Plant Government Affairs

Nationality

Gender

Age

59

**DATE OF APPOINTMENT**  
1 November 2022

**QUALIFICATION(S)**  
• Bachelor of Science (Chemical Engineering), University of Tulsa, Oklahoma, United States of America

**PROFESSIONAL EXPERIENCE**  
**En Othman Md Salleh** is the Vice President for Procurement, Admin, IT and Plant Government Affairs since 1 November 2022. He is responsible for the functions of Procurement, Admin, IT and Plant Government Affairs. He is also Chairman of the Joint Consultative Committee ("JCC") and Co-Chairman of the CSR Organisation for LCT.

He has more than 33 years of combined working experience with LCT in the Manufacturing Department covering Production Polymers (PP and PE1), Technical team and Safety, Health and Environment team. Prior to LCT, he was a Plant and Project Engineer at Pan Century Edible Oils, Pasir Gudang, Johor for two (2) years.



**LIM ENG LEE**  
Vice President,  
Polymer Business

Nationality

Gender

Age

58

**DATE OF APPOINTMENT**  
1 April 2024

**QUALIFICATION(S)**  
• Bachelor of Polymer Technology, Universiti Sains Malaysia  
• Master of Business Administration (MBA), University of Manchester

**PROFESSIONAL EXPERIENCE**  
**Mr Lim Eng Lee** is the Vice President, Polymer Business since 1 April 2024. He is responsible for the sales and marketing of polyolefins.

Mr Lim joined the Company in 1994 and has over 30 years of polymer sales and marketing experience in the Company, covering both domestic and export markets. He also oversees marketing strategy and planning, product development, technical services to customers and shipping logistics for polymer products.



**TIEW SWEE LING**  
Director, Human Resources

Nationality

Gender

Age

57

**DATE OF APPOINTMENT**  
26 October 2023

**QUALIFICATION(S)**  
• Bachelor of Science, Universiti Malaya

**PROFESSIONAL EXPERIENCE**  
**Ms Tiew Swee Ling** is the Director of Human Resources ("HR"). She was appointed to lead HR Department on 26 October 2023. She is responsible for all human resource services and functions. She has more than 31 years of combined working experience with LCT covering quality management and process. Ms Tiew expanded her career into HR in 2011 under the mentorship of LCC's senior HR leaders and assumed the position as Head of HR in 2023.

- All Members of the Senior Management Team**
- Have no family relationship with any director or major shareholder of the Company.
  - Have no conflict of interest with the Company or its subsidiaries.
  - Do not hold directorships in public and listed companies.
  - Have not been convicted of offences within the past five (5) years.
  - Do not have any public sanction or penalty imposed by any regulatory body during the financial year.



SECTION 6

## OUR COMMITMENT TO GOOD CORPORATE GOVERNANCE

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119 Statement on Risk Management and Internal Control

125 Additional Compliance Information

128 Directors' Responsibility Statement for the Audited  
Financial Statements





CORPORATE GOVERNANCE OVERVIEW STATEMENT

We are dedicated to preserving and enhancing stakeholder value, ensuring accountability to our stakeholders and promoting the Group’s sustainable long-term success.

## VISION

We Lead Every Step for a Greener and Better Tomorrow.

## MISSION

We enrich people's lives by providing superior products and services that our customers love and trust.

## STRATEGY

Stable and Safe Plant Operations

Business Sustainability

Environmental, Social and Governance (“ESG”)

ETHICAL LEADERSHIP

As the Board of Directors (“Board”), we foster a strong ethical environment in dealing with our stakeholders and draw on policies and processes that reflect our ethical values and our approach to doing business.

ETHICAL LEADERSHIP ADOPTED BY LCT AND PRINCIPAL OPERATING SUBSIDIARIES

- Whistleblowing Policy**

The policy encourages reporting of suspected unethical, illegal, fraudulent or undesirable conduct, ensuring that anyone who makes a report can do so safely, securely and with confidence that they will be protected and supported.
- Business Ethics & Code of Conduct (“BECOC”)**

The BECOC sets out the standards of behaviour which are expected of its directors and employees in their interactions with customers, suppliers, the community, shareholders and each other.
- Anti-Bribery & Anti-Corruption (“ABAC”) Manual**

Any form of bribery and corruption activities are strictly prohibited. The Board is committed to a zero-tolerance policy on corruption and demands compliance with all relevant laws.
- Conflict of Interest**

Directors and employees avoid any conflict of interest (“COI”) situations which may, directly or indirectly, in the course of discharging their duties or outside of work, have the potential to interfere with their objectivity in performing duties or exercising judgement on behalf of the Group.

These policies and documents can be found at <https://www.lottechem.my/company/gov-4.asp>

Relevant policies and guidelines are also adopted by the principle operating subsidiaries, such as the BECOC (including COI), the ABAC Manual and the Whistleblowing Policy.

### AWARDS AND RECOGNITION

National Corporate Governance and Sustainability Awards 2024

- Ranked 33 out of Top 50 public listed companies for Overall Excellence Award.

### OUR APPROACH TO GOVERNANCE AND GUIDING PRINCIPLES

We have consistently upheld our commitment to strong governance practices. Our Board firmly believes that practising sound corporate governance principles not only reinforces accountability but also fosters sustainable growth. By prioritising governance, we aim to enhance long-term value for our shareholders and stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Our corporate governance practices are guided by the following three (3) broad principles set out in the Malaysian Code on Corporate Governance (“MCCG”):-

**Principle A**

Board Leadership and Effectiveness

**Principle B**

Effective Audit and Risk Management

**Principle C**

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Compliance with MCCG

This Statement together with the Board Committee Reports describing how the Company and Group have complied with the relevant provisions of the MCCG and applied its main principles during the year was approved by the Board on 11 March 2025.

This Statement is to be read in conjunction with the Corporate Governance Report (“CG Report”), which is available on the Company’s website at <https://www.lottechem.my/investor/agm.asp>.

Best Practices Introduced Under the MCCG

Our Board is pleased to inform that save for those listed below, we have fully complied with all the MCCG practices for the year:-

MCCG		Timeline	Alternative Practices Adopted
Practice 6.1	For Large Companies, the Board engages an independent expert at least every three (3) years, to facilitate objective and candid board evaluation.	The engagement of an independent expert to facilitate Board Effectiveness Evaluations will be looked into at the appropriate time in the future.	The Board evaluation process was facilitated by the External Company Secretary.
Practice 8.2	The Board discloses on a named basis the top five (5) Senior Management’s remuneration in bands of RM50,000.	No timeline has been provided for compliance to maintain confidentiality and a stable working environment.	An indication of the salary bands paid to key Senior Management is contained in the Integrated Annual Report.
Step Up Practice 8.3	Companies are encouraged to fully disclose the detailed remuneration of each member of Senior Management on a named basis.	No timeline has been provided for compliance to maintain confidentiality and a stable working environment.	An indication of the salary bands paid to key Senior Management is contained in the Integrated Annual Report.

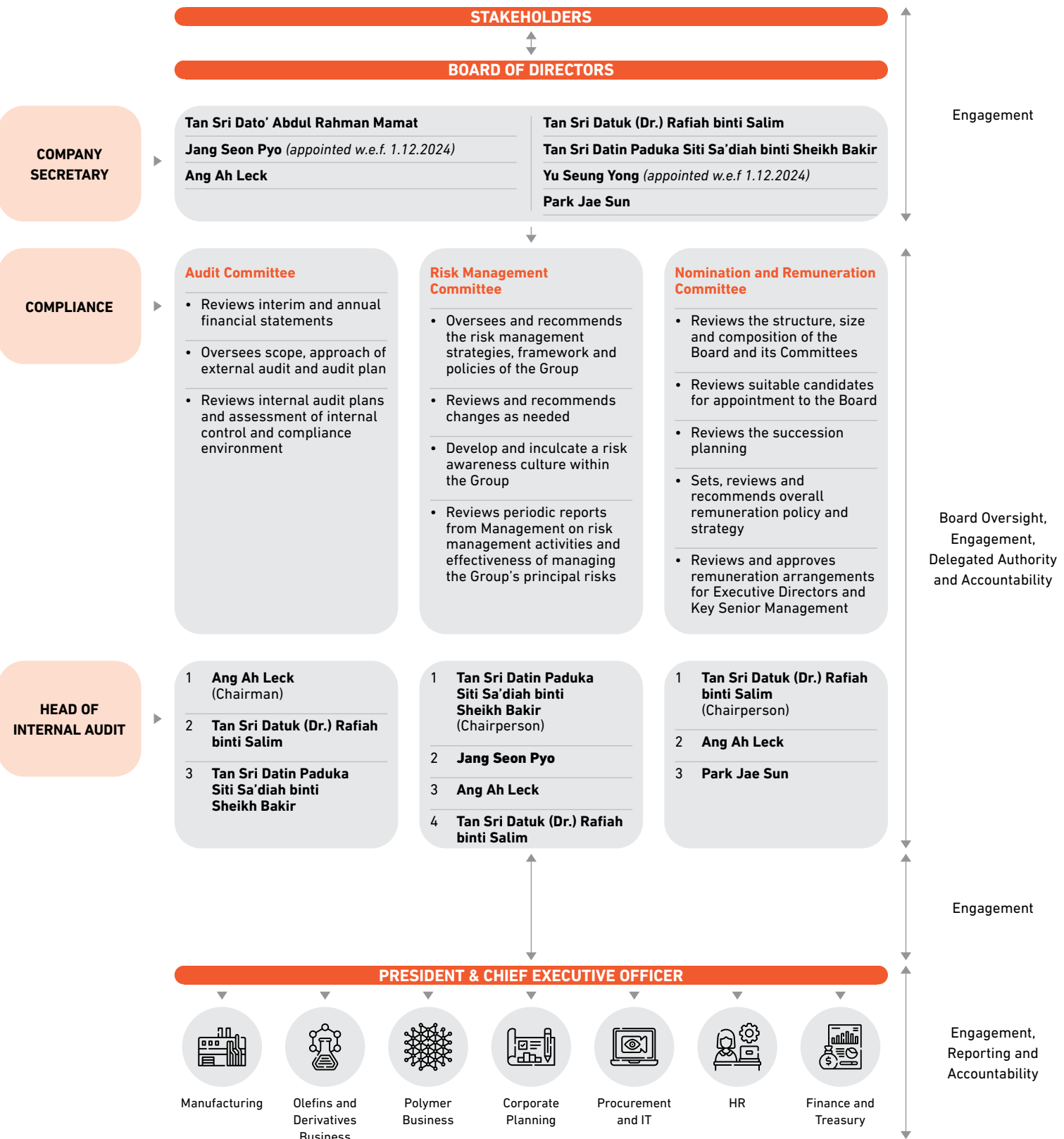




CORPORATE GOVERNANCE OVERVIEW STATEMENT

GOVERNANCE FRAMEWORK

The Company's governance framework is fundamental to its operations. Our governance framework outlining the Board Oversight, Engagement, Delegated Authority and Accountability is illustrated below:–



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

Role of the Board

The Board collectively leads the Group to promote long-term success and deliver sustainable value to its stakeholders. The Board sets the Company's values and standards that align with the Company's strategic objectives and foster a desired business culture, while providing effective oversight of the business and managing key risks faced by the Group. The Board also sets the appropriate tone at the top, advocating for the adoption of good governance and ethical practices throughout the Group.

Role of Board Committees

The Board has appointed the following Board Committees from amongst the Board members to ensure good governance in the decision-making process:–

- Audit Committee ("AC");
- Nomination and Remuneration Committee ("NRC"); and
- Risk Management Committee ("RMC").

The Chairman of the Board Committees will report to the Board on the decision or outcome of the Committee meetings.

Each Board Committee operates under specific Terms of Reference ("TOR"), which may be amended by the Board from time to time. Independent and Non-Executive Directors play a leading role within these Committees, while the Board as a whole maintains collective oversight of their activities.

Matters Reserved for the Board

The Board has a charter that outlines its responsibilities, including powers that are expressly reserved for the Board, which include:–

Board Structure

- Appointment and changes in Directors
- Appointment and removal of Company Secretary(ies)
- Establishment of Board Committees, their members and the specific TOR

Board Remuneration

- Recommendation of Directors' fees for Non-Executive Directors to be approved by shareholders
- Approval of remuneration packages, including service contracts for Executive Directors

Financial

- Approval of financial statements and their release (including financial reports for announcement to Bursa Malaysia Securities Berhad)
- Approval of Directors' Report, Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report
- Approval of distribution of interim/final dividends

Ethics

- Establishment and implementation of ethical policies, procedures and practices to build a strong corporate governance culture
- Provide assurance to stakeholders of the Company's compliance with applicable laws and regulatory requirements on anti-corruption
- Review of ABAC framework which includes clear policies and objectives that adequately address corruption risk together with a standalone Whistleblowing Policy

Company's Operation

- Review and approval of Company's strategic plan and annual budget (including capital expenditure budget)
- Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority
- Approval of investment or divestment in a company, business, property or undertaking
- Approval of investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities
- Approval of major changes in the activities of the Company
- Approval of treasury policies and bank mandates of the Company
- Approval of limits of authority for the Company and the Group

Division of Roles and Responsibilities of the Chairman and President & CEO

Chairman  
Independent Non-Executive Director  
TAN SRI DATO' ABDUL RAHMAN MAMAT

- Provides leadership to the Board
- Leads Board meetings and discussions and encourages active participation from all Board members
- Manages the interface between Board and Management
- Ensures the Group maintains effective communication with stakeholders
- Leads the Board in establishing and upholding good corporate governance practices within the Group

President & CEO  
JANG SEON PYO

- Ensuring a sound management structure is in place to support organisational effectiveness
- Leads the day-to-day operations of the Group
- Implementation of strategic decisions of the Board
- Implementation of the Group's policies

To fulfil his duties and responsibilities, our President & CEO is supported by the Key Management staff in managing the day-to-day business of the Company, with whom he consults regularly.



CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

Independent Directors and Non-Independent Non-Executive Directors

Our Independent Directors provide an impartial and objective perspective in the decision-making process and ensure that the interests of all stakeholders are considered and taken care of by the Board. The Non-Independent Non-Executive Director oversees the conduct of the Company's business and evaluate whether the business is properly managed.

BOARD DYNAMICS

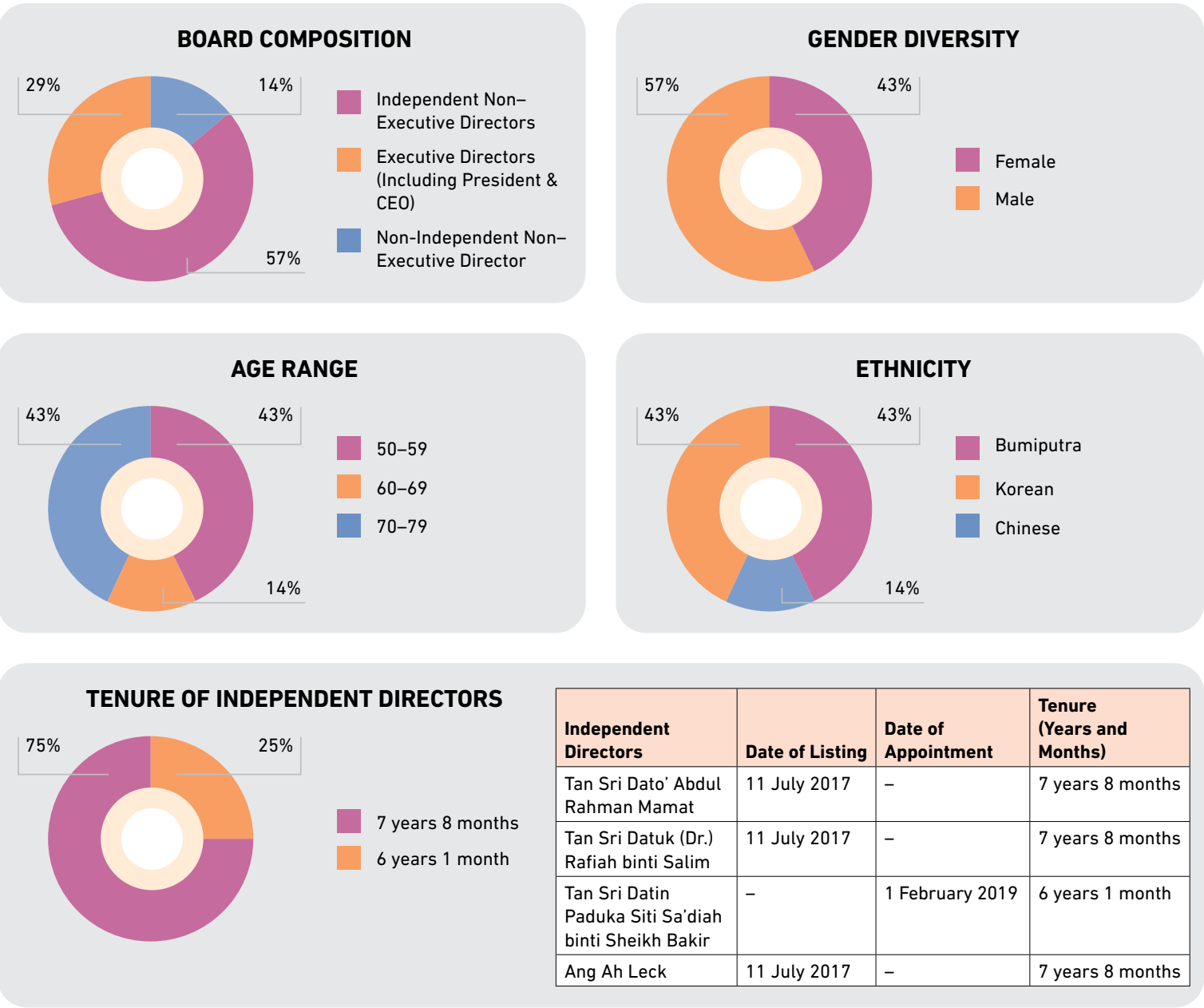
Size and Composition of the Board

Our Board is led by experienced members in various professions and wide-ranging backgrounds. Diverse perspectives from a rich mix of board skills and experiences, including deep industry expertise, strengthen our oversight of the business.

Boardroom Diversity Policy

The Boardroom Diversity Policy outlines the Board's approach to diversity. Selection of candidates is based on a range of diverse perspectives, including but not limited to professional experiences, business experiences, skills, knowledge, gender, ethnicity and educational background. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board.

Our Board diversity is represented as below:-



CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

Skills and Experience

	Tan Sri Dato' Abdul Rahman Mamat	Jang Seon Pyo (appointed w.e.f. 1.12.2024)	Ang Ah Leck	Tan Sri Datuk (Dr.) Rafiah binti Salim	Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	Yu Seung Yong (appointed w.e.f. 1.12.2024)	Park Jae Sun
Public Service	√	√					
Accounting/Finance/ Corporate Finance	√	√	√	√	√		
Audit	√	√	√	√	√		
Corporate Restructuring	√			√	√	√	√
Strategy Formulation	√	√	√	√	√	√	
Petrochemical Engineering						√	
Plant Operations						√	
Legal/Regulatory			√	√	√	√	√
Environmental, Social and Governance	√		√	√	√	√	√
Human Resource	√	√	√	√	√	√	
Sales		√	√		√		
Corporate Governance	√	√	√	√	√		√
Internal Control/ Risk Management	√	√	√	√	√	√	

Directors contribute valuable industry knowledge, international experience, diverse perspectives and specialised expertise across strategic, operational and financial areas that are essential for executing our strategy and achieving sustainable long-term success. Their insights enhance our decision-making and strengthen our ability to adapt to evolving market demands and opportunities.

Time Commitment

To ensure the Directors are able to devote adequate time in discharging their roles and responsibilities, all members of the Board currently hold not more than five (5) directorships in listed companies which is in line with the maximum limit as set out under Paragraph 15.06 of the MMLR.



Independence

Our Independent Directors are Tan Sri Dato' Abdul Rahman Mamat, Mr Ang Ah Leck, Tan Sri Datuk (Dr.) Rafiah Bin Salim and Tan Sri Datin Paduka Siti Sa'diah Binti Sheikh Bakir. Their profiles are available on pages 84 to 88 of the Integrated Annual Report. Our Board of Directors maintain a strong commitment to upholding high standards of corporate governance. Our Independent Directors constitute the majority of our Board, aligning with the principles outlined in Practice 5.2. The Company has adopted a policy that limits the tenure of Independent Non-Executive Directors to nine (9) years, with no extensions, in accordance with Step Up 5.4 of the MCCG.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board and Board Committee Attendance for FY2024

Board meetings are held at least quarterly, with additional meetings convened as and when necessary.

To support informed decision-making, board papers are provided in sufficient detail and are furnished to Directors and Board Committees at least five (5) business days before each meeting, barring unavoidable circumstances.

Management is present at the Board meetings to provide in-depth briefings within their areas of responsibility. Where applicable, relevant external consultants are also invited to present and address any queries from the Board.

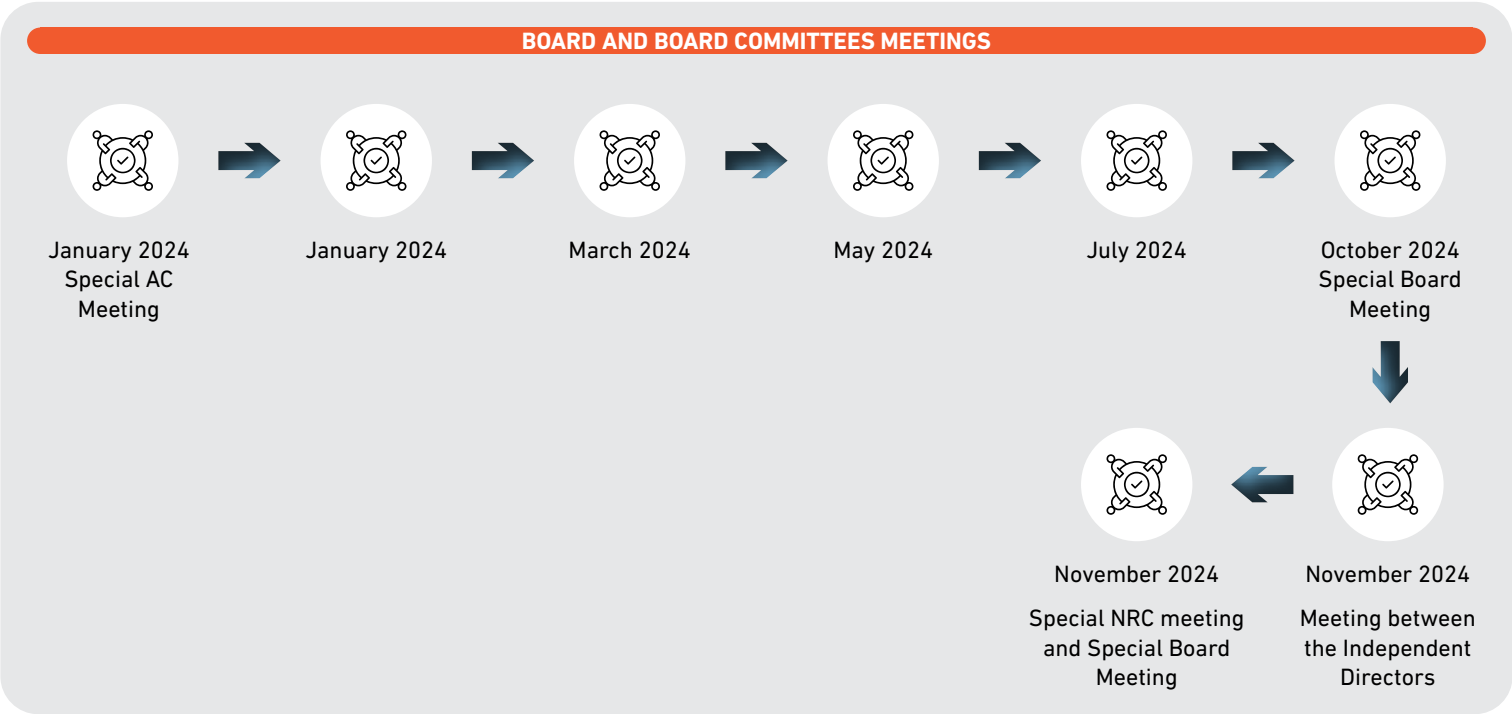
Management also regularly updates the Board on any new developments, laws and regulations that may impact the business to keep the Directors abreast of the operations and regulatory changes. Directors are entitled to request additional information at any time they consider it appropriate and open dialogue with the President & CEO and Management team is actively encouraged at all Board and Board Committee meetings.

Board and Board Committee deliberations are recorded comprehensively and in a timely manner, capturing the essential points discussed at each meeting. Directors are well aware of the need to disclose their interests or any potential conflicts of interest on matters put forth for the Board's consideration. The disclosure of interest or potential conflicts of interest are duly recorded, and requirements from abstention on voting where relevant are duly adhered to.

Minutes are presented at subsequent Board or Board Committees meetings for confirmation, ensuring they accurately capture prior discussions. Additionally, any matters arising from previous meetings are reported in subsequent meetings to verify appropriate follow-up actions. The use of circular resolutions is restricted to administrative matters or as a follow-up to items previously discussed in meetings, with sufficient information circulated to assist in decision-making.

The Board is provided in advance with an annual tentative calendar tabled in the July Board meeting each year to schedule Board or Board Committees meetings for the forthcoming financial year.

The Board and Board Committees held meetings during FY2024, as detailed below. To strengthen their autonomous position, the Independent Directors held their annual meeting on 6 November 2024, focusing on strategic, governance and operational issues of LCT.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of attendance at meetings of the Board and Board Committees during the year under review are set out below:-

	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
	Total number of meetings			
Tan Sri Dato' Abdul Rahman Mamat	7/7 (100%)	–	–	–
Park Hyun Chul (resigned w.e.f. 1.12.2024)	6/7 (86%)	–	–	4/4 (100%)
Ang Ah Leck	7/7 (100%)	6/6 (100%)	2/2 (100%)	4/4 (100%)
Tan Sri Datuk (Dr.) Rafiah binti Salim	4/7 (57%) (refer to note)	3/6 (50%) (refer to note)	1/2 (50%) (refer to note)	2/4 (50%) (refer to note)
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	7/7 (100%)	6/6 (100%)	–	4/4 (100%)
Moon Young Tae (resigned w.e.f. 1.12.2024)	6/7 (86%)	–	–	–
Park Jae Sun	5/7 (71%)	–	1/2 (50%)	–
Jang Seon Pyo (Appointed w.e.f. 1.12.2024)	–	–	–	–
Yu Seung Yong (Appointed w.e.f. 1.12.2024)	–	–	–	–

Note:

Tan Sri Rafiah was absent from the Board and Board Committee meetings held between January 2024 to May 2024 as she was on medical leave.

Professional Development and Continuous Education for Directors

All newly appointed Directors will participate in an induction programme, which includes information relevant to their new role, attendances at key sites and introductions to key staff.

This induction includes briefings on the Company's business, strategy, financial, operational and risk management matters and factors relevant to the sectors and environments in which the Company operates.

The Board is also updated on material developments in laws and regulations.

Directors also underwent professional development and upskilling programmes in the following areas for financial year ended 31 December 2024:-

Directors	Training/Seminar Attended	Date
Tan Sri Dato' Abdul Rahman Mamat	1. Corporate Spotlight: Johor Corporation, "Heralding A New Growth Era for Johor"	6 February 2024
	2. Cybersecurity Masterclass	14 February 2024
	3. What Amounts to a Conflict of Interest by Directors?	8 May 2024
	4. Luncheon Talk: Awaiting Take-Off of Construction Sector with YB Datuk Seri Ahmad Maslan, Deputy Minister of Works	9 May 2024
	5. Sustainability and Climate Responsibility by Messrs Ernst and Young	10 May 2024
	6. Breakfast Roundtable: The Role of Board in the Sustainability Era	23 May 2024
	7. Roundtable Discussion: Road to New Industrial Master Plan ("NIMP") 2030	24 June 2024
	8. National Oil and Gas Services and Equipment ("OGSE") Sustainability Framework Guide	16 July 2024
	9. Malaysian Anti-Corruption Commission ("MACC"), Corporate Governance and Anti Money Laundering	17 July 2024
	10. (i) Reputation and Crisis Management for Board (ii) Board's Strategic Oversight and Stewardship in Sustainability	5 August 2024
	11. Malaysian Industrial Development Finance Berhad ("MIDF") Roundtable Discussion : Road to NIMP 2030 – Digital Economy	3 September 2024
	12. (i) Key Insights of Hajah and Darurah Principles and Applications (ii) Cybersecurity	11 September 2024
	13. World Halal Business Conference 2024 Kuala Lumpur	17 September 2024
	14. Khazanah Megatrends Forum 2024	7 October 2024 and 8 October 2024
	15. Demystifying The Dynamic Forces That Shape Board Relationships and Cultivating Strategic Mindsets in Leadership	21 October 2024 and 22 October 2024
	16. Managing Corruption Risks – Corruption Risk Assessment Awareness	18 November 2024



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Directors	Training/Seminar Attended	Date
Ang Ah Leck	1. 2024 Anti Money Laundering and Counter Financing of Terrorism by BDO PLT 2. 2024 Risk Management and Regulatory Updates by BDO PLT 3. Institute of Corporate Directors Malaysia ("ICDM") Power Talk: Being Sued as an Independent Non-Executive Director ("INED") – A Personal Journey 4. Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") – ICDM 5. 2024 Anti-Bribery Management System by BDO PLT 6. Board Ethics: Growing Concerns From New Technology, Stakeholder Interests and Conflict of Interest – ICDM	15 February 2024 25 April 2024 10 May 2024  13 and 14 May 2024 19 September 2024 16 October 2024
Tan Sri Datuk (Dr.) Rafiah binti Salim	1. Tadbir Urus dan Integriti: Satu Pandangan by Tan Sri Dato' Seri Dr Syed Hamid Albar, Majlis Syarahan Canselor Tuanku Muhriz UKM 2. Mandatory Accreditation Programme Part II: LIP – ICDM	11 May 2024  13 and 14 May 2024
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	1. Speaker at Women Leadership Foundation ("WLF") Roundtable Session on Championing Excellence: The Leadership Legacy 2. Mandatory Accreditation Programme Part II: LIP – ICDM 3. Speaker at WLF National Women's Day on Leading with Wellness: Women's Leadership and Health 4. Khazanah Megatrends Forum 2024 – Paving Path from the Probable to the Possible 5. Leadership Mentoring Programme for WLF on Leadership Insights	28 February 2024  6 and 7 May 2024 23 August 2024  7 and 8 October 2024 14 October 2024
Park Jae Sun	1. H2 Industry Government Policy and Chemical Industry Regulation by Shin and Kim 2. US Sanctions Law Seminar by Kim and Chang 3. Mandatory Accreditation Programme Part II: LIP – ICDM 4. Capital Markets Act and Commercial Law Seminar by Bae, Kim and Lee 5. LCC Group's Ethic Education Programme (Preventing Anti-Corruption) 6. Competition Law Seminar by Kim and Chang 7. LCC Group's Mandatory Training Programme (Preventing Sexual Harassment and Improving Working Environment with the Disabled)	2 February 2024 4 April 2024 20 and 21 May 2024 30 May 2024 September 2024 26 September 2024 December 2024

Notes:

1. Does not include the newly appointed directors, Jang Seon Pyo and Yu Seung Yong, who were appointed on 1 December 2024.

2. President Park Hyun Chul and Mr Moon Young Tae resigned as directors effective 1 December 2024. President Park attended the Mandatory Accreditation Programme Part II: LIP on 20 and 21 May 2024 while Mr Moon had completed his MAP Part II on 4 and 5 December 2023.



CORPORATE GOVERNANCE  
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KEY FOCUS AREAS OF OUR BOARD IN 2024

**Strategy**

- Reviewed annual budget to align with the Group's vision and strategy
- Reviewed the variance analysis of operating profit, comparing budgeted to actual results
- Reviewed the cash flow projections
- Reviewed the 2024 Plants Turnaround activities
- Monitored the progress of the LOTTE Chemical Indonesia New Ethylene ("LINE") Project in Indonesia and LINE Project financing
- Reviewed the Business Sustainability and ESG strategy
- Reviewed the Investor Relations/ Public Relations Strategy

**Governance, Compliance and Leadership**

- Reviewed and renewed the Directors and Officers Liability Insurance Policy
- Reviewed the Shariah Compliance status
- Monitored public shareholding spread compliance
- Reviewed the quarterly updates on compliance with law and regulations for the respective business divisions
- Quarterly review of declaration in relation to the BECOC, ABAC, COI and Whistleblowing Policy

**Financial, Risk Management and Monitoring Performance**

- Quarterly results review
- Reviewed the proposal for change of auditors
- Group's operational efficiency monitoring
- Reviewed corporate finance matters
- Reviewed the Sustainability Working Group ("SWG") Report incorporating the Materiality Assessment Approach, Materiality matrix, Key Sustainability Matrix and Key Sustainability Initiatives
- Quarterly review of the risk management and internal control of the Group including post-incident reviews and action plans, and ensuring clear accountability to close out relevant issues
- Quarterly review of related/recurrent related party disclosures

**LOOKING AHEAD TO FY2025**

We are committed to continue upholding strong corporate governance with the aim of creating long-term shareholder value.

Our Approach to Sustainability Governance

The Board holds overall responsibility for LCT's sustainability practices and provides oversight. The SWG, led by the President & CEO, drives these efforts and comprises leaders from all business divisions.

The SWG takes the lead in executing and overseeing ESG initiatives across the key pillars of SWG and operates within a well-defined reporting mechanism. Quarterly updates and progress reports are submitted to the SWG Chairman, who reviews these efforts and presents key updates to the President & CEO.

Additionally, quarterly reports are provided to the Board to ensure continuous oversight of Group-wide sustainability management. These reports ensure alignment with our overall business and adherence to our sustainability strategy. Additionally, we have integrated ESG initiatives into departmental Key Performance Indicators ("KPI").

Key focus of SWG's ESG initiatives are detailed below:

BUSINESS SUSTAINABILITY

**E**NVIRONMENTAL

- Carbon Policy Compliance
- Carbon Management
- Resource Management
- Circular Economy

**S**OCIAL

- Safety and Health
- Human Capital Development
- Mutual Growth

**G**OVERNANCE

- Compliance and Corporate Governance
- Risk Management

CORPORATE GOVERNANCE  
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NOMINATION AND REMUNERATION COMMITTEE ("NRC")

Composition

Members of the NRC are exclusively Non-Executive Directors, a majority of whom are independent. The members during the year comprised the following Non-Executive Directors:-

- Chairperson** : Tan Sri Datuk (Dr.) Rafiah binti Salim (Independent Non-Executive Director)
- Members** : Ang Ah Leck (Independent Non-Executive Director)
- Park Jae Sun (Non-Independent Non-Executive Director)

The NRC plays a dual role in assisting the Board with determining its composition and structure. The Chairperson of the NRC is Tan Sri Datuk (Dr.) Rafiah binti Salim, an Independent Non-Executive Director. She was appointed to lead the NRC due to her profound understanding of the business, its culture and values, as well as her extensive expertise in human resources and governance. Her exceptional leadership and commitment bring valuable insight and objectivity to the process. The NRC is further supported by a diverse group of members, each contributing their skills, professionalism and industry knowledge to provide meaningful guidance and input, effectively fulfilling their roles.

The NRC is governed by the TOR, which guides the Committee in its objectives, authority and responsibilities.

The TOR of the NRC is uploaded on the Corporate website at <http://www.lottechem.my/company/gov.asp>.

NRC Activities and Key Focus in FY2024:-

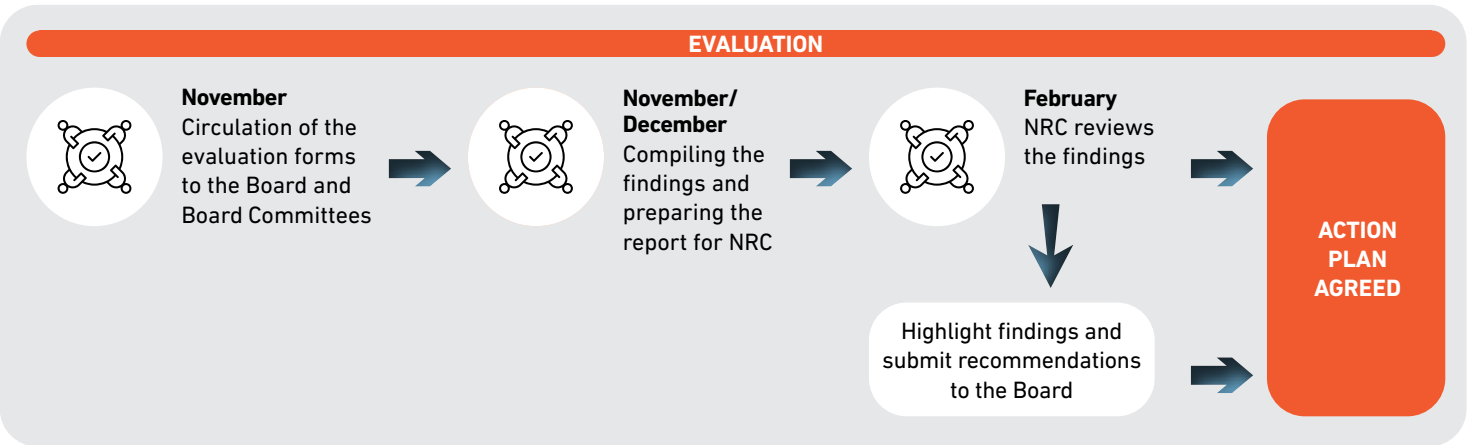
(i) Board, Board Committees and Individual Director Evaluation

The NRC oversees the Board evaluation process. The performance evaluation of the Board, Board Committees and individual Directors are undertaken annually. For 2024, the Board evaluation process was facilitated by the external company secretary.

The evaluation process commenced with the completion of questionnaires. Areas evaluated included:-

- Efficiency and effectiveness of Board leadership
- Directors' fitness and propriety
- Directors' independence
- Conflicts of interest
- Meeting and information processes
- Quality of boardroom discussions and relationships
- Board's relationship with Management
- Diversity, including skills, tenure and gender
- Committee responsibilities and effectiveness
- Oversight of ESG elements and skills and experience required to drive the ESG strategy and implementation
- Time commitment

The responses from Directors indicated that despite challenges experienced throughout the year, the Board, its Committees and the Chair continued to operate effectively. The NRC and Board are of the view that the current skills matrix is adequate to meet the strategic objectives of the Group.



CORPORATE GOVERNANCE  
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(ii) Training Needs

Our Directors participate in ongoing training and development courses to stay current with skills, knowledge and the industry in which the Company operates, ensuring they fulfil their roles at the Board and Board Committees meetings efficiently and effectively. The Board recognises the significance of ESG strategies and has agreed to place greater emphasis on this area, including the mapping progress against planned objectives.

The NRC reviewed the training completed by the Directors and assessed their training needs. The NRC was satisfied with the variety of training attended by the Directors. Additionally, the NRC is monitoring the progress of the Directors' training for the Mandatory Accreditation Programme Part II: LIP, to ensure that all existing Directors complete the training before the deadline of 1 August 2025, in accordance with the Listing Requirements. With the exception of Mr Jang Seon Pyo and Mr Yu Seung Yong, who were appointed on 1 December 2024, all the directors of the Company have attended the MAP Part II as of 31 December 2024.

(iii) Election and Re-election of Directors

In line with the Company's Constitution, an election of Directors shall take place each year. At the first Annual General Meeting ("AGM") of the Company, all the Directors shall retire from office, and at the AGM in every subsequent year, if one-third (1/3) of the Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Directors appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

In the event of any vacancy in the Board of Directors resulting in non-compliance with Para 15.02(1) of the Main Market Listing Requirements, the Company must fill the vacancy within three (3) months.

The NRC had assessed each of the retiring Directors seeking re-election. Based on the annual performance evaluation and assessment of the retiring Directors, the findings were as follows:-

- i) The retiring Directors have met the criteria of the Company's fit and proper policy that allows them to discharge their roles as directors effectively.
- ii) The retiring Directors have demonstrated their time commitment and contribution level to discharge their roles as Directors effectively and to act in the Company's best interests.
- iii) The Directors provided a fresh perspective and valuable input during Board and Board Committees deliberations.
- iv) They are accomplished in their own fields and have the required competence and experience to provide valuable input during Board deliberations to meet business demands and the strategies of the Company.

v) The retiring Independent Director has complied with the independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and continue to bring independent judgement to Board discussions.

vi) The retiring Directors have declared that they have not engaged in any business dealings or actions that could compromise their impartiality or create a COI with their roles within the LCT Group.

vii) The Directors continue to be proponents in addressing sustainability risk, ESG issues and opportunities.

viii) The number of directorships held by the retiring directors does not impede their duties in LCT.

Mr Jang Seon Pyo and Mr Yu Seung Yong were appointed on 1 December 2024. The NRC has assessed their qualification, skills, experience as well as their fit and proper criteria prior to their appointment.

The Board endorsed the NRC's recommendation on the re-election of the retiring Directors.

Tan Sri Datin Paduka Siti Sa'diah Sheikh Bakir and Ms Park Jae Sun, who are retiring pursuant to Clause 100 of the Company's Constitution, as well as Mr Jang Seon Pyo and Mr Yu Seung Yong, who are retiring pursuant to Clause 107 of the Company's Constitution, have offered themselves for re-election at the Company's forthcoming AGM. The details and profiles of the retiring Directors are set out in the Profile of Directors on pages 85, 88, 89 and 90 in the Company's 2024 Integrated Annual Report.

(iv) Succession Planning

In 2024, an assessment was conducted to evaluate the independence of the four (4) Independent Directors, and it revealed no issues compromising their independence or judgement. The NRC reviewed the succession plan for Independent Directors and the process of identifying successors for key leadership roles. The Board is satisfied that the tenure profile, reflected in the length of service of each Director, is well-balanced. It also recognises the ongoing succession planning efforts for Independent Directors, for effective Board succession.

(v) Succession Planning for Key Senior Management

In FY2024, the NRC reviewed the succession pool for the key positions within the key business areas.

In addition, two (2) Senior Management roles are led by women, reflecting the Company's commitment to fostering diversity and promoting women's empowerment within the leadership pipeline.

Our approach this year focuses on ensuring the continuous development of key successors. To achieve this, ongoing process interventions have been implemented through Performance Management which emphasises on strategic communication to coach team performance. Performance rewards are reformulated with higher weightage on deliverable KPI achievement. This implementation is crucial for shaping leaders' skills and competencies, aligning them with KPI development strategies.

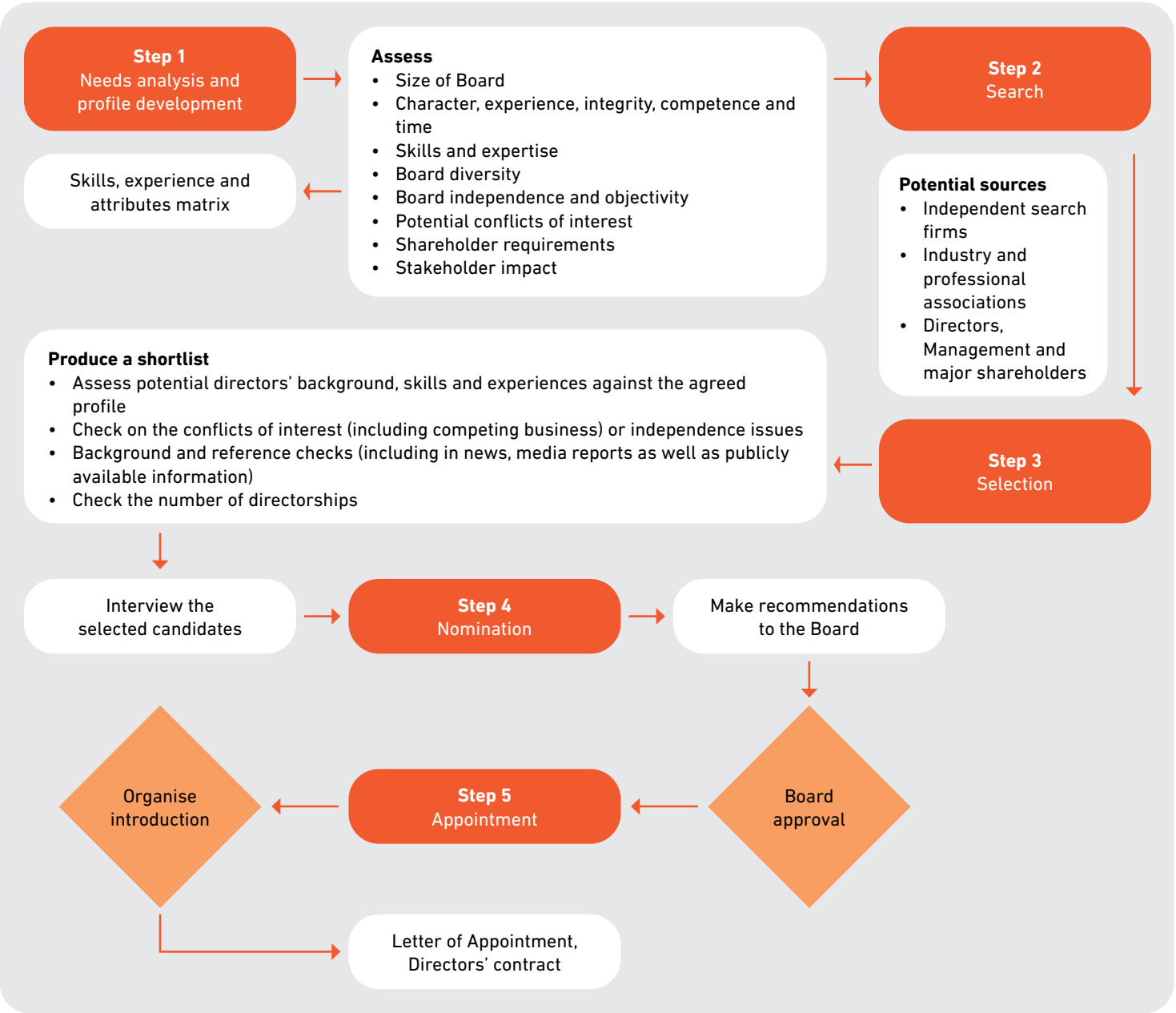


CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

(vi) Board Appointments

The NRC is responsible for identifying suitable candidates to fill Board vacancies as and when they arise, or to identify candidates to complement the existing Board, and to make recommendations to the Board on their appointments. Where appropriate, external consultants are engaged to assist in searching for candidates.

The process of selection and appointment of Directors is illustrated below:-



Appointments to the Board are based on objective criteria, merit and with due consideration of diversity in skills, competencies, experience, age, cultural background and gender. Potential new candidates are required to perform a self-evaluation to assess their fitness and propriety, time commitment and financial standing, based on the criteria outlined in the Company's Fit and Proper Policy. Proposed candidates are also required to provide a declaration of COI (if any), which will be reviewed by the NRC to assess whether any COI situations could impair their ability to discharge their duties effectively.

During the financial year, the Company received two (2) nominations from its holding company, LOTTE Chemical Corporation, for the appointment of Mr Jang Seon Pyo and Mr Yu Seung Yong to replace President Park Hyun Chul and Mr Moon Young Tae, respectively. Mr Jang was also nominated to assume the role of President & CEO, succeeding President Park, whose resignation takes effect on 1 December 2024.

The NRC reviewed the profiles, work experience and other criteria for both Mr Jang and Mr Yu, including their Fit and Proper declarations and the identification of any actual or potential COI. The assessment concluded that both candidates met the required criteria. The NRC subsequently recommended their appointments for Board approval at the meeting held on 29 November 2024.

CORPORATE GOVERNANCE  
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Remuneration of Board and Key Senior Management

There is a process to determine the remuneration of Directors and Senior Management, which considers the demands, complexities and performance of the Company, the skills and experience required, as well as levels and trends for similar positions in the market. The time commitment required from the Directors and the additional responsibility of the Chairman of the Board were also considered.

In line with the Listing Requirements, salaries payable to the Executive Directors do not include a commission or percentage of turnover, while fees payable to the Non-Executive Directors take the form of a fixed sum and not a commission or percentage of profits or turnover. The fees paid to the Independent Directors and meeting allowance for attendance at meetings are in the form of cash. The Non-Independent Non-Executive Director does not receive fees or benefits from the Company.

Pursuant to the provisions of the Companies Act 2016 and the Main Market Listing Requirements, fees and benefits payable to Directors are subject to annual approval at meetings of members. In this connection, the Directors' fees for the financial year 2024 and the benefits payable to the Directors (excluding Directors' fees) with effect from the 2024 AGM until the forthcoming AGM to be held in 2025 were approved by the shareholders at the AGM held on 30 April 2024.

The Independent Directors' remuneration consists of the following components:

Remuneration Component	Paid as	Details
Fixed Fees	Cash	Fees are paid for service as Directors. Fees paid to the Chairman cover his responsibility as Chairman of the Board
Meeting Allowance	Cash	Meeting allowances are paid for attendance at meetings

The Directors' fees of the Independent Directors are structured in accordance with market and industry benchmarks aim of aligning it with the duties, responsibilities and time commitment associated with their roles.

In February 2025, the NRC reviewed the proposed reduction of Directors' fees, Directors' remuneration and benefits, which comprised meeting allowances. This initiative aims to serve as a gesture of solidarity during this challenging period. The proposed reduction of Directors' fees is as follows:-

Directors' Fees		
	Existing (RM per director per annum)	Proposed (RM per director per annum)
Independent Chairman	272,000	244,800
Independent Director	189,000	170,100

The proposed reduction of Directors' remuneration and benefits (excluding Directors' fees) which comprise meeting allowances payable to the Independent Non-Executive Directors from 2025 AGM until the next AGM of the Company to be held in 2026 is as follows:-

Meeting Allowance				
	Independent Chairman of Board/Committee		Independent Directors/Members of Committee	
	Existing (RM per director per meeting)	Proposed (RM per director per meeting)	Existing (RM per director per meeting)	Proposed (RM per director per meeting)
Board	3,000	2,700	2,000	1,800
Audit Committee	2,500	2,250	2,000	1,800
Risk Management Committee	2,500	2,250	2,000	1,800
Nomination and Remuneration Committee	2,500	2,250	2,000	1,800

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Directors' remuneration paid/payable for the financial year ended 31 December 2024 on an individual basis is set out below:

	Group					
	Fees (RM)	Meeting Allowance (RM)	Salaries/ Allowance (RM)	Bonus (RM)	Benefits– in–kind (RM)	Other emoluments (RM)
Non–Executive Directors						
Tan Sri Dato’ Abdul Rahman Mamat	272,000	21,000	–	–	–	–
Tan Sri Datuk (Dr.) Rafiah binti Salim	189,000	20,500	–	–	–	–
Ang Ah Leck	189,000	41,500	–	–	–	–
Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir	189,000	36,000	–	–	–	–
Park Jae Sun	–	–	–	–	–	–
Executive Directors						
Park Hyun Chul (Resigned w.e.f. 1.12.2024)	-	-	1,539,028	–	209,027	800
Moon Young Tae (Resigned w.e.f. 1.12.2024)	-	-	1,038,847	–	170,438	15,136
Jang Seon Pyo (Appointed w.e.f. 1.12.2024)	-	-	86,772	–	10,821	–
Yu Seung Yong (Appointed w.e.f. 1.12.2024)	-	-	28,120	–	5,163	–

	Company					
	Fees (RM)	Meeting Allowance (RM)	Salaries/ Allowance (RM)	Bonus (RM)	Benefits– in–kind (RM)	Other emoluments (RM)
Non–Executive Directors						
Tan Sri Dato’ Abdul Rahman Mamat	272,000	21,000	–	–	–	–
Tan Sri Datuk (Dr.) Rafiah binti Salim	189,000	20,500	–	–	–	–
Ang Ah Leck	189,000	41,500	–	–	–	–
Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir	189,000	36,000	–	–	–	–
Park Jae Sun	–	–	–	–	–	–
Executive Directors						
Park Hyun Chul (Resigned w.e.f. 1.12.2024)	–	–	–	–	–	–
Moon Young Tae (Resigned w.e.f. 1.12.2024)	–	–	–	–	–	–
Jang Seon Pyo (Appointed w.e.f. 1.12.2024)	–	–	–	–	–	–
Yu Seung Yong (Appointed w.e.f. 1.12.2024)	–	–	–	–	–	–

Directors abstained from voting on their own remuneration.

No Fees or Allowance for Nominees of Major Shareholders

There are no fees or meeting attendance allowances paid to Board nominees of major shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Key Senior Management Remuneration

In February 2025, the NRC reviewed the proposed 2024 performance bonus provisions and annual salary increment of the key Senior Management for 2025 and submitted their recommendations to the Board. Among the indicators for consideration in determining the distribution of the performance bonus and the annual increment were corporate performance for financial year 2024, financial metrics and relevant economic indicators.

The aggregate remuneration (including salaries, bonus, allowances, benefits–in–kind or other emoluments) paid or estimated to be paid to the key Senior Management members for the financial year ended 31 December 2024 is set out below:–

Remuneration	For the Financial Year Ended 31 December 2024
Salaries	RM250,000 – RM550,000
Bonus and allowances	RM0 – RM150,000
Benefits–in–kind	–
Other Emoluments	RM0 – RM50,000

The Company does not comply with the recommendations to disclose the detailed remuneration of each member of Senior Management in bands of RM50,000 on a named basis in order to preserve confidentiality, negative impact arising from the disclosure and the larger need to maintain a stable work environment to meet long–term strategic goals.





CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE (“AC”)

The Board has established an AC that comprises solely Independent Directors. The AC is governed by its TOR, which sets out the duties, responsibilities and authority of the AC and is available on the Company’s website.

The Chairman of the AC is Mr Ang Ah Leck, an Independent Non–Executive Director, who possesses more than four (4) decades of hands–on expertise in audit, finance, corporate advisory, risk management, regulatory compliance and governance. The other AC members bring a wealth of experience in international trade, corporate governance, investments, risk and internal control, corporate finance and business transformation. All members are financially literate and have a strong understanding of the business.

An assessment of the AC is carried out annually by the NRC, and the re–appointment of the term as Committee Members were recommended to the Board for approval.

AC meetings are held five (5) times a year, or more frequently if deemed appropriate. The AC also conducted two (2) private sessions with the External Auditors, without the presence of the Executive Management, during the financial year. No major areas of concern were raised during these sessions. No private sessions were held with the newly appointed Internal Auditor, who joined in the middle of the year. A private session with the Internal Auditor will be conducted as and when deemed necessary by the AC.

The AC actively engages with Management to satisfy themselves on the soundness of internal control systems and that disclosures in the financial statements are made in accordance with the applicable accounting standards.

Related party transactions pursuant to predetermined thresholds are reviewed by the AC and are tabled to the Board upon their recommendations.

Matters deliberated by the AC are reported to the Board following each AC meeting so that the Board is promptly apprised of key deliberations or concerns raised during the AC.

Details of the AC activities are included on pages 116 to 118.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

RISK MANAGEMENT COMMITTEE (“RMC”)

The RMC comprises a majority of Independent Directors and includes the President & CEO of LCT so that there is an appropriate balance of views and insights for an effective risk oversight. The RMC consists of four (4) members, namely:–

- Chairperson
- : Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir  
(Independent Non–Executive Director)
- Members
- : Jang Seon Pyo (Non–Independent Executive Director,  
President & CEO)  
Tan Sri Datuk (Dr.) Rafiah binti Salim (Independent  
Non–Executive Director)  
Ang Ah Leck (Independent Non–Executive Director)

The RMC is led by Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir, an Independent Non–Executive Director who actively contributes to the risk governance oversight function due to her understanding of the business, as well as her skills and insights into the risk management process. Each member of the RMC brings their own experience, skills and industry knowledge, which complement those of the other members, ensuring a balanced and high level of insight for an in–depth review and continuous vigilance on the various risks that may impact the Group. Mr Jang Seon Pyo has been appointed as a member of the RMC, effective 1 December 2024, in place of President Park Hyun Chul, whose resignation takes effect on the same date.

The RMC is governed by the TOR, which guides the Committee in terms of its objectives, authority and responsibilities.

The TOR of the RMC are available on the Corporate website:–  
<http://www.lottechem.my/company/gov.asp>.

The RMC oversees the Company’s overall risk management framework, strategies, policies and effectiveness of the risk management systems.

Quarterly reports on the identification of risks, related mitigations and emerging risks are provided to the RMC by the Chief Financial Officer (“CFO”) for the RMC’s consideration.

The RMC reviews the processes in place, the risks that are present and deliberates on any new or emerging risks which may be on their horizon.

The RMC reports quarterly to the Board to ensure that it is kept abreast of changes in the risk landscape and developments in the management of principal risks, and to facilitate regular quality discussions on risk management at Board meetings.

Key Focus Areas of the RMC in 2024

- In 2024, the RMC oversaw key risk management activities including:–
- Reviewed risk exposures to the Group, assessed risk profiles, risk categories and migration risk exposures and provided positive feedback to improve the process
  - Reviewed the Business Continuity Management (“BCM”) Activities 2024
  - Reviewed LCT’s Enterprise Risk Management (“ERM”) Activities 2024
  - Sustain risk management culture

Priorities in 2025

- Continuation of ERM and BCM activities
- Continue evaluation of emerging risks in view of the volatile business environment
- Annual review of Business Impact Analysis (“BIA”), BCM Policy, Procedure and Plans and Risk Management Policy and Procedure Manual
- Testing BCM plan via tabletop exercise

Internal Control

Internal control is under the purview and oversight of the AC. The AC is satisfied that there are adequate internal control systems to preserve the Company’s value creation.

Details of the internal control systems are contained in the Statement on Risk Management and Internal Control on page 119 to 124.

Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Board recognises the importance of timely dissemination of material information to shareholders and other stakeholders to ensure that the shareholders and other stakeholders are well informed of major developments and as such, adopts an open and transparent policy in respect of its relationship with its shareholders and stakeholders.

The Company is guided by Bursa Malaysia Corporate Disclosure Guide and the Company’s Corporate Disclosure Policy in disseminating information to stakeholders.

The Company conducts quarterly result briefings with research analysts and investors immediately after the quarterly results are announced as a means of effective communication that enables the Board and Management to convey information relating to the Company’s performance, corporate strategy and other matters affecting shareholders’ interests. A press release giving highlights of the Group’s financial performance is also released together with the Quarterly Announcement.

Stakeholder Engagement Initiatives for financial year 2024 include:–

- Shareholders’ Meetings and Engagements
- Investors’ Meetings and Engagements
- Research Analysts’ Meeting and Engagements
- Quarterly Results Briefings
- Site Visits
- Press Releases
- Media Meetings and Engagements

We have continued to adopt an integrated reporting approach for our Annual Report. The Integrated Annual Report approach provides insights into our strategy, governance process and other factors that drive our business performance.

The Board always ensures that our shareholders’ and stakeholders’ views are heard and understood, and welcomes their questions and concerns relating to the Group’s management and governance. The Company has a dedicated investor relations and communications team to facilitate communication with stakeholders. Further details on the stakeholder engagement initiatives undertaken for the year may be found on pages 29 to 31 of this Integrated Annual Report.

The Company’s website <http://www.lottechem.my/main/main.asp> provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

Conduct of Meetings

We recognise that the AGM is an important avenue for interacting with our shareholders. In 2024, our Company conducted the AGM virtually, with Tan Sri Dato’ Abdul Rahman Mamat, our Chairman, leading the proceedings. Shareholders had the opportunity to raise questions or seek clarification on matters related to the Company’s financial and non–financial performance. They could do so by posing their questions prior to the AGM or using the chat box during the AGM. Questions posed by the Minority Shareholder Watch Group and the Company’s responses were presented and read at the AGM and subsequently uploaded to the Company’s website.

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

At the 2024 AGM, our President & CEO provided a presentation on our business strategies, vision, objectives, challenges, financial performance and future outlook to ensure that shareholders have a thorough understanding of our business.

The Chairman of the AC and RMC were also present at the 2024 AGM, held on 30 April 2024. This allowed shareholders to pose questions directly to them.

All resolutions tabled during the General Meetings are voted on via electronic poll. Shareholders have the right to appoint representatives or proxies to vote on their behalf in their absence at the general meetings.

Shareholders were provided with 28 days’ notice before the AGM, giving them ample time to consider the resolutions and prepare for the meeting. Explanatory Notes on any special business and relevant resolutions were included in the Notice. The Notice, along with the Administrative Notes, is also published on the corporate website for easy shareholder access. Minutes of General Meetings are posted on the corporate website within 30 business days of the meeting.

Announcement of Consolidated Results

- 2 May 2024  
Unaudited results for the 1<sup>st</sup> quarter ended 31 March 2024
- 31 July 2024  
Unaudited results for the 2<sup>nd</sup> quarter ended 30 June 2024
- 6 November 2024  
Unaudited results for the 3<sup>rd</sup> quarter ended 30 September 2024
- 6 February 2025  
Unaudited results for the 4<sup>th</sup> quarter ended 31 December 2024

Integrated Annual Report/AGM

- 29 March 2024  
Integrated Annual Report and Notice of 2024 AGM
- 30 April 2024  
2024 AGM

AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The Audit Committee ("AC") during the year comprised three (3) members, namely:-

Chairman :	Ang Ah Leck (Independent Non-Executive Director)
Members :	Tan Sri Datuk (Dr.) Rafiah binti Salim (Independent Non-Executive Director) Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir (Independent Non-Executive Director)

The AC meets the requirements of paragraph 15.09(1)(a), (b) and (c) of the Main Market Listing Requirements and Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG"). The AC Chairman is a member of the Malaysian Institute of Accountants ("MIA") since 1987, the Malaysian Institute of Certified Public Accountants since 1984 and the Chartered Tax Institute of Malaysia since 1999.

All AC members are financially literate and independent of mind in addition to possessing sound judgement, objectivity and the required business skills. The AC Chairman possesses more than four (4) decades of hands-on expertise in audit, finance, corporate advisory, risk management, regulatory compliance and governance. The other AC members bring along with them a wealth of experience in international trade, corporate governance, investments, risk and internal control, corporate finance and business transformation.

The attendance record of the AC members is detailed on page 105 of the Corporate Governance Overview Statement.

The Board, through its NRC, conducted a review of the terms of office and performance of the AC and its members for the financial year ended 31 December 2024 ("FY2024"). The NRC was satisfied that the AC and its members have effectively discharged their duties, functions and responsibilities in accordance with the AC's Terms of Reference.



SUMMARY OF ACTIVITIES DURING THE YEAR

The table below reflects the summary of the activities undertaken by the AC during the year and the resulting material outcomes from these activities:-

FINANCIAL REPORTING

- Reviewed the unaudited quarterly financial results and annual audited financial statements.
- Reviewed and discussed with Management and the External Auditors, focusing on compliance with accounting principles and standards that were applied and their opinion on the items that may affect the Financial Statements and significant events arising from the audit.
- Reviewed and discussed with Management and External Auditors the tax audit findings of the subsidiary companies.
- Reviewed the key areas of audit emphasis.
- Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- Reviewed the Cash Flow Projection for FY2024/2025/2026.
- Reviewed the financial position of the associate company, LOTTE Chemical USA Corporation.
- Monitored the loan financing status for the LOTTE Chemical Indonesia New Ethylene ("LINE") Project.
- Reviewed the progress status of e-invoicing implementation project.

EXTERNAL AUDIT

- Reviewed and discussed with the External Auditors the audit planning memorandum outlining among others, their scope of work, approach, results of their examination, areas of audit emphasis and key audit matters.
- Reviewed and assessed the audit fees and the nature of the non-audit services provided by the External Auditors.
- Approved the revised External Auditor Policy.
- Assessed the performance of the External Auditors based on objectivity, independence and quality of service delivery.
- Deliberated on matters arising from the audit of the Group in a meeting with the External Auditors, without the presence of the Management team.

INTERNAL AUDIT

- Reviewed the Internal Audit ("IA") Budget 2024.
- Reviewed the External Quality Assessment report for the IA Department of LCT conducted by The Institute of Internal Auditors Malaysia.
- Reviewed the revised IA plan for 2024 to 2026 as well as the resource requirements of the In-House Group IA Department.
- Assessed the performance of the IA Function and the performance of the Head of IA.
- Reviewed the IA Reports covering PP Plant Management, O&D Business Management, Vendor's Declaration, HR succession planning and Environmental compliance. Recommendations from the IA and Management responses were deliberated at length to improve the controls.
- Reviewed the status of follow up actions at subsequent meetings until all findings were addressed.
- Reviewed and deliberated the findings of the whistleblowing reports.
- Reviewed the IA activities of PT LOTTE Chemical Titan Tbk including K-SOX setting, Petty Cash Management, Procurement Management and Warehouse Management.
- Reviewed the 2024 IA Plan for PT LOTTE Chemical Titan Tbk.

COMPLIANCE

- Reviewed the 2024 Annual Compliance Plan which includes revisiting SHE's applicable licenses and laws and enhancement on the third-party due diligence process involving new vendors and customers by requiring them to complete an Anti-Bribery & Anti-Corruption ("ABAC") questionnaire.
- Reviewed the Manufacturing Business Compliance Process.
- Reviewed the status and received updates on the Compliance matters of all business segments and functional departments, safety and environment matters and corrective measures taken encompassing the enhancement of the Standard of Operating Procedure and processes to improve compliance for LCT Group including the Indonesian subsidiaries.
- Reviewed quarterly reports on areas of compliance encompassing the BECOC/ABAC/Whistleblowing incidents and conflict of interest, etc.
- Reviewed quarterly reports on areas of compliance from the various business departments of PT LOTTE Chemical Titan Tbk and PT LOTTE Chemical Titan Nusantara.

RISK MANAGEMENT

- Reviewed the Statement on Risk Management and Internal Control.

RELATED PARTY TRANSACTIONS

- Reviewed the proposed amendments to Recurrent Related Party Transaction ("RRPT") entered between LOTTE Chemical Titan (M) Sdn Bhd and LOTTE Chemical Corporation for the payment of royalties.
- Reviewed the RRPT in relation to the Tert-Butyl Alcohol sales between LOTTE MCC Corporation and LOTTE Chemical Titan Corporation Sdn Bhd, a wholly-owned subsidiary of LCT.
- Received updates on RPTs and RRPTs entered during the year and tracked against prescribed thresholds.
- Reviewed the estimated RRPT Mandate for the ensuing year and Circular to Shareholders on the Renewal of the Shareholders Mandate for RRPT prior to submission to the Board for consideration.

INTERNAL AUDIT FUNCTION

The primary role of the IA is to undertake regular and systematic reviews of the internal control systems to improve the effectiveness and to provide reasonable assurance on the adequacy of the risk management, internal control environment and governance processes across LCT and its subsidiaries (collectively referred to as "the Group")'s significant operations. The IA reports directly to the AC, thus ensuring their impartiality, proficiency and independence.

The Group's IA function is carried out by the In-house IA Department, which has considerable experience in the industry, thus ensuring that proper resources are utilised for internal control assessments, which would help to enhance the quality of the Group's IA practices.

The activities of the IA are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors ("IIA"), the Internal Audit Charter and the Annual Audit Plan approved by the AC. The IA plan was developed based on the information provided by Management through the Risk Register, as well as areas of concern deemed important by AC and/or Management. To maintain its independence and objectivity, the IA team has no operational responsibility and authority over the audited activities.

The IA independently reviews the adequacy and integrity of the system of internal controls in managing the key risks and reports accordingly to the AC on a quarterly basis. Where weaknesses have been identified due to the reviews, improvement measures are recommended to strengthen controls and follow-up audits are conducted by the IA to assess the status of implementation thereof by Management. In carrying out its work, the IA focuses on priority areas as directed and approved by the AC. Each internal audit conducted is followed up by a detailed report, including recommendations on aspects requiring improvements and Management's responses thereto.



# AUDIT COMMITTEE REPORT

The summary of the activities of the IA function carried out during the year under review included:–

01

Presented the revised IA plan for 2024 to 2026 and tabled the 2024 annual budget to the AC for consideration and approval.

02

Conducting IA engagements according to the scheduled annual audit plan/revised audit plan and recommending improvements, where necessary. IA engagements included the following areas:–

• PP Plant Management (PP1, PP2 and PP3)

• O&D Business Management

• Vendor’s Declaration

• HR succession planning

• Environment compliance (Emission and Effluent)

Areas identified were strengthening of compliance, systems and process enhancement and document management improvement.

03

Presented the IA plan 2024 and reviewed IA report on the audit review of K–SOX testing, Petty Cash Management, Procurement Management and Warehouse Management of Indonesian subsidiary, PT LOTTE Chemical Titan Tbk.

04

Performing follow–up reviews to ensure that Management implements audit recommendations and action plans.

05

Performing quarterly reviews on Financial Statements, focusing on accuracy against management accounts and disclosure of related party transactions in the Quarterly Bursa Report.

06

Conducted internal investigations on whistleblowing reports received and tabled the findings to the AC for review.

07

Performed External Quality Assessment Review on the IA team by the qualified external assessors from the IIA. The overall assessment revealed that the IA team “Generally Conforms” to the Standards.

The In–house IA function is headed by Cik Wan Julaiha Wan Sulong, who is a member of the MIA and a member of the IIA. She holds a Bachelor’s degree of Accounting from the International Islamic University, Malaysia. She is supported by two (2) full–time staff. Cik Wan Julaiha retired at the end of May 2024. Mr Wong Poh Tan has since assumed her role. The Group’s Internal Auditor Director, Mr Wong is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Accountant with the MIA and a professional member of the IIA with more than 23 years of IA and enterprise risk management experience.

The Internal Audit team is free from any relationships and conflicts of interest which could impair their objectivity and independence.

During the financial year, the IA team attended an average of 31 hours of training to enhance their competencies and roles in the IA process.

The total cost incurred for the IA function for the financial year was RM704,320.00.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

This statement is in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the Group’s compliance with the Principles and Best Practices relating to internal control as stipulated in the Malaysian Code on Corporate Governance.

LCT has put in place a risk management framework which is in line with ISO 31000:2018 Risk Management – Guidelines (a standard relating to risk management codified by the International Organization for Standardization which provides a standard on the implementation of risk management).

## RISK MANAGEMENT PHILOSOPHY

It is the Company’s mission to comply with the guiding principles as set out below:

1.

Use the best practices in risk management which are generally aligned with ISO 31000:2018 Risk Management – Guidelines, to support and enhance our activities in all areas of our organisation;
2.

Ensure enterprise risk management (“ERM”) is an integral part of all organisational and decision–making processes;
3.

Use a structured ERM programme to minimise reasonable foreseeable disruptions to operations, injuries to people and damage to the environment and property;
4.

Train our people to implement risk management effectively; and
5.

Strive to continually improve our risk management practices.

## ROLES AND RESPONSIBILITIES

### Board of Directors (“Board”)

The Board is responsible for reviewing and monitoring the Group’s system of risk management and internal controls to ensure its adequacy and integrity, and its alignment with business objectives.

However, it should be noted that risk management and control systems are not about totally eliminating risks but managing them. As such, it can only provide reasonable but not absolute assurance against any material loss or failure. The Board has established a process for identifying, evaluating, monitoring and managing extreme and high risks that may adversely affect our business, operating results, cash flow and financial condition, as well as for enhancing this process where necessary.

### Risk Management Committee (“RMC”)

The RMC is a Board Committee established by the Board to assist it in the risk management of the Group. The RMC is governed by clearly defined Terms of Reference and authority for areas within their scope.

The RMC oversees Senior Management’s activities to ensure that there is an ongoing process to continuously manage the Company’s risks proactively. Some of the specific duties of the Committee include:

- To review the risk governance structure of the Group;
- To review and assess the adequacy of risk management policies and the framework for identifying, measuring, monitoring and managing significant risks as well as the extent to which these are operating effectively;
- To review Management’s periodic reports on risk exposure, risk portfolio composition and risk management activities; and
- To conduct any other functions as may be agreed to by the RMC and the Board.

## President & CEO

The President & CEO has the ultimate responsibility for determining the strategic direction of LCT and for creating the environment and structures for risk management to operate effectively. This is achieved through the RMC and Risk Management Working Committee (“RMWC”).

### Risk Management Working Committee (“RMWC”)

The RMWC is a Senior Management committee established to implement the direction of the RMC. The main responsibilities of the RMWC are as follows:

- Ensure the continuous assessment, identification, measurement and monitoring of all principal risks of the Company;
- Coordinate and prioritise the risk management activities of the Company to ensure all principal risks are adequately managed;
- Ensure that a comprehensive enterprise–wide risk management policy and framework is in place to provide a strong control environment;
- Ensure that the Company’s risk management strategies are continuously aligned with its business strategies and risk tolerance, where risks are considered in the Company’s long–term plans and investment or capital allocations;
- Ensure that adequate resources, expertise and information to manage risks are available throughout the Company; and
- Propagate a risk awareness culture among the Company’s stakeholders, in particular all staff levels in the Company, by way of continuous risk training and education.

### Risk Management Function (“RMF”)

The RMF is set up to assist the Board, RMC and RMWC in discharging their risk management responsibilities. These responsibilities include assisting in the development of the risk management framework, policies, processes and procedures; ensuring that the Line Management of each functional unit carries out all risk management responsibilities; and maintaining the risk register for the Group. In addition, the RMF is also tasked with monitoring and reporting the key risks as identified by the line departments and facilitating the quarterly risk review.

The RMF, under the guidance of RMWC, and to the extent it deems necessary, will also carry out specific responsibilities by collaborating with the Line Management to achieve the following:

- Establish, maintain and continuously monitor the process of identifying, measuring and monitoring risks throughout the Group by the respective risk owners, with appropriate periodic reporting of all risk activities;
- Ensure the risk owners implement all risk treatment programmes as approved by the RMWC, and that the progress of these programmes is continuously monitored and reported; and
- Ensure risk management policies, procedures and framework are in place and that they are effectively functioning, continuously monitored, reviewed and reported inclusive of but not limited to the following risks:

o

Strategic Risks;

o

Operational Risks including the framework to address Compliance, Internal and External Fraud, Occupational Safety and Health, IT Security, Physical Assets Security, Insurance, Business Continuity (minimisation of major business interruptions or catastrophic loss), Human Capital and Environmental Risks;

o

Financial Risks;

o

Market Risks; and

o

Legal and Regulatory Risks.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Line Management

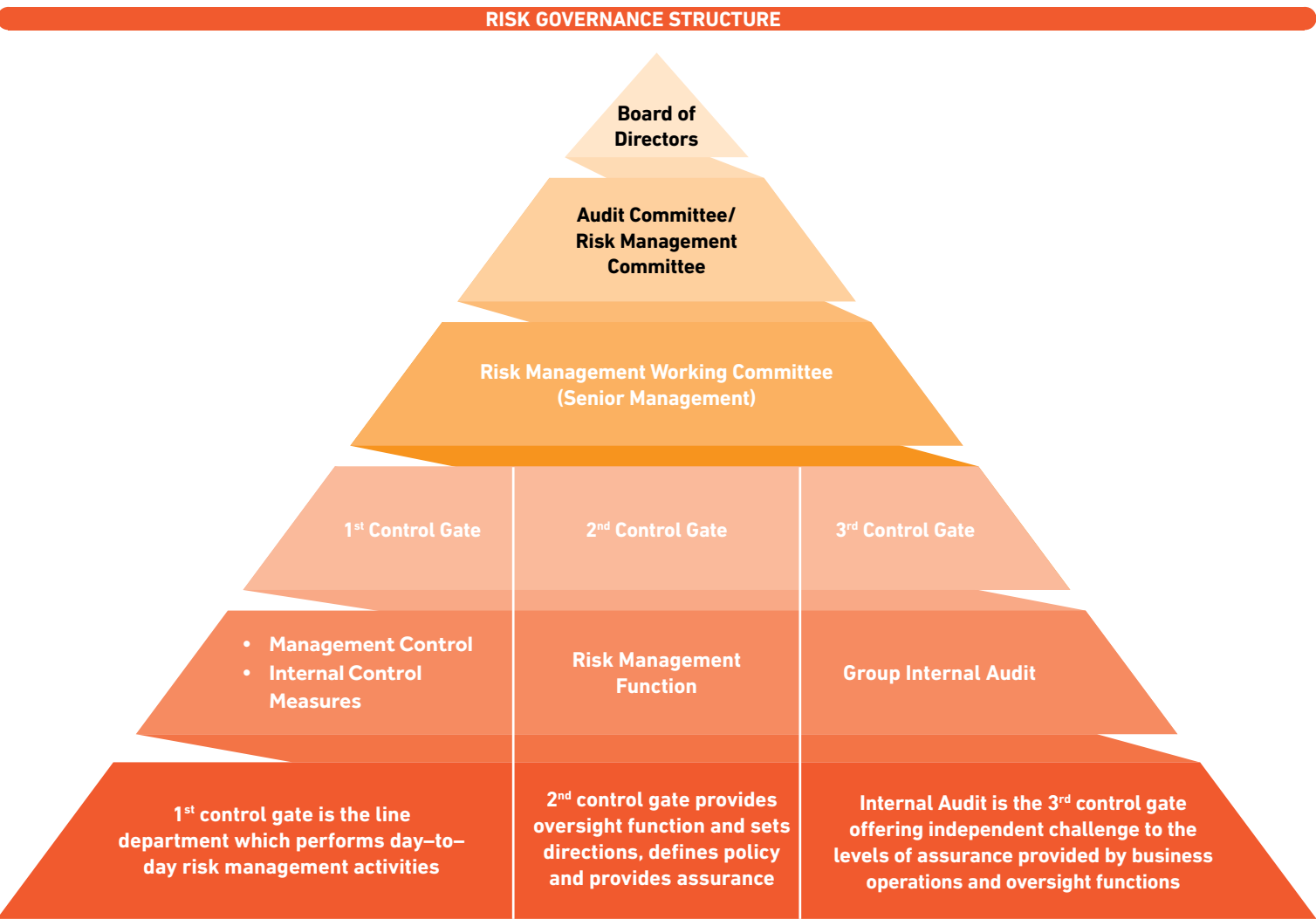
All directors, managers, risk owners and staff have responsibility in the identification of potential risk exposures and for developing and implementing associated risk mitigation plans for unacceptable exposures and updating the risk register accordingly. The Line Management provides quarterly assurance on the adequacy and effectiveness of risk management practice, risk reporting and internal control system within their respective areas. Additional responsibilities include:

- Managing risks on a day-to-day basis;
- Promoting risk awareness within their operations;
- Incorporating risk management as a regular management meeting item to allow the consideration of exposures and to prioritise work in the light of effective risk analysis; and
- Ensuring that risk management is incorporated at the conceptual stage of projects as well as throughout a project.

## RISK MANAGEMENT FRAMEWORK

### Risk Governance and Oversight

The risk governance structure is depicted in the diagram below:



In addition to our risk governance structure, we have adopted the Three Control Gates approach for effective risk management.

Heads of Departments, together with their team members, are the first control gate and are accountable for all risks identified under their respective areas of responsibilities. They are also responsible for the continuous development of the risk management capabilities of their staff and for ensuring that risk management is embedded in all key processes and activities.

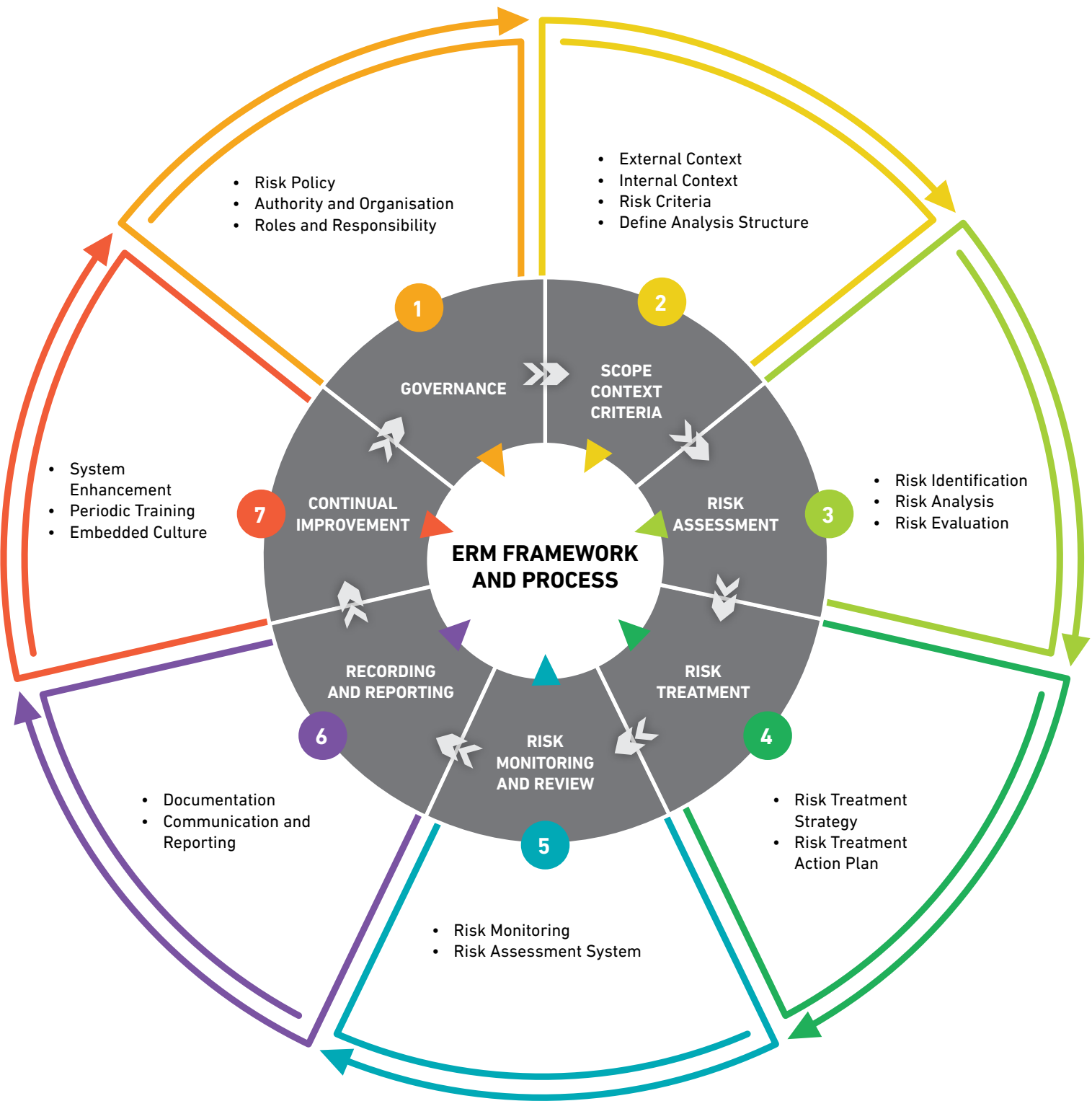
The RMF team, with oversight by the RMWC, is responsible for the second control gate. The RMF team sets direction, defines policy and monitors the risk management activities of the Group.

The third control gate is controlled by the Internal Audit ("IA") team. The IA team reports directly to the AC and provides independent assurance of the adequacy and reliability of governance, internal control and risk management process.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Management Framework and Process

Our ERM framework, process and relevant guidelines are generally aligned with ISO 31000:2018.



Within this framework, the Company has an established and structured process for communication and consultation, defining scope, context, criteria, risk assessment (which includes identifying, analysing and evaluating), treatment, monitoring and reviewing, recording and reporting risks and the effectiveness of its mitigation strategies. The plan is thoroughly followed to ensure that all these processes are implemented as intended. In 2024, LCT implemented a scheduled review programme on the controls in place for moderate and high risk registers to improve risk governance oversight. LCT also carried out annual review of Business Impact Analysis ("BIA"), Business Continuity Management ("BCM") Policy, Procedure and Plans and Risk Management Policy and Procedure Manual.

Risk tolerance is determined using a risk impact and likelihood matrix with an established risk tolerance boundary demarcating those risks that are deemed to have exceeded risk tolerance and those which have not. Descriptive risk treatment guidance is in place, stipulating the actions to be taken for each type of risk.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

How Risks are Treated

Our business is subject to a number of risk factors, many of which are outside our control. The treatment of selected high impact and high likelihood risks are outlined below:

KEY INDUSTRY RISKS	IMPACT TO OUR BUSINESS	MITIGATION MEASURES
Cyclicalities in the petrochemical industry and fluctuations in crude oil prices	<ul style="list-style-type: none"><li>May adversely affect our business, operating results, cash flow and financial condition</li></ul>	<ul style="list-style-type: none"><li>Enhance operational excellence to optimise plant utilisation rate and to be more cost competitive</li><li>Prudent financial management and maintenance of financial resilience</li><li>Strengthen value and supply chain</li></ul>
Operations and production processes are subject to significant operating hazards and risks	<ul style="list-style-type: none"><li>Plant shutdown</li></ul>	<ul style="list-style-type: none"><li>Periodic maintenance and refurbishment of machinery and equipment</li><li>Implementation of a Risk-Based Inspection (“RBI”) programme in line with the Department of Occupational Safety and Health’s (“DOSH”) Special Scheme Inspection (“SSI”) Regulation 2014</li><li>Industrial All Risk insurance is in place</li><li>Yearly risk engineering survey and valuation conducted by insurers and broker</li></ul>
Limitations on, or disruptions in, the supply of feedstock and fluctuations in feedstock prices	<ul style="list-style-type: none"><li>Financial impact due to increased operating expenses which adversely affect operation, cash flow and margins</li></ul>	<ul style="list-style-type: none"><li>Diversify supply sources/suppliers</li><li>Strict assessment of suppliers’ capabilities</li><li>Maintain close collaboration with reliable suppliers</li><li>Pricing risks managed by spreading out price counting</li><li>Price counting set around 30 days prior to cargo arrival</li></ul>
The business is subject to safety and health laws and regulations and is exposed to environmental compliance and clean-up costs	<ul style="list-style-type: none"><li>Prohibition order resulting in plant stop operation</li><li>Financial and reputational impact</li></ul>	<ul style="list-style-type: none"><li>Full compliance with safety and environmental laws and regulations</li><li>Conduct process safety audits</li><li>Implement recommended actions by the Department of Environment (“DOE”) and DOSH</li><li>Perform Guided Self-Regulation (“GSR”) environmental mainstreaming as recommended by the DOE</li></ul>
Market changes and uncertainty – Demand and supply of petrochemical products are dependent on general economic and market conditions, changes in consumer sentiment and preferences and other external factors	<ul style="list-style-type: none"><li>May adversely affect our business, operating results, cash flow and financial condition</li></ul>	<ul style="list-style-type: none"><li>Differentiate the Group in domestic and export markets through the range and quality of our products, speed of delivery and high level of customer service</li><li>Market diversification</li><li>Optimise capacity utilisation according to market demand</li><li>Prudent financial management and maintenance of financial resilience</li><li>Strengthen value and supply chain</li></ul>
Licences, permits and approvals may not be obtained, renewed or maintained to continue business operations	<ul style="list-style-type: none"><li>Plant stop operation</li><li>Financial impact</li></ul>	<ul style="list-style-type: none"><li>Monitoring via the compliance framework comprising:<ul style="list-style-type: none"><li>Compliance Management System</li><li>Quarterly certification</li><li>Legal register</li><li>Annual compliance plan</li></ul></li><li>Full understanding and compliance of conditions attached to all licenses, permits and approvals</li><li>The Compliance Management System will send notifications automatically to responsible line departments prior to the expiry of licences/ permits/approvals</li></ul>

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY BUSINESS RISKS	IMPACT TO OUR BUSINESS	MITIGATION MEASURES
The Ringgit Malaysia (“RM”) and/or the Indonesian Rupiah (“IDR”) may be subject to exchange rate fluctuations	<ul style="list-style-type: none"><li>Increase Forex exposure</li></ul>	<ul style="list-style-type: none"><li>Forward contract</li><li>Daily monitoring of exchange rates</li></ul>
A cyber-incident may result in a business interruption loss as systems are unavailable both internally and externally	<ul style="list-style-type: none"><li>Business interruption</li><li>Financial loss</li></ul>	<ul style="list-style-type: none"><li>Firewalls installed to detect external threats and intrusions</li><li>Use of spam and email virus filtering system to filter malicious software and emails</li><li>Antivirus in place for servers, desktops and laptops</li><li>Provide regular information security training each year and share the ITS Newsletter on a quarterly basis</li><li>Implemented offsite disaster recovery centre with real time replication of critical servers</li></ul>
Loss of key members of the Management, or the Group’s inability to hire or retain qualified personnel	<ul style="list-style-type: none"><li>Disruption to business operations</li></ul>	<ul style="list-style-type: none"><li>Succession planning initiative – Succession pool review and re-nomination with development plan</li><li>Benchmark and review overall compensation and benefit policy within five years to improve competitiveness of remuneration packages</li><li>Key talent retention programmes – Competency based training programme with reward and recognition incentives</li></ul>
Existing and proposed expansion plans may not be completed on schedule or within the budget	<ul style="list-style-type: none"><li>Adverse impact on future growth and prospects</li><li>Financial impact</li><li>Loss of reputation</li></ul>	<ul style="list-style-type: none"><li>Strengthen project and contractor management</li><li>Leverage on parent company expertise in project management and delivery</li><li>Monitor project progress</li></ul>

INTERNAL CONTROL

Internal Audit Department (“IAD”)

The IAD reports to the AC. The activities of the IAD are guided by the IA Charter and Annual Audit Plan that are approved by the AC.

The IAD function independently reviews the adequacy and integrity of the system of internal controls in managing the key risks and reports these accordingly to the AC on a quarterly basis. Where weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls and follow-up audits are conducted by the IAD to assess the status of implementation thereof by Management. In carrying out its work, the IAD focuses on areas of priority as directed and approved by the AC.

The IAD is working towards performing the services in accordance with the International Professional Practices Framework (“IPPF”) that is issued by The Institute of Internal Auditors.

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEMS

Organisation Structure

The Group has an established organisation structure with clear defined lines of authority, responsibility and accountability to meet its business strategies and objectives within a reasonably controlled environment.

Business Ethics & Code of Conduct, Anti-Bribery & Anti-Corruption Manual and Whistleblowing Policy

The Group has in place a Business Ethics & Code of Conduct to provide guidance to employees for moral and ethical behaviour that is expected from the employees in following laws, policies, standards and procedures.

The Anti-Bribery & Anti-Corruption Manual has also been established to outline the Group’s policy on matters pertaining to bribery and corruption.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A Whistleblowing Policy is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner to enable employees and stakeholders to raise concerns about possible improprieties, improper conduct and other malpractices within the Group in an appropriate way.

Delegation of Authority

The Group has established Financial Authority Limits for approving capital expenditure and non-capital expenditure. Major capital investments, acquisitions and disposals exceeding a certain threshold require the relevant Committee or Board Approval.

Business Process

The Group has in place well-established and documented business processes which are aligned with the strategic objectives and goals.

Annual Business Plans and Budgets

Operating plans and budgets are prepared by the respective Heads of Departments on an annual basis. The Group’s operating plan and budgets are presented to the Board for deliberation and approval.

Actual performance against budget is monitored by the Board for corrective actions where necessary.

Monitoring by Senior Management

Regular management and operation meetings are conducted by Senior Management, which include the President & CEO on financial and operational performance.

Monitoring by the Board

Board meetings are held at least once a quarter with a formal agenda on matters for discussion. The Board is kept updated on the Group’s activities and operations regularly.

Compliance Function

A compliance framework to ensure compliance with applicable regulatory and legal requirements, which includes monitoring and continuous trainings has been established.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit & Assurance Practice Guide 3 (“AAPG3”): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG3 does not require the External Auditors to, and they did not, consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk and control procedures. AAPG3 also does not require the External Auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Integrated Annual Report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group’s risk management and internal control system. The Board has received assurance from the President & CEO and Chief Financial Officer that the Group’s risk management and internal control system, in all material respects, is operating adequately and effectively. In providing the above assurances by the President & CEO and the Chief Financial Officer, similar assurances have been obtained from the Risk Management Working Committee confirming the adequacy and effectiveness of the risk management practices and internal control systems within their respective areas.

For the financial year under review, there were no material control failures or adverse compliance events that directly resulted in any material loss to the Group.

This Statement does not include the state of risk management and internal control of the Company’s associate companies, which have not been dealt with as part of the Group.

This Statement was approved by the Board of Directors of the Company on 11 March 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no corporate exercises or proposals to raise funds during the financial year ended 31 December 2024 (“FY2024”).

2. AUDIT AND NON-AUDIT FEES

The fees payable to the external auditors, Ernst & Young PLT and KAP Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) in relation to the audit and non-audit services rendered to the Company and its subsidiaries for the FY2024 are as follows:

	The Company (RM’000)	The Group (RM’000)
Audit fees	293	1,606
Non-audit fees	189	580

The non-audit services were mainly for the consultation services rendered in relation to the review of LCT Group’s financial statements.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS’ INTEREST

Save as disclosed in the prospectus of the Company dated 16 June 2017, there were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of the directors, chief executive or major shareholders, either still subsisting at the end of the FY2024 or, if not then subsisting, entered into since the end of the previous period.

4. RECURRENT RELATED PARTY TRANSACTIONS

At the 2024 Annual General Meeting of the Company held on 30 April 2024, the Company had obtained a general mandate from its shareholders (“Shareholders’ Mandate”) for Recurrent Related Party Transactions (“RRPTs”) of a revenue or trading nature and contracts entered into from time to time which are necessary or would facilitate the day-to-day operations of the Group. The Shareholders’ Mandate is valid until the conclusion of the forthcoming 2025 Annual General Meeting.

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements, details of the RRPTs entered into during the financial year ended 31 December 2024 pursuant to the said Shareholders’ Mandate are as follows:–

Related Party with whom the Group is transacting	Nature of transactions	Company within the Group involved in RRPTs	Actual value transacted during the financial year	Interested Related Party	Relationship
LOTTE Chemical Corporation (“LCC”) Group <sup>(1)</sup> and persons connected to LCC and its major shareholders  (Buyer)	Sale of goods, namely polyethylene, polypropylene, butadiene and tert-butyl alcohol <sup>(5)</sup> by LCT Group <sup>(2)</sup> to the LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders	LCT Group <sup>(2)</sup>  (Seller)	USD30,656,552 (equivalent to RM138,327,488)	<b>Interested major shareholders</b> <ul style="list-style-type: none"><li>LCC</li><li>LOTTE Corporation<sup>(a)</sup></li><li>LOTTE Property &amp; Development Co., Ltd. (“LOTTE Property &amp; Development”)<sup>(a)</sup></li><li>Hotel LOTTE Co. Ltd (“Hotel LOTTE”)<sup>(a)</sup></li><li>LOTTE Holdings Co. Ltd (“LOTTE Holdings”)<sup>(a)</sup></li><li>Kojunsha Co., Ltd (“Kwangyoonsa”)<sup>(a)</sup></li></ul> <b>Interested Directors</b> <ul style="list-style-type: none"><li>Jang Seon Pyo<sup>(b)(3)</sup></li><li>Yu Seung Yong<sup>(b)(4)</sup></li><li>Park Jae Sun<sup>(b)</sup></li></ul>	<sup>(a)</sup> LOTTE Corporation, LOTTE Property & Development, Hotel LOTTE, LOTTE Holdings and Kwangyoonsa are the major shareholders of LCC, which in turn is a major shareholder of LCT and the holding company of LCT.  <sup>(b)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC’s representatives on our Board.



ADDITIONAL COMPLIANCE INFORMATION

Related Party with whom the Group is transacting	Nature of transactions	Company within the Group involved in RRPTs	Actual value transacted during the financial year	Interested Related Party	Relationship
LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders  (Payor)	Consignment of trial of LCC's catalyst to PT LCT Nusantara to produce a specific type of polyethylene (metallocene) and sale of a portion of the products by PT LCT Nusantara to the LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders	PT LOTTE Chemical Titan Nusantara ("PT LCT Nusantara")  (Payee)	Nil	<b>Interested major shareholders</b> <ul style="list-style-type: none"><li>• LCC</li><li>• LOTTE Corporation<sup>(a)</sup></li><li>• LOTTE Property &amp; Development<sup>(a)</sup></li><li>• Hotel LOTTE<sup>(a)</sup></li><li>• LOTTE Holdings<sup>(a)</sup></li><li>• Kwangyoonsa<sup>(a)</sup></li></ul> <b>Interested Directors</b> <ul style="list-style-type: none"><li>• Jang Seon Pyo<sup>(b)(3)</sup></li><li>• Yu Seung Yong<sup>(b)(4)</sup></li><li>• Park Jae Sun<sup>(b)</sup></li></ul>	<sup>(a)</sup> LOTTE Corporation, LOTTE Property & Development, Hotel LOTTE, LOTTE Holdings and Kwangyoonsa are the major shareholders of LCC, which in turn is a major shareholder of LCT and the holding company of LCT.  <sup>(b)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC's representatives on our Board.
LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders  (Seller)	Purchase of goods, namely polyethylene, polypropylene and catalyst by LCT Group <sup>(2)</sup> from LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders	LCT Group <sup>(2)</sup>  (Buyer)	USD3,989,064 (equivalent to RM18,723,023)	<b>Interested major shareholders</b> <ul style="list-style-type: none"><li>• LCC</li><li>• LOTTE Corporation<sup>(a)</sup></li><li>• LOTTE Property &amp; Development<sup>(a)</sup></li><li>• Hotel LOTTE<sup>(a)</sup></li><li>• LOTTE Holdings<sup>(a)</sup></li><li>• Kwangyoonsa<sup>(a)</sup></li></ul> <b>Interested Directors</b> <ul style="list-style-type: none"><li>• Jang Seon Pyo<sup>(b)(3)</sup></li><li>• Yu Seung Yong<sup>(b)(4)</sup></li><li>• Park Jae Sun<sup>(b)</sup></li></ul>	<sup>(a)</sup> LOTTE Corporation, LOTTE Property & Development, Hotel LOTTE, LOTTE Holdings and Kwangyoonsa are the major shareholders of LCC, which in turn is a major shareholder of LCT and the holding company of LCT.  <sup>(b)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC's representatives on our Board.
LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders  (Payee)	Provision of information technology services, information technology equipment rental, information technology systems and licences and purchase of information technology equipment from the LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders to LCT Group <sup>(2)</sup>	LCT Group <sup>(2)</sup>  (Payor)	USD11,005,835 (equivalent to RM51,635,938)	<b>Interested major shareholders</b> <ul style="list-style-type: none"><li>• LCC</li><li>• LOTTE Corporation<sup>(a)</sup></li><li>• LOTTE Property &amp; Development<sup>(a)</sup></li><li>• Hotel LOTTE<sup>(a)</sup></li><li>• LOTTE Holdings<sup>(a)</sup></li><li>• Kwangyoonsa<sup>(a)</sup></li></ul> <b>Interested Directors</b> <ul style="list-style-type: none"><li>• Jang Seon Pyo<sup>(b)(3)</sup></li><li>• Yu Seung Yong<sup>(b)(4)</sup></li><li>• Park Jae Sun<sup>(b)</sup></li></ul>	<sup>(a)</sup> LOTTE Corporation, LOTTE Property & Development, Hotel LOTTE, LOTTE Holdings and Kwangyoonsa are the major shareholders of LCC which in turn is a major shareholder of LCT and the holding company of LCT.  <sup>(b)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC's representatives on our Board.

ADDITIONAL COMPLIANCE INFORMATION

Related Party with whom the Group is transacting	Nature of transactions	Company within the Group involved in RRPTs	Actual value transacted during the financial year	Interested Related Party	Relationship
PT LOTTE Global Logistics Indonesia  (Payee)	Provision of warehouse, logistics, forwarding services and customs clearance by PT LOTTE Global Logistics Indonesia to LCT Group <sup>(2)</sup>	LCT Group <sup>(2)</sup>  (Payor)	USD5,451,363 (equivalent to RM24,982,240)	<b>Interested major shareholders</b> <ul style="list-style-type: none"><li>• LCC</li><li>• LOTTE Corporation<sup>(a)</sup></li><li>• LOTTE Property &amp; Development<sup>(a)</sup></li><li>• Hotel LOTTE<sup>(a)</sup></li><li>• LOTTE Holdings<sup>(a)</sup></li><li>• Kwangyoonsa<sup>(a)</sup></li></ul> <b>Interested Directors</b> <ul style="list-style-type: none"><li>• Jang Seon Pyo<sup>(b)(3)</sup></li><li>• Yu Seung Yong<sup>(b)(4)</sup></li><li>• Park Jae Sun<sup>(b)</sup></li></ul>	<sup>(a)</sup> LOTTE Corporation, LOTTE Property & Development, Hotel LOTTE, LOTTE Holdings and Kwangyoonsa are the major shareholders of LCC which in turn is a major shareholder of LCT and the holding company of LCT.  <sup>(b)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC's representatives on our Board.
LCC Group <sup>(1)</sup> and persons connected to LCC and its major shareholders  (Licensor)	Payment of royalty for use of trademarks for the performance of its business of manufacturing and selling petrochemical products	LCT Group <sup>(2)</sup>  (Licensee)	Nil	<b>Interested major shareholders</b> <ul style="list-style-type: none"><li>• LCC</li><li>• LOTTE Corporation<sup>(a)</sup></li><li>• LOTTE Property &amp; Development<sup>(a)</sup></li><li>• Hotel LOTTE<sup>(a)</sup></li><li>• LOTTE Holdings<sup>(a)</sup></li><li>• Kwangyoonsa<sup>(a)</sup></li></ul> <b>Interested Directors</b> <ul style="list-style-type: none"><li>• Jang Seon Pyo<sup>(b)(3)</sup></li><li>• Yu Seung Yong<sup>(b)(4)</sup></li><li>• Park Jae Sun<sup>(b)</sup></li></ul>	<sup>(a)</sup> LOTTE Corporation, LOTTE Property & Development, Hotel LOTTE, LOTTE Holdings and Kwangyoonsa are the major shareholders of LCC which in turn is a major shareholder of LCT and the holding company of LCT.  <sup>(b)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC's representatives on our Board.

Notes:

<sup>(1)</sup> LCC Group refers to LOTTE Chemical Corporation and its subsidiaries (excluding LCT Group). LCC is the major shareholder and the holding company of LCT.

<sup>(2)</sup> LCT Group refers to LOTTE Chemical Titan Holding Berhad and its subsidiaries.

<sup>(3)</sup> Jang Seon Pyo was appointed as the Non-Independent Executive Director and President & CEO of the Company in place of Park Hyun Chul w.e.f. 1 December 2024.

<sup>(4)</sup> Yu Seung Yong was appointed as the Non-Independent Executive Director of the Company in place of Moon Young Tae w.e.f. 1 December 2024.

<sup>(5)</sup> Butadiene and tert-butyl alcohol were included in the nature of transactions for the sale of goods in the RRPT mandate, which was approved at the 2024 AGM held on 30 April 2024.





# DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards, the IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.





SECTION 7

# ADDITIONAL INFORMATION

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*	Form of Proxy





CORPORATE INFORMATION

BOARD OF DIRECTORS

- 1

**Tan Sri Dato’ Abdul Rahman Mamat**  
Independent Non–Executive Chairman
- 2

**Jang Seon Pyo**  
Non–Independent Executive Director  
President & Chief Executive Officer
- 3

**Ang Ah Leck**  
Independent Non–Executive Director
- 4

**Tan Sri Datuk (Dr.) Rafiah binti Salim**  
Independent Non–Executive Director
- 5

**Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir**  
Independent Non–Executive Director
- 6

**Yu Seung Yong**  
Non–Independent Executive Director
- 7

**Park Jae Sun**  
Non–Independent Non–Executive Director

AUDIT COMMITTEE

- 1

**Ang Ah Leck**  
Chairman, Independent Non–Executive Director
- 2

**Tan Sri Datuk (Dr.) Rafiah binti Salim**  
Member, Independent Non–Executive Director
- 3

**Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir**  
Member, Independent Non–Executive Director

NOMINATION AND REMUNERATION COMMITTEE

- 1

**Tan Sri Datuk (Dr.) Rafiah binti Salim**  
Chairperson, Independent Non–Executive Director
- 2

**Ang Ah Leck**  
Member, Independent Non–Executive Director
- 3

**Park Jae Sun**  
Member, Non–Independent Non–Executive Director

RISK MANAGEMENT COMMITTEE

- 1

**Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir**  
Chairperson, Independent Non–Executive Director
- 2

**Jang Seon Pyo**  
Member,  
Non–Independent Executive Director,  
President & Chief Executive Officer
- 3

**Ang Ah Leck**  
Member, Independent Non–Executive Director
- 4

**Tan Sri Datuk (Dr.) Rafiah binti Salim**  
Member, Independent Non–Executive Director

COMPANY SECRETARIES

- 1

**Janet Phan Pui Li**  
(SSM PC No. 202108000484)  
(MACS 01841)
- 2

**Cynthia Gloria Louis**  
(SSM PC No. 201908003061)  
(MAICSA 7008306)

REGISTERED OFFICE

Lot 29.01, Level 29, 1 Powerhouse,  
No. 1, Persiaran Bandar Utama,  
Bandar Utama, 47800 Petaling Jaya,  
Selangor Darul Ehsan  
Tel: 03–2093 4222  
Fax: 03–2093 5688  
Email: [compliance@lottechem.my](mailto:compliance@lottechem.my)

SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**  
[Registration no. 197101000970 (11324–H)]  
Unit 32–01, Level 32,  
Tower A Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur  
Tel: 03–2783 9299  
Fax: 03–2783 9222  
Email: [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com)

AUDITORS

**MESSRS ERNST & YOUNG PLT**  
202006000003 (LLP0022760–LCA) & AF 0039  
Chartered Accountants  
B–15, Medini 9,  
Persiaran Medini Sentral 1,  
Bandar Medini Iskandar,  
79250 Iskandar Puteri,  
Johor Darul Takzim  
  
Tel: 07–288 3111  
Fax: 07–288 3113

PRINCIPAL BANKERS

Deutsche Bank (Malaysia) Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
Standard Chartered Bank Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad  
Woori Bank

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad  
Stock name: LCTITAN  
Stock code: 5284

WEBSITE

[www.lottechem.my](http://www.lottechem.my)

LIST OF PROPERTIES

No.	Location	Registered/ Beneficial Owner	Existing Use	Tenure of Land/Age of Building (years)	Land Area	Net Book Value as at 31 Dec 2024 RM’000	Date of Last Revaluation/ Date of Acquisition (if no revaluation is done)
1	1 piece of industrial land bearing postal address PLO 425, Jalan Perak, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor on H.S.(D) 189009 P.T. No. PTD 109065 in the Mukim of Plentong, District of Johor Bahru and buildings erected thereto comprising:  • 5 production plants, 1 cogeneration plant, 1 single–storey technical station, 1 material store and 1 single–storey office	LOTTE Chemical Titan (M) Sdn Bhd (“LCTM”)	Industrial land	Leasehold 60 years expiring on 26 November 2051  12–25	28.02 acres	13,660	January 1997 Revaluation
2	1 piece of industrial land bearing postal address PLO 426, Jalan Tembaga 3, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor on H.S.(D) 189010 P.T. No. PTD 109066 in the Mukim of Plentong, District of Johor Bahru  • Currently used for 3 flare stacks • 3 water storage tanks	LCTM	Industrial land	Leasehold 60 years expiring on 26 November 2051	15.49 acres	7,170	January 1997 Revaluation
3	1 piece of industrial land bearing postal address PLO 257, Jalan Tembaga 4, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor on PN6731 Lot No. 51758 (previously known as H.S.(D) 162760 P.T. No. PTD 90011) in the Mukim of Plentong, District of Johor Bahru and buildings erected thereto comprising:  • 2 production plants, 3 material stores, 1 maintenance workshop, 1 control room, 1 single–storey warehouse, 1 single–storey manufacturing office and 1 double–storey manufacturing office	LCTM	Industrial land	Leasehold 60 years expiring on 20 May 2050  7–30	41.90 acres	19,454	January 1997 Revaluation
4	1 piece of industrial land bearing postal address PLO 312, Jalan Tembaga 4, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor on H.S.(D) 162764 P.T. No. PTD 90015 in the Mukim of Plentong, District of Johor Bahru and buildings erected thereto comprising:  • 3 production plants, 2 double–storey offices, 1 maintenance office, 1 maintenance workshop, 1 control room and 1 double–deck warehouse, 1 single–storey canteen and 1 safety and security office	LCTM	Industrial land	Leasehold 60 years expiring on 20 May 2050  7–32	36.72 acres	36,418	January 1997 Revaluation



LIST OF PROPERTIES

No.	Location	Registered/ Beneficial Owner	Existing Use	Tenure of Land/Age of Building (years)	Land Area	Net Book Value as at 31 Dec 2024 RM'000	Date of Last Revaluation/ Date of Acquisition (if no revaluation is done)
5	1 piece of industrial land bearing postal address PLO 8, Persiaran Tg. Langsat, Tg. Langsat Industrial Estate, 81700 Pasir Gudang, Johor on H.S.(D)310853 P.T. No. PTD 2855 in the Mukim of Sg Tiram, District of Johor Bahru and buildings erected thereto comprising:  • 2 production plants, 1 cogeneration plant, 1 flare stack, 1 single-storey multi-purpose building, 2 single-storey warehouses, 2 single-storey technician station, 1 guard shed and parking bays, 3 material stores, 1 maintenance workshop, 1 control room and 1 single-storey office (Plastic Technical Centre)	LCTM	Industrial land	Leasehold 60 years expiring on 14 February 2061	100.0 acres	34,566	August 1997 Acquisition
6	1 piece of land held under HGB Certificate No.14 at Gerem. Jl. Raya Merak Km.116, Kel. Rawa Arum – Cilegon thereto comprising:  • Access route to PE1 Plant (Indonesia), PE2 Plant (Indonesia) and PE3 Plant (Indonesia)	PT LOTTE Chemical Titan Nusantara ("PT LCT Nusantara")	Access route to PT LCT Nusantara	Leasehold 50 years expiring on 18 October 2039	4.03 acres	1,546	January 1991 Acquisition
7	1 piece of land held under HGB Certificate No.2 at Rawa Arum. Jl. Raya Merak Km.116, Kel. Rawa Arum – Cilegon thereto comprising:  • Access route to PE1 Plant (Indonesia), PE2 Plant (Indonesia) and PE3 Plant (Indonesia)	PT LCT Nusantara	Access route to PT LCT Nusantara	Leasehold 50 years expiring on 18 October 2039	2.69 acres	1,033	January 1991 Acquisition
8	1 piece of land held under HGB Certificate No.17 at Rawa Arum. Jl. Raya Merak Km.116, Kel. Rawa Arum and buildings erected thereto comprising:  • Plant's facilities, such as stack flare, LPG tank, seawater intake outfall etc and parking area • Leased to PT LC Indonesia (0.70 acres) for LINE Project construction	PT LCT Nusantara	Industrial land	Leasehold 30 years expiring on 21 February 2025	9.73 acres	3,733	October 1995 Acquisition
9	1 piece of land held under HGB Certificate No.2853 <sup>(1)</sup> at Rawa Arum. Jl. Raya Merak Km.116, Kel. Rawa Arum and buildings erected thereto comprising:  • 3 production plants (namely PE1 Plant (Indonesia), PE2 Plant (Indonesia) and PE3 Plant (Indonesia)), administration building, warehouse, workshop and technical office and parking area • Leased to PT LC Indonesia (21.10 acres) for LINE Project construction	PT LCT Nusantara	Industrial land	Leasehold 30 years expiring on 21 February 2025	82.90 acres	34,365	October 1995 Acquisition

Note:

<sup>(1)</sup> HGB Certificate No. 2853 was issued as a result of the splitting process of HGB Certificate No. 17, which encompassed a total area of 92.63 acres prior to splitting.

LIST OF PROPERTIES

No.	Location	Registered/ Beneficial Owner	Existing Use	Tenure of Land/Age of Building (years)	Land Area	Net Book Value as at 31 Dec 2024 RM'000	Date of Last Revaluation/ Date of Acquisition (if no revaluation is done)
10	1 piece of land held under HGB Certificate No.18 at Rawa Arum. Jl. Raya Merak Km.116, Kel. Rawa Arum  • Leased to PT LC Indonesia (2.01 acres) for LINE Project construction	PT LCT Nusantara	Industrial land	Leasehold 50 years expiring on 21 February 2045	2.01 acres	771	October 1995 Acquisition
11	1 piece of land held under HGB Certificate No.20 at Rawa Arum. Jl. Raya Merak Km.116, Kel. Rawa Arum  • Leased to PT LC Indonesia (80.13 acres) for LINE Project construction	PT LCT Nusantara	Industrial land	Leasehold 50 years expiring on 21 February 2045	80.13 acres	13,739	November 1995 Acquisition
12	1 piece of land held under HGB Certificate No.839 at Kotabumi. Jl. Palem Putri, RT 007 RW 14, Kotabumi, Purwakarta, Cilegon and buildings erected thereto comprising:  • Housing complex comprising 4 residential houses	PT LCT Nusantara	Residential	Leasehold 57 years expiring on 7 October 2054	1.52 acres	834	March 1997 Acquisition
13	1 piece of land held under HGB Certificate No.00840 at Kotabumi. Jl. Palem Putri, RT 007 RW 14, Kotabumi, Purwakarta, Cilegon and buildings erected thereto comprising:  • Housing complex comprising 6 residential houses, 1 function hall, 1 diesel house and 1 security post	PT LCT Nusantara	Residential	Leasehold 47 years expiring on 7 October 2044	1.10 acres	604	March 1997 Acquisition
14	1 piece of land held under HGB Certificate No.838 at Kotabumi. Jl. Palem Putri, RT 007 RW 14, Kotabumi, Purwakarta, Cilegon and buildings erected thereto comprising:  • Housing complex comprising 5 residential houses and 1 function hall	PT LCT Nusantara	Residential	Leasehold 57 years expiring on 7 October 2054	3.22 acres	1,763	July 1997 Acquisition
15	1 piece of land held under HGB Certificate No.841 at Kotabumi. Jl. Palem Putri, RT 007 RW 14, Kotabumi, Purwakarta, Cilegon and buildings erected thereto comprising:  • Housing complex comprising 1 residential houses	PT LCT Nusantara	Residential	Leasehold 30 years expiring on 25 August 2027	0.39 acres	214	December 1997 Acquisition
16	1 piece of land held under HGB Certificate No.124 at Rawa Arum. Jl. Raya Merak Km.116, Kel. Rawa Arum	PT LCT Nusantara	Vacant land	Leasehold 27 years expiring on 21 February 2045	5.25 acres	900	February 2018 Acquisition
17	1 piece of land held under HGB Certificate No.3045 at Warnasari Village, District of Citangkil, Cilegon City, Banten Province	PT LOTTE Chemical Indonesia ("PT LC Indonesia")	Industrial land	Leasehold 30 years expiring on 8 February 2047	79.34 acres	145,660	February 2017 Acquisition
18	1 piece of land held under HGB Certificate No.3046 at Warnasari Village, District of Citangkil, Cilegon City, Banten Province	PT LC Indonesia	Industrial land	Leasehold 30 years expiring on 8 February 2047	35.62 acres	65,367	February 2017 Acquisition

LIST OF PROPERTIES

No.	Location	Registered/ Beneficial Owner	Existing Use	Tenure of Land/Age of Building (years)	Land Area	Net Book Value as at 31 Dec 2024 RM'000	Date of Last Revaluation/ Date of Acquisition (if no revaluation is done)
19	1 piece of land held under HGB Certificate No.22 at Rawa Arum Village, District of Pulo Merak, Cilegon City, Banten Province	PT LC Indonesia	Industrial land	Leasehold 8 years expiring on 24 September 2026	8.19 acres	8,865	July 2018 Acquisition
20	1 piece of land held under HGB Certificate No.115 at Rawa Arum Village, District of Gerogol, Cilegon City, Banten Province	PT LC Indonesia	Industrial land	Leasehold 27 years expiring on 25 May 2046	1.68 acres	3,639	May 2019 Acquisition
21	1 piece of land held under HGB Certificate No.00154 at Rawa Arum. Village, District of Pulo Merak, Cilegon City, Banten Province	PT LC Indonesia	Industrial land	Leasehold 18 years expiring on 26 September 2039	12.8 acres	39,328	February 2021 Acquisition
22	1 piece of land held under HGB Certificate No.00192 at Rawa Arum Village, District of Gerogol, Cilegon City, Banten Province	PT LC Indonesia	Industrial land	Leasehold 30 years expiring on 25 March 2052	29.46 acres	128,626	April 2022 Acquisition
23	1 piece of land held under HGB Certificate No.00194 at Rawa Arum Village, District of Gerogol, Cilegon City, Banten Province	PT LC Indonesia	Access route	Leasehold 3 years expiring on 24 September 2026	0.04 acres	41	January 2023 Acquisition
24	1 piece of land held under HGB Certificate No.00191 at Rawa Arum. Village, District of Gerogol, Cilegon City, Banten Province	PT LC Indonesia	Access route	Leasehold 11 years expiring on 3 March 2034	0.21 acres	2,029	January 2023 Acquisition
25	1 piece of land held under HGB Certificate No.03167 at Warnasari Village, District of Citangkil, Cilegon City, Banten Province	PT LC Indonesia	Industrial land	Leasehold 30 years expiring on 8 August 2053	1.74 acres	4,337	August 2023 Acquisition

ANALYSIS OF SHAREHOLDINGS

AS AT 24 FEBRUARY 2025

Class of shares : Ordinary shares  
Voting Rights : One vote per share  
Issued Shares : 2,312,364,540 ordinary shares  
(including 34,808,000 treasury shares)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1–99	771	4.553	14,739	.
100 – 1,000	2,852	16.842	2,016,717	0.088
1,001 – 10,000	8,448	49.890	39,636,838	1.740
10,001 – 100,000	4,151	24.514	128,763,195	5.653
100,001 – 113,877,826 (less than 5% of issued shares <sup>*)</sup>	710	4.192	379,333,551	16.655
113,877,827 (5% of issued shares <sup>**)</sup> and above	1	0.005	1,727,791,500	75.861
Total	16,933	100.000	2,277,556,540	100.00

Notes:

\* Less than 0.001%.  
\*\* Excluding a total of 34,808,000 LOTTE Chemical Titan Holding Berhad (“LCT”) shares bought back by LCT and retained as treasury shares as at 24 February 2025.

THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1 Maybank Securities Nominees (Asing) Sdn. Bhd. Pledged Securities Account for LOTTE Chemical Corporation	1,727,791,500	75.861
2 Amanahraya Trustees Berhad Amanah Saham Bumiputera	16,000,000	0.702
3 Amanahraya Trustees Berhad Amanah Saham Malaysia 2- Wawasan	12,500,000	0.548
4 RHB Nominees (Tempatan) Sdn. Bhd. OSK Capital Sdn Bhd for Yayasan Islam Terengganu	10,144,690	0.445
5 Amanahraya Trustees Berhad Amanah Saham Malaysia 3	8,271,300	0.363
6 Toh Ean Hai	8,000,000	0.351
7 Lembaga Tabung Haji	7,800,000	0.342
8 HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA For Vanguard Total International Stock Index Fund	7,548,347	0.331
9 Citigroup Nominees (Asing) Sdn. Bhd. CBLDN for Polunin Emerging Markets Small Cap Fund, LLC	7,330,044	0.321
10 HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA For Vanguard Emerging Markets Stock Index Fund	7,276,047	0.319
11 Amanahraya Trustees Berhad Amanah Saham Malaysia	6,200,000	0.272
12 Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	6,000,000	0.263
13 Maybank Nominees (Tempatan) Sdn. Bhd. Wong Tung Ann	5,831,557	0.256
14 Pua Lai Hwa	5,400,000	0.237
15 HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Hooi Hak	5,352,300	0.235
16 Yong Koy	5,270,000	0.231



ANALYSIS OF SHAREHOLDINGS  
AS AT 24 FEBRUARY 2025

Name of Shareholders		No. of Shares	%
17	Public Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Chua Kee Tee (E-JBU/SKI)	5,253,100	0.230
18	Lee See Jin	4,928,492	0.216
19	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	4,079,400	0.179
20	Teoh Choo Ee	3,800,009	0.166
21	HSBC Nominees (Asing) Sdn. Bhd. JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	3,441,500	0.151
22	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Quek See Kui	3,277,477	0.143
23	Lim Cheai Ni	2,968,100	0.130
24	Quek See Kui	2,750,879	0.120
25	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Lay Fan (Penang-CL)	2,546,634	0.111
26	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Hooi Giap (JlnKenari-CL)	2,200,000	0.096
27	Amsec Nominees (Tempatan) Sdn. Bhd. Ambank (M) Berhad	2,118,000	0.092
28	Yeo Kian Joo	2,081,500	0.091
29	Dual Matrix Sdn. Bhd.	2,034,000	0.089
30	Lim Pei Tiam @ Liam Ahat Kiat	2,000,000	0.087

ANALYSIS OF SHAREHOLDINGS  
AS AT 24 FEBRUARY 2025

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(According to the Register of Substantial Shareholders as at 24 February 2025)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
LOTTE Chemical Corporation	1,727,791,500	75.861	-	-

DIRECTORS' SHAREHOLDINGS IN THE COMPANY AND/OR ITS RELATED CORPORATION

(According to the Register of Directors' Shareholdings as at 24 February 2025)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Abdul Rahman Mamat	30,000	0.001	-	-
Jang Seon Pyo	-	-	-	-
Tan Sri Datuk (Dr.) Rafiah binti Salim	82,500	0.003	-	-
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	-	-	-	-
Ang Ah Leck	30,000	0.001	-	-
Yu Seung Yong	-	-	-	-
Park Jae Sun	-	-	-	-

Directors' Shareholdings in the Holding Company, LOTTE Chemical Corporation ("LCC")

Jang Seon Pyo <sup>(a)</sup>	1,950	<sup>^</sup>	-	-
Yu Seung Yong <sup>(a)</sup>	464	<sup>^</sup>	-	-
Park Jae Sun <sup>(a)</sup>	168	<sup>^</sup>	-	-

Notes:

<sup>^</sup> Negligible.  
<sup>(a)</sup> Mr Jang Seon Pyo, Mr Yu Seung Yong and Ms Park Jae Sun hold 1,950, 464 and 168 ordinary shares respectively in LCC.

GRI  
CONTENT INDEX

GRI  
CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2–1 Organisational details	IAR Section 1: About this Report
	2–2 Entities included in the organisation’s sustainability reporting	IAR Section 1: About this Report (Reporting Scope and Boundary)
	2–3 Reporting period, frequency and contact point	IAR Section 1: About this Report (Reporting Scope and Boundary, Feedback and Contact Point)
	2–4 Restatements of information	IAR Section 1: About this Report (Information on Changes in Reporting)
	2–5 External assurance	IAR Section 1: About this Report (Assurance)
	2–6 Activities, value chain and other business relationships	IAR Section 1: About this Report (Our Products and Quality, How We Position Ourselves in the Business)
	2–7 Employees	IAR Section 4: Human Rights and Fair Employment Practices
	2–9 Governance structure and composition	IAR Section 6: Corporate Governance Overview Statement
	2–10 Nomination and selection of the highest governance body	IAR Section 6: Corporate Governance Overview Statement
	2–11 Chair of the highest governance body	IAR Section 6: Corporate Governance Overview Statement
	2–12 Role of the highest governance body in overseeing the management of impacts	IAR Section 6: Corporate Governance Overview Statement
	2–13 Delegation of responsibility for managing impacts	IAR Section 6: Corporate Governance Overview Statement
	2–14 Role of the highest governance body in sustainability reporting	IAR Section 2: Sustainability Working Group Chairman’s Message
	2–15 Conflicts of interest	IAR Section 6: Corporate Governance Overview Statement
	2–16 Communication of critical concerns	IAR Section 6: Corporate Governance Overview Statement
	2–17 Collective knowledge of the highest governance body	IAR Section 6: Corporate Governance Overview Statement
	2–18 Evaluation of the performance of the highest governance body	IAR Section 6: Corporate Governance Overview Statement
	2–19 Remuneration policies	IAR Section 6: Corporate Governance Overview Statement
	2–20 Process to determine remuneration	IAR Section 6: Corporate Governance Overview Statement
	2–22 Statement on sustainable development strategy	IAR Section 2: Sustainability Working Group Chairman’s Message
	2–23 Policy commitments	IAR Section 4: Regulatory Compliance IAR Section 6: Corporate Governance Overview Statement
	2–24 Embedding policy commitments	IAR Section 4: Regulatory Compliance
	2–25 Processes to remediate negative impacts	IAR Section 4: Customer Value Creation IAR Section 4: Human Rights and Fair Employment Practices
	2–26 Mechanisms for seeking advice and raising concerns	IAR Section 4: Regulatory Compliance
	2–27 Compliance with laws and regulations	IAR Section 4: Regulatory Compliance
	2–28 Membership associations	IAR Section 1: LCT at a Glance (Membership in Associations)
	2–29 Approach to stakeholder engagement	IAR Section 3: Understanding Our Stakeholders
	2–30 Collective bargaining agreements	IAR Section 4: Human Rights and Fair Employment Practices
<b>GRI 3: Material Topics 2021</b>	3–1 Process to determine material topics	IAR Section 3: Sustainability at the Core of Our Business
	3–2 List of material topics	IAR Section 3: Sustainability at the Core of Our Business
	3–3 Management of material topics	IAR Section 4: Our Strategy Based On Sustainability Matters
<b>GRI 201: Economic Performance 2016</b>	201–1 Direct economic value generated and distributed	IAR Section 2: President & CEO’s Message and Management Discussion and Analysis FS: Statement of Financial Position FS: Statement of Comprehensive Income
<b>GRI 203: Indirect Economic Impacts 2016</b>	203–1 Infrastructure investments and services supported	IAR Section 4: Community Development

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 204: Procurement Practices 2016</b>	204–1 Proportion of spending on local suppliers	IAR Section 4: Supply Chain Management
<b>GRI 205: Anti–corruption 2016</b>	205–1 Operations assessed for risks related to corruption	IAR Section 4: Regulatory Compliance
	205–2 Communication and training about anti–corruption policies and procedures	IAR Section 4: Regulatory Compliance
	205–3 Confirmed incidents of corruption and actions taken	IAR Section 4: Regulatory Compliance
<b>GRI 302: Energy 2016</b>	302–1 Energy consumption within the organisation	IAR Section 4: Environmental Management and Climate Change
	302–3 Energy intensity	IAR Section 4: Environmental Management and Climate Change
	302–4 Reduction of energy consumption	IAR Section 4: Environmental Management and Climate Change
<b>GRI 303: Water and Effluents 2018</b>	303–4 Water discharge	IAR Section 4: Environmental Management and Climate Change
	303–5 Water consumption	IAR Section 4: Environmental Management and Climate Change
<b>GRI 305: Emissions 2016</b>	305–2 Energy indirect (Scope 2) GHG emissions	IAR Section 4: Environmental Management and Climate Change
	305–7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	IAR Section 4: Environmental Management and Climate Change
<b>GRI 306: Waste 2020</b>	306–1 Waste generation and significant waste–related impacts	IAR Section 4: Environmental Management and Climate Change
	306–2 Management of significant waste–related impacts	IAR Section 4: Environmental Management and Climate Change
	306–3 Waste generated	IAR Section 4: Environmental Management and Climate Change
	306–4 Waste diverted from disposal	IAR Section 4: Environmental Management and Climate Change
	306–5 Waste directed to disposal	IAR Section 4: Environmental Management and Climate Change
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308–1 New suppliers that were screened using environmental criteria	IAR Section 4: Supply Chain Management
<b>GRI 401: Employment 2016</b>	401–1 New employee hires and employee turnover	IAR Section 4: Human Rights and Fair Employment Practices
<b>GRI 403: Occupational Health and Safety 2018</b>	403–1 Occupational health and safety management system	IAR Section 4: Occupational Safety and Health
	403–2 Hazard identification, risk assessment, and incident investigation	IAR Section 4: Occupational Safety and Health
	403–3 Occupational health services	IAR Section 4: Occupational Safety and Health
	403–4 Worker participation, consultation, and communication on occupational health and safety	IAR Section 4: Occupational Safety and Health
	403–5 Worker training on occupational health and safety	IAR Section 4: Occupational Safety and Health
	403–6 Promotion of worker health	IAR Section 4: Occupational Safety and Health
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	IAR Section 4: Occupational Safety and Health
	403–9 Work–related injuries	IAR Section 4: Occupational Safety and Health
	403–10 Work–related ill health	IAR Section 4: Occupational Safety and Health



GRI  
CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404–1 Average hours of training per year per employee	IAR Section 4: Human Capital Development
	404–2 Programs for upgrading employee skills and transition assistance programs	IAR Section 4: Human Capital Development
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	IAR Section 4: Human Rights and Fair Employment Practices IAR Section 6: Corporate Governance Overview Statement
GRI 406: Non–discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	IAR Section 4: Human Rights and Fair Employment Practices
GRI 407: Freedom of Association and Collective Bargaining 2016	407–1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. LCT's vendors are required to adhere to the SCOC which expects all vendors to fully comply to the employment and human rights laws and regulations, including aspects such as freedom of association.  IAR Section 4: Supply Chain Management
GRI 408: Child Labor 2016	408–1 Operations and suppliers at significant risk for incidents of child labor	There were no operations and suppliers at significant risk for incidents of child labour. LCT's BECOC opposes child labour in their recruitment and staffing policies while the SCOC prohibits child labour in vendors' practices.  IAR Section 4: Supply Chain Management and Human Rights and Fair Employment Practices
GRI 409: Forced or Compulsory Labor 2016	409–1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	There were no operations and suppliers at significant risk for incidents of forced or compulsory labour. LCT's vendors are required to adhere to the SCOC which expects all vendors to prohibit forced labour within their practices.  IAR Section 4: Supply Chain Management
GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	IAR Section 4: Community Development
GRI 414: Supplier Social Assessment 2016	414–1 New suppliers that were screened using social criteria	IAR Section 4: Supply Chain Management
GRI 415: Public Policy 2016	415–1 Political contributions	IAR Section 4: Regulatory Compliance
GRI 416: Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	IAR Section 4: Sustainable Manufacturing and Product Quality
	416–2 Incidents of non–compliance concerning the health and safety impacts of products and services	IAR Section 4: Sustainable Manufacturing and Product Quality
GRI 418: Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	IAR Section 4: Data Security and Protection

PERFORMANCE  
DATA TABLE

The Performance Data Table was generated from the Bursa LINK system, and is included in the IAR in accordance with Bursa Malaysia’s sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	92.00	77.00
Middle Management	Percentage	95.00	94.00
Executive	Percentage	90.00	93.00
Technician and below	Percentage	82.00	88.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	259,000.00	38,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	12,258	11,731
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Below 30	Percentage	0.00	0.00
Senior Management 30-50	Percentage	40.00	42.00
Senior Management Above 50	Percentage	60.00	58.00
Middle Management Below 30	Percentage	0.00	0.00
Middle Management 30-50	Percentage	67.00	68.00
Middle Management Above 50	Percentage	33.00	32.00
Executive Below 30	Percentage	30.00	27.00
Executive 30-50	Percentage	51.00	52.00
Executive Above 50	Percentage	19.00	21.00
Technician and below Below 30	Percentage	22.00	20.00
Technician and below 30-50	Percentage	68.00	69.00
Technician and below Above 50	Percentage	10.00	11.00
Gender Group by Employee Category			
Senior Management Male	Percentage	80.00	85.00
Senior Management Female	Percentage	20.00	15.00
Middle Management Male	Percentage	66.00	64.00
Middle Management Female	Percentage	34.00	36.00
Executive Male	Percentage	67.00	68.00
Executive Female	Percentage	33.00	32.00
Technician and below Male	Percentage	90.00	90.00
Technician and below Female	Percentage	10.00	10.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	57.00	57.00
Female	Percentage	43.00	43.00

Internal assurance   External assurance   No assurance   (\*)Restated

PERFORMANCE  
DATA TABLE

Indicator	Measurement Unit	2023	2024
Below 30	Percentage	0.00	0.00
30-50	Percentage	14.00	0.00
Above 50	Percentage	86.00	100.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	829.00	755.00
Bursa (Health and safety)			
Bursa C5(a) Number of work- related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.12	0.29
Bursa C5(c) Number of employees trained on health and safety standards	Number	950	867
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	176	112
Middle Management	Hours	1,717	1,820
Executive	Hours	22,514	10,177
Technician and below	Hours	30,534	25,938
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.26	0.36
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	0	1
Middle Management	Number	2	3
Executive	Number	34	44
Technician and below	Number	61	35
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	69.00	86.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	10,596.000000	10,453.000000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	No Data Provided
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	No Data Provided
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided

Notes:

1. The performance indicators “Waste Management” and “Emissions Management” have been removed as mandatory Bursa indicators following the recent amendment to the Main Market Listing Requirements. Kindly refer to the section on Environmental Management and Climate Change (pages 56 to 62) for data related to waste management and emissions management.

2. For more information on our sustainability performance, please refer to Section 4: Our Strategy based on Sustainability Matters in this IAR 2024, pages 40 to 81

Internal assurance	External assurance	No assurance	(*)Restated
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NOTICE OF  
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 Annual General Meeting (“2025 AGM”) of the Company will be held at Ballroom 1 and 2, Level 2, Renaissance Johor Bahru Hotel, 2 Jalan Permas 11, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Takzim on Monday, 5 May 2025 at 10.00 a.m. to transact the following business:

AGENDA

1.

To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

2.

To re–elect the following Directors who are retiring pursuant to Clause 100 of the Company’s Constitution:

i.

Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir

ii.

Park Jae Sun

Resolution 1  
Resolution 2

3.

To re–elect the following Directors who are retiring pursuant to Clause 107 of the Company’s Constitution:

i.

Jang Seon Pyo

ii.

Yu Seung Yong

Resolution 3  
Resolution 4

4.

To approve the payment of the following Directors’ Fees for the financial year ending 31 December 2025:–

i.

RM244,800 for Independent Non–Executive Chairman

ii.

RM170,100 for each Independent Non–Executive Director

(Please refer to Explanatory Note 4)

Resolution 5

5.

To approve the payment of Directors’ remuneration and benefits (excluding Directors’ Fees) to the Independent Non–Executive Directors up to an amount of RM194,400 with effect from 2025 AGM until the next Annual General Meeting of the Company.  
(Please refer to Explanatory Note 5)

Resolution 6

6.

To re–appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.  
(Please refer to Explanatory Note 6)

Resolution 7

AS SPECIAL BUSINESS:

7.

To consider and if thought fit, to pass the following ordinary resolution:
- 7.1

Ordinary Resolution

Resolution 8

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE AND CONTRACTS ENTERED INTO FROM TIME TO TIME WHICH ARE NECESSARY OR WOULD FACILITATE THE DAY–TO–DAY OPERATIONS

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the existing shareholders’ mandate to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading in nature and contracts entered into from time to time with Related Party(ies) as specified in Section 2.3 of the Circular to Shareholders dated 4 April 2025 which are necessary for the day–to–day operations; in the ordinary course of business, based on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public and are not detrimental to minority shareholders of the Company (“Shareholders’ Mandate”) and such approval shall continue to be in force until:

- (i)

the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming 2025 AGM at which the Shareholders’ Mandate is passed, at which time such Shareholders’ Mandate will lapse, unless by a resolution passed at the meeting, the authority for the Shareholders’ Mandate is renewed;
- (ii)

the expiration of the period, within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii)

revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the Shareholders’ Mandate.”



NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

Janet Phan Pui Li  
(SSM PC No. 202108000484)  
(MACS 01841)

Cynthia Gloria Louis  
(SSM PC No. 201908003061)  
(MAICSA 7008306)  
Company Secretaries

Selangor Darul Ehsan  
4 April 2025

Notes:

1.

*In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 April 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote (collectively, "Participate") at this 2025 AGM.*
2.

*A member entitled to Participate at the above meeting is entitled to appoint not more than two (2) proxies to Participate instead of him save for a member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to Participate at a meeting of the Company shall have the same rights as the member to speak at the meeting.*
3.

*Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.*
4.

*The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.*
5.

*The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time appointed for holding the 2025 AGM or at any adjournment thereof, as follows:–*
- i.

**In hard copy form**  
*In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32–01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the Drop Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.*

ii.

**By electronic means via Tricor System, TIIH Online**  
*The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiah.online>. Kindly refer to the Administrative Notes for the 2025 AGM on the procedures for electronic submission of proxy form via TIIH Online.*
6.

*If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our 2025 AGM by yourself, please write in to [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com). to revoke the earlier appointed proxy not less than forty-eight (48) hours before the meeting.*

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for financial year ended 31 December 2024

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the audited financial statements. Hence, this item of the Agenda is not put forward for voting.

2. Resolutions 1 and 2

The Nomination and Remuneration Committee ("NRC") has assessed each of the retiring Directors seeking re–election. Based on the annual performance evaluation and assessment of the retiring Directors, the findings are as follows:–

- i.

The retiring Directors have met the criteria of the Company’s fit and proper policy enabling them to effectively discharge their roles as Directors of the Company.
- ii.

The retiring Directors have demonstrated their time commitment and level of contribution to effectively discharge their roles as Directors and to act in the best interests of the Company.
- iii.

The Directors provided fresh perspectives and valuable input during Board and Board Committees deliberations.
- iv.

They are accomplished in their own fields and have the required competence and experience to provide valuable input during Board deliberations to meet business demands and the strategies of the Company.
- v.

The retiring Independent Directors has complied with the independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and she continues to bring independent judgement to Board discussions.
- vi.

The retiring Directors have declared that they have not engaged in any business dealings or actions that could compromise their impartiality or create a conflict of interest with their roles within the LCT Group.
- vii.

The Directors continue to be proponents in addressing sustainability risk, ESG issues and opportunities.
- viii.

The number of directorships held by the retiring directors is less than five (5) and does not impede their duties in LCT.

The Board endorsed the NRC’s recommendation on the re–election of the retiring Directors.

The details and profiles of the retiring Directors are set out in the Profile of Directors on pages 88 and 90 in the Company’s 2024 Integrated Annual Report.

3. Resolutions 3 and 4

The retiring Directors were appointed on 1 December 2024. The NRC has assessed the retiring Directors’ qualification, skills, experience and fit and proper criteria in line with the Directors’ Fit and Proper Policy prior to their appointment. The Board endorsed the NRC’s recommendation on the re–election of the retiring Directors. The details and profile of the retiring Directors are set out in the Profile of Directors on pages 85 and 89 in the Company’s 2024 Integrated Annual Report.

4. Resolution 5 – Directors’ fees

The Board, upon the recommendation of the NRC, reviewed the remuneration of the Independent Directors and recommended a reduction in fees as a gesture of solidarity during this challenging period as follows:-

	Directors’ Fees	
	(RM per director per annum)	Proposed (RM per director per annum)
Independent Chairman	272,000	244,800
Independent Director	189,000	170,100

NOTICE OF ANNUAL GENERAL MEETING

5. Resolution 6 – Directors’ remuneration and benefits

The Board, upon the recommendation of the NRC, reviewed the Directors’ remuneration and benefits (excluding Directors’ Fees), which comprise meeting allowances payable to the Independent Non-Executive Directors from the 2025 AGM until the next Annual General Meeting of the Company (“the Relevant Period”). As a gesture of solidarity during this challenging period, the Board recommended the following proposed reduction in meeting allowances for Board and Board Committees Meetings: -

	Meeting Allowance			
	Independent Chairman of Board/ Committee		Independent Directors/ Members of Committee	
	Existing (RM per director per meeting)	Proposed (RM per director per meeting)	Existing (RM per director per meeting)	Proposed (RM per director per meeting)
Board	3,000	2,700	2,000	1,800
Audit Committee	2,500	2,250	2,000	1,800
Risk Management Committee	2,500	2,250	2,000	1,800
Nomination and Remuneration Committee	2,500	2,250	2,000	1,800

In determining the estimated total meeting allowances for the Relevant Period, the Board has considered various factors, among others, the size of the Board and Board Committees as well as the number of meetings scheduled to be held during the Relevant Period.

6. Resolution 7 – Re–appointment of Auditors

The Audit Committee (“AC”) has assessed the suitability, objectivity and independence of the Auditors and concluded that Messrs Ernst & Young PLT fulfills the criteria as prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board concurred with the AC’s recommendation for the re-appointment of Messrs Ernst & Young PLT as auditors of the Company.

7. Resolution 8 – Proposed renewal of existing shareholders’ mandate for recurrent related party transactions of a revenue or trading in nature and contracts entered into from time to time which are necessary or would facilitate the day–to–day operations (“Proposed Shareholders’ Mandate”)

The proposed Resolution 8, if approved, will allow LOTTE Chemical Titan Group to enter into Recurrent Related Party Transactions pursuant to Paragraph 10.09 of the MMLR of Bursa Malaysia. Further information on the Proposed Shareholders’ Mandate is set out in the Circular to Shareholders of the Company dated 4 April 2025 which is dispatched together with the Company’s 2024 Integrated Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Following is the statement made pursuant to paragraph 8.27(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”):–

As at the date of this notice, there are no individuals who are standing for election excluding the following Directors who are standing for re–election at the 2025 AGM of the Company:

- i)

The Directors who are retiring by rotation pursuant to Clause 100 of the Company’s Constitution and seeking re–election, are:

Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir

Park Jae Sun
- ii)

The Directors who are retiring by rotation pursuant to Clause 107 of the Company’s Constitution and seeking re–election, are:

Jang Seon Pyo

Yu Seung Yong

The details of the four (4) Directors seeking for re–election are set out in the Directors’ profiles appearing on pages 85, 88, 89 and 90 of the Integrated Annual Report.

The details of the shareholding of the Directors seeking for re–election are stated on page 139 of this Integrated Annual Report.



FORM OF PROXY



LOTTE Chemical Titan Holding Berhad  
[Registration No. 199101012045 (222357–P)]  
(Incorporated in Malaysia)

No. of shares held
CDS Account no.
Tel no.

I/We \_\_\_\_\_ NRIC No./Company No. \_\_\_\_\_ of \_\_\_\_\_

email address \_\_\_\_\_ being a member/members of LOTTE CHEMICAL TITAN HOLDING BERHAD  
[Registration No. 199101012045 (222357–P)] hereby appoint the following person(s):

Name	NRIC/Passport No.	Address	No. of shares to be represented by proxy
1.			
2.			

For a member who is an authorised nominee or an exempt authorised nominee, please state the details of the proxies as above if more than two (2) on your letterhead and attach the same to this Form of Proxy.

or failing him/her/them, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the 2025 Annual General Meeting (“2025 AGM”) of the Company to be held at Ballroom 1 and 2, Level 2, Renaissance Johor Bahru Hotel, 2 Jalan Permas 11, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Takzim on Monday, 5 May 2025 at 10.00 a.m. and at any adjournment thereof in the manner as indicated below in respect of the following Resolutions:

RESOLUTIONS		FOR	AGAINST
Resolution 1	Re–election of Tan Sri Datin Paduka Siti Sa’diah binti Sheikh Bakir.		
Resolution 2	Re–election of Park Jae Sun as a Director.		
Resolution 3	Re–election of Jang Seon Pyo as a Director.		
Resolution 4	Re–election of Yu Seung Yong as a Director.		
Resolution 5	To approve the payment of Directors’ Fees for the financial year ending 31 December 2025.		
Resolution 6	To approve the payment of Directors’ Remuneration and Benefits.		
Resolution 7	To re–appoint Messrs Ernst & Young PLT as Auditors of the Company.		
Resolution 8	Proposed Renewal of existing Shareholders’ Mandate for Recurrent Related Party Transactions.		

Please indicate with an “x” in the appropriate space how you wish your vote(s) to be cast. If no instruction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion.

Date: \_\_\_\_\_  
Signature/Common Seal of Shareholder(s)

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 April 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate, speak and vote (collectively, “Participate”) at this 2025 AGM.
- A member entitled to Participate at the above meeting is entitled to appoint not more than two (2) proxies to Participate instead of him save for a member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which such member may appoint in respect of each omnibus account it holds. There shall be no restriction as to the qualification of the proxy and a proxy duly appointed to Participate at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holding(s) to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty–eight (48) hours before the time appointed for holding the 2025 AGM or at any adjournment thereof, as follows:–
  - In hard copy form**  
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32–01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the Drop Box located at Unit G–3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
  - By electronic means via Tricor System, TIIH Online**  
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes for the 2025 AGM on the procedures for electronic submission of proxy form via TIIH Online.
- If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in our 2025 AGM by yourself, please write in to [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com). to revoke the earlier appointed proxy not less than forty–eight (48) hours before the meeting.

**PERSONAL DATA NOTICE**  
By submitting the Form of Proxy, the shareholder or proxy accepts and agrees to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the 2025 AGM (including any adjournment thereof).

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AFFIX  
STAMP



**LOTTE Chemical Titan Holding Berhad**  
[Registration No. 199101012045 (222357-P)]

**THE SHARE REGISTRAR**  
**Tricor Investor & Issuing House Services Sdn Bhd**  
**[Registration No. 197101000970 (11324-H)]**  
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur, Malaysia

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## MISSION

사랑과 신뢰를 받는  
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