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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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**LOTTE CHEMICAL TITAN HOLDING BERHAD**

[Registration No. 199101012045 (222357-P)]

**CIRCULAR TO SHAREHOLDERS**

in relation to

**PROPOSED RENEWAL OF THE 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 OF OUR GROUP**

The resolution in respect of the above Proposed Mandate will be tabled at the 2025 Annual General Meeting (“AGM”) of Lotte Chemical Titan Holding Berhad (“the Company”). The AGM 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.

The Form of Proxy must be deposited at the office of the Company’s 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, not less than 48 hours before the time stipulated for holding the AGM as indicated below. The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> not less than 48 hours before the time appointed for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending, speaking and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form : Saturday, 3 May 2025 at 10.00 a.m.  
of Proxy for the AGM

Date and time of the AGM : Monday, 5 May 2025 at 10.00 a.m.

This Circular is dated 4 April 2025

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	The Companies Act, 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of the Company
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [Registration no. 200301033577 (635998-W)]
“Circular”	:	This Circular dated 4 April 2025
“Director(s)”	:	Shall have the meaning given in Section 2(1) of the Capital Markets & Services Act 2007 and for purposes of the Proposed Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer of the Company (or its subsidiary or holding company in accordance with the definition in Chapter 10 of the Listing Requirements)
“Hotel Lotte”	:	Hotel Lotte Co. Ltd
“Interested related party”	:	A related party with any interest, direct or indirect, who fall under any one of the following categories: <ul style="list-style-type: none"><li>a) in the case of a corporation, a director or major shareholder or person connected with such director or major shareholder;</li><li>b) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust or person connected with any of the abovesaid persons;</li><li>c) in the case of a closed-end fund, the Managers, a director or major shareholder of the Managers or the closed-end fund or person connected with any of the abovesaid persons; or</li><li>d) in the case of a REIT, the management company, the trustee, a director or major shareholder of the management company, major unit holder of the REIT, or person connected with any of the aforesaid persons.</li></ul>
“Kwangyoonsoa”	:	Kojunsha Co., Ltd
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
“LCC”	:	Lotte Chemical Corporation
“LCC Group”	:	Collectively, LCC and its subsidiaries (excluding the LCT Group)
“LCT”	:	Lotte Chemical Titan Holding Berhad
“LCT Group” or “Group”	:	Collectively, LCT and its subsidiaries
“Lotte Holdings”	:	Lotte Holdings Co. Ltd
“Lotte Property & Development”	:	Lotte Property & Development Co., Ltd

“Major Shareholder”	: A person who has an interest or interests in one or more voting shares in a corporation and the number or the aggregate number of those shares, is:-  a) equal to or more than 10% of the total number of voting shares in the corporation; or b) equal to or more than 5% of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation  and for the purposes of the Proposed Mandate, and in respect of any particular transaction, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder as defined above or any other corporation which is its subsidiary or holding company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.
“Person Connected”	: In relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:  a) a family member of the said Person; b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; c) a partner of the said Person; d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person; e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or g) a body corporate which is a related corporation of the said Person.
“Proposed Mandate”	: Proposed Renewal of existing Shareholders’ Mandate for RRPTs
"PT LCT Nusantara"	: PT Lotte Chemical Titan Nusantara
“Related Party”	: Director(s), Major Shareholder(s) or Persons Connected with such Director(s) or Major Shareholder(s)
“Related Party Transaction(s)”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party
“RM”	: Ringgit Malaysia
“RRPT(s)”	: Related Party Transactions involving recurrent transactions 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
“Shares”	: Ordinary shares

Words denoting the singular shall include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. Reference to persons shall include corporations.

Any reference to any enactments in the Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference in time or day in this Circular shall be a reference to the Malaysian time, unless otherwise stated.

## **TABLE OF CONTENTS**

LETTER FROM OUR BOARD TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED MANDATE CONTAINING:-

### **PROPOSED RENEWAL OF THE 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 OF OUR GROUP**

	<b>PAGE</b>
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED MANDATE	2
3. RATIONALE FOR AND BENEFITS OF THE PROPOSED MANDATE	7
4. VALIDITY PERIOD OF THE PROPOSED MANDATE	7
5. STATEMENT BY AUDIT COMMITTEE	7
6. CONDITION FOR THE PROPOSED MANDATE	7
7. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDER AND PERSONS CONNECTED WITH THEM	8
8. FINANCIAL EFFECT OF THE PROPOSED MANDATE	8
9. DIRECTORS' RECOMMENDATION	8
10. ANNUAL GENERAL MEETING	9
11. FURTHER INFORMATION	9

## **APPENDICES**

### **APPENDIX A**

- LIST OF LCC GROUP AND PERSONS CONNECTED TO LCC AND ITS MAJOR SHAREHOLDERS

### **APPENDIX B**

- LIST OF LCT GROUP

### **APPENDIX I**

- FURTHER INFORMATION



## LOTTE CHEMICAL TITAN HOLDING BERHAD

[Registration no. 199101012045 (222357-P)]  
(Incorporated in Malaysia)

### Registered Office:

Lot 29.01, Level 29  
1 Powerhouse, No. 1  
Persiaran Bandar Utama  
Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan

4 April 2025

### Directors

Tan Sri Dato' Abdul Rahman Mamat (*Chairman, Independent Non-Executive Director*)  
Jang Seon Pyo (*Non-Independent Executive Director, President & Chief Executive Officer*)  
Ang Ah Leck (*Independent Non-Executive Director*)  
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*)  
Yu Seung Yong (*Non-Independent Executive Director*)  
Park Jae Sun (*Non-Independent Non-Executive Director*)

### To: Our Shareholders

Dear Sir/Madam

### 1.0 INTRODUCTION

At the AGM held on 30 April 2024, the Board has obtained a mandate from the Company's shareholders to enter into RRPTs on terms that are not more favourable to the Related Parties than those generally available to the public ("the Existing Mandate"). This Existing Mandate shall, in accordance with the provisions of the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless approval for its renewal is obtained at the forthcoming AGM.

On 11 March 2025, the Company announced the Company's intention to seek shareholders' approval for the Proposed Mandate at the forthcoming AGM.

The purpose of this Circular is to provide you with the details of the Proposed Mandate and to seek your approval for the resolution in respect thereof to be tabled at the forthcoming AGM, notice of which has been set out in the Notice of AGM in the Integrated Annual Report 2024.

**SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR AND TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED MANDATE**

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## **2.0 DETAILS OF THE PROPOSED MANDATE**

### **2.1 Details of the Proposed Mandate**

Paragraph 10.08 of the Listing Requirements stipulates the obligations of a listed issuer to comply in relation to Related Party Transactions. However, pursuant to Paragraph 10.09 and Practice Note 12 of the Listing Requirements, a listed issuer may seek a mandate from shareholders in respect of RRPTs, subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (ii) the mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold as follows:-
  - a) the consideration, value of the assets, capital outlay or costs of the RRPTs is equal to or exceeds RM1 million; or
  - b) the percentage ratios of such RRPTs are equal to or exceed 1%,whichever is higher;
- (iii) a circular to shareholders is issued by the Company for the mandate;
- (iv) in a meeting to obtain a mandate from the shareholders, the interested related party and persons connected with them, and where the interested related party is a person connected with:-
  - a) in the case of a corporation, a director or major shareholder;
  - b) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust; or
  - c) in the case of a closed-end fund, the Managers, a director or major shareholder of the Managers or the closed-end fund;
  - d) in the case of a REIT, the management company, the trustee, a director or major shareholder of the management company, major unit holder of the REIT,the interested related party, persons connected with them and such persons stated in subparagraphs (a), (b), (c) or (d) above, as the case may be, must not vote on the resolution approving the transactions; and
- (v) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where the Company has obtained a mandate from the shareholders in respect of RRPTs, the provisions under Paragraph 10.08 of the Listing Requirements shall not apply during the validity period.

### **2.2 Principal Activities of the Group**

The Company is principally an investment holding company. Through its subsidiary companies, the Group is engaged in the manufacture and sales of petrochemical products and polyolefins resins.

### **2.3 Nature of RRPT and Class of Related Parties**

The details of the RRPTs as contemplated under the Proposed Mandate are as follows:-

(a) **Proposed Renewal of Shareholders' Mandate**

No.	Related Party with whom LCT Group is Transacting	Nature of Transactions	Company within LCT Group involved in RRPT	Estimated Value of Preceding Year's Mandate	Actual Value Transacted from 30 April 2024 up to 4 March 2025*	Estimated Value of Transactions for the Proposed Renewal of Shareholders' Mandate*	Interested Related Party	Relationship
1.	LCC Group and Persons Connected to LCC and its Major Shareholders (As per Appendix A) (Buyer)	Sale of goods, namely polyethylene, polypropylene, butadiene and tert-butyl alcohol by LCT Group to the LCC Group and Persons Connected to LCC and its Major Shareholders	LCT Group (As per Appendix B) (Seller)	USD133,986,975 (equivalent to RM637,108,066)	USD33,661,367 (equivalent to RM150,808,623)	USD66,932,000 (equivalent to RM299,186,040)	<b>Interested Major Shareholders</b> <ul style="list-style-type: none"> <li>• LCC</li> <li>• Lotte Corporation<sup>(1)</sup></li> <li>• Lotte Property &amp; Development<sup>(1)</sup></li> <li>• Hotel Lotte<sup>(1)</sup></li> <li>• Lotte Holdings<sup>(1)</sup></li> <li>• Kwangyoonsa<sup>(1)</sup></li> </ul> <b>Interested Directors</b> <ul style="list-style-type: none"> <li>• Jang Seon Pyo<sup>(2)(3)</sup></li> <li>• Yu Seung Yong<sup>(2)(4)</sup></li> <li>• Park Jae Sun<sup>(2)</sup></li> </ul>	Please see notes 1, 2, 3 and 4
2.	LCC Group and Persons Connected to LCC and its Major Shareholders (As per Appendix A) (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 LCC Group and Persons Connected to LCC and its Major Shareholders	PT LCT Nusantara (Payee)	USD4,000,000 (equivalent to RM19,020,000)	Nil	USD1,000,000 (equivalent to RM4,470,000)	<b>Interested Major Shareholders</b> <ul style="list-style-type: none"> <li>• LCC</li> <li>• Lotte Corporation<sup>(1)</sup></li> <li>• Lotte Property &amp; Development<sup>(1)</sup></li> <li>• Hotel Lotte<sup>(1)</sup></li> <li>• Lotte Holdings<sup>(1)</sup></li> <li>• Kwangyoonsa<sup>(1)</sup></li> </ul> <b>Interested Directors</b> <ul style="list-style-type: none"> <li>• Jang Seon Pyo<sup>(2)(3)</sup></li> <li>• Yu Seung Yong<sup>(2)(4)</sup></li> <li>• Park Jae Sun<sup>(2)</sup></li> </ul>	Please see notes 1, 2, 3 and 4
3.	LCC Group and Persons Connected to LCC and its Major Shareholders (As per Appendix A) (Seller)	Purchase of goods, namely polyethylene, polypropylene and catalyst by LCT Group from LCC Group and Persons Connected to LCC and its Major Shareholders	LCT Group (As per Appendix B) (Buyer)	USD12,830,400 (equivalent to RM61,008,552)	USD3,989,064 (equivalent to RM18,723,023)	USD10,192,000 (equivalent to RM45,558,240)	<b>Interested Major Shareholders</b> <ul style="list-style-type: none"> <li>• LCC</li> <li>• Lotte Corporation<sup>(1)</sup></li> <li>• Lotte Property &amp; Development<sup>(1)</sup></li> <li>• Hotel Lotte<sup>(1)</sup></li> <li>• Lotte Holdings<sup>(1)</sup></li> <li>• Kwangyoonsa<sup>(1)</sup></li> </ul> <b>Interested Directors</b> <ul style="list-style-type: none"> <li>• Jang Seon Pyo<sup>(2)(3)</sup></li> <li>• Yu Seung Yong<sup>(2)(4)</sup></li> <li>• Park Jae Sun<sup>(2)</sup></li> </ul>	Please see notes 1, 2, 3 and 4

No.	Related Party with whom LCT Group is Transacting	Nature of Transactions	Company within LCT Group involved in RRPT	Estimated Value of Preceding Year's Mandate	Actual Value Transacted from 30 April 2024 up to 4 March 2025 <sup>+</sup>	Estimated Value of Transactions for the Proposed Renewal of Shareholders' Mandate*	Interested Related Party	Relationship
4.	LCC Group and Persons Connected to LCC and its Major Shareholders (As per Appendix A) (Payee)	Provision of information technology services, information technology equipment rental, information technology systems and licences and purchase of information technology equipment from LCC Group and Persons Connected to LCC and its Major Shareholders to LCT Group	LCT Group (As per Appendix B) (Payor)	USD2,258,656 (equivalent to RM10,739,909)	USD14,255,825 (equivalent to RM65,890,723)	USD7,043,602 (equivalent to RM31,484,901)	<b>Interested Major Shareholders</b> <ul style="list-style-type: none"> <li>• LCC</li> <li>• Lotte Corporation<sup>(1)</sup></li> <li>• Lotte Property &amp; Development<sup>(1)</sup></li> <li>• Hotel Lotte<sup>(1)</sup></li> <li>• Lotte Holdings<sup>(1)</sup></li> <li>• Kwangyoonsa<sup>(1)</sup></li> </ul> <b>Interested Directors</b> <ul style="list-style-type: none"> <li>• Jang Seon Pyo<sup>(2)(3)</sup></li> <li>• Yu Seung Yong<sup>(2)(4)</sup></li> <li>• Park Jae Sun<sup>(2)</sup></li> </ul>	Please see notes 1, 2, 3 and 4
5.	PT Lotte Global Logistics Indonesia (Payee)	Provision of warehouse, logistics, forwarding services and customs clearance by PT Lotte Global Logistics Indonesia to LCT Group	LCT Group (As per Appendix B) (Payor)	USD7,170,000 (equivalent to RM34,093,350)	USD4,669,366 (equivalent to RM21,065,277)	USD6,940,000 (equivalent to RM31,021,800)	<b>Interested Major Shareholders</b> <ul style="list-style-type: none"> <li>• LCC</li> <li>• Lotte Corporation<sup>(1)</sup></li> <li>• Lotte Property &amp; Development<sup>(1)</sup></li> <li>• Hotel Lotte<sup>(1)</sup></li> <li>• Lotte Holdings<sup>(1)</sup></li> <li>• Kwangyoonsa<sup>(1)</sup></li> </ul> <b>Interested Directors</b> <ul style="list-style-type: none"> <li>• Jang Seon Pyo<sup>(2)(3)</sup></li> <li>• Yu Seung Yong<sup>(2)(4)</sup></li> <li>• Park Jae Sun<sup>(2)</sup></li> </ul>	Please see notes 1, 2, 3 and 4
6.	LCC Group and Persons Connected to LCC and its Major Shareholders (As per Appendix A) (Licensor)	Payment of royalty for use of trademarks for the performance of its business of manufacturing and selling petrochemical products	LCT Group (As per Appendix B) (“Licensee”)	USD11,174,076 (equivalent to RM53,132,731)	Nil	USD15,604,096 (equivalent to RM69,750,310)	<b>Interested Major Shareholders</b> <ul style="list-style-type: none"> <li>• LCC</li> <li>• Lotte Corporation<sup>(1)</sup></li> <li>• Lotte Property &amp; Development<sup>(1)</sup></li> <li>• Hotel Lotte<sup>(1)</sup></li> <li>• Lotte Holdings<sup>(1)</sup></li> <li>• Kwangyoonsa<sup>(1)</sup></li> </ul> <b>Interested Directors</b> <ul style="list-style-type: none"> <li>• Jang Seon Pyo<sup>(2)(3)</sup></li> <li>• Yu Seung Yong<sup>(2)(4)</sup></li> <li>• Park Jae Sun<sup>(2)</sup></li> </ul>	Please see notes 1, 2, 3 and 4

*Notes:*

+ Being the latest practicable date prior to the printing of this Circular.

\* The estimated value of the transaction from the date of the AGM to be held in 2025 up to the next AGM to be held in 2026. The estimated value for the Proposed Mandate is based on the Management's forecast of transaction values that have been anticipated. The estimated value is based on the USD exchange rate by Bank Negara Malaysia at the rate of 4.470 on 4 March 2025, where applicable, and is subject to changes.

<sup>(1)</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>(2)</sup> Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are LCC's representatives on our Board.

<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.

## 2.4 Review Procedures of the RRPTs

The Group has established a related party transaction protocol (“Protocol”) to ensure that RRPTs are undertaken on an arm’s length basis and on normal commercial terms that are not more favourable to the Related Party(ies) than those generally available to the public and not detrimental to the minority shareholders.

- a) In general, the Group shall only enter into RRPTs after taking into account the pricing, quality, delivery schedules, levels of service and other related factors which shall be determined based on prevailing rates/prices or margins of the goods and services according to their usual commercial terms, business practices and policies or in accordance with other applicable industry norms/consideration.
- b) To monitor the RRPTs, the following review procedures are implemented:-
  - (i) Records will be maintained by Finance and Legal to capture all RRPTs which are entered into pursuant to the Proposed Mandate.
  - (ii) In accordance with the Listing Requirements, disclosure in relation to the breakdown of the aggregate value of the RRPTs entered into during the financial year based on amongst others, the following information:-
    - a) the type of RRPTs; and
    - b) the names of the Related Party(ies) involved in each type of RRPTs made and their relationship with the Group,will be made in the Company’s annual reports for the financial year during which the Proposed Mandate is in force.
  - (iii) The RRPTs will only be entered into after taking into account the Protocol stated above.
  - (iv) The Board and the Audit Committee (“AC”) shall have the overall responsibility of determining whether the review procedures and guidelines on the RRPTs are appropriate and sufficient. If a member of the Board or the AC has an interest (direct or indirect) in a RRPT, he/she will abstain from deliberation and any decision making in respect of the RRPT.
  - (v) If the Board and the AC are of the view that the review procedures are no longer sufficient to ensure that the RRPTs are made on arm’s length basis, on terms not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders, they shall have the discretion to discharge, vary and/or modify or implement new and/or additional procedures and guidelines without the approval of the shareholders provided that such amended, varied, modified, new or additional procedures are no less stringent than the existing procedures and guidelines.
  - (vi) Where applicable, practical or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, to determine whether the price and terms offered to/by the related parties are fair, reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where other contemporaneous transactions with unrelated third parties are not available, comparisons may be made against market rates or margins, or verifications of arm’s length basis from independent third parties may be obtained.

The Company will ensure that the RRPTs are not detrimental to it or its group of companies.

## 2.5 Amount Due and Owing to the Group by Related Parties

The breakdown of the total outstanding amount due under the RRPTs which exceeded the credit term as at end of the financial year ended 31 December 2024 are as follows:-

Item	Name of Related Party	Principal Sum (RM'000)	Late Payment Charges (RM'000)	Amount Due which Exceeded the Credit Term ("Overdue Sum") (RM'000)			
				≤ 1 year	> 1 year to 3 years	> 3 years to 5 years	> 5 years
1.	LCC*	89	-	89	-	-	-
2.	PT Lotte Packaging**	1,135	-	1,135	-	-	-
3.	Lotte Ube Synthetic Rubber Sdn. Bhd.***	28,624	-	28,624			
4.	PT Lotte Global Logistics Indonesia****	2	-	2			

Notes:

\* The outstanding amount due from LCC has been fully paid on 17 February 2025.

\*\* The outstanding amount due from PT Lotte Packaging has been fully paid on 14 February 2025.

\*\*\* The outstanding amount due from Lotte Ube Synthetic Rubber Sdn. Bhd. has been fully paid on 17 February 2025.

\*\*\*\* The outstanding amount due from PT Lotte Global Logistics Indonesia has been fully paid on 30 January 2025.

The Management monitors and reviews the outstanding amounts due and owing by the Related Party(ies) on a regular basis. The Group has and will continue to meet and discuss with the relevant Related Party(ies) to pursue for settlement of the outstanding amounts due.

There were no late payment charges imposed on the outstanding amount due by the Related Parties as the Overdue Sum were all trade in nature and payment was made in line with the Group's normal business practices. The same basis applies to both related and non-related parties.

## 2.6 Thresholds for Approval of the RRPTs

The thresholds for RRPTs of the LCT Group are set as follows:-

### Subsidiaries (with the exception of Indonesian subsidiaries)

- All RRPTs with an applicable percentage ratio of 1% and above in a single transaction or a series of related transactions within a period of 12 months or for the duration of the contract will be reviewed by the Executive Committee of the Company ("Executive Committee") and AC and recommended for approval of the Board; and
- All RRPTs with an applicable percentage ratio below 1% shall be reviewed and approved by the Executive Committee.

### Indonesian Subsidiaries

- All RRPTs with an applicable percentage ratio of 1% and above in a single transaction or a series of related transactions within a period of 12 months or for the duration of the contract will be reviewed by the AC and recommended for approval of the Board; and
- All RRPTs with an applicable percentage ratio below 1% shall be approved by their director(s), commissioner(s) and/or shareholders in accordance with their Articles of Association and Indonesian law and regulations and reviewed by the AC.

## 2.7 Deviation from the Existing Mandate

There was no deviation from the Existing Mandate where the actual value of the transaction described therein has not exceeded the estimated value by 10% or more.

### **3.0 RATIONALE FOR AND BENEFITS OF THE PROPOSED MANDATE**

The RRPTs that have been entered into and that will be entered into by our Group with the Related Party(ies) would enhance the Company's ability to explore business opportunities and enable them to network within the Related Party group of companies.

The RRPTs are recurring transactions which occur with some degree of frequency and may arise at any time and from time to time. These transactions enhance the ability of the Company and/or its subsidiary companies to pursue business opportunities, especially those which may be time sensitive by nature and it may not be practical to seek shareholders' approval on a case-by-case basis before entering into such transactions.

By obtaining shareholders' approval for the Proposed Mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPTs occur would not arise. This would substantially reduce the time, administrative requirements and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available therein.

### **4.0 VALIDITY PERIOD OF THE PROPOSED MANDATE**

If approved at the AGM, the Proposed Mandate will take effect from the passing of the Ordinary Resolution at the AGM and the authority will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the forthcoming 2025 AGM at which the Proposed Mandate is passed, at which time such mandate will lapse, unless by a resolution passed at the meeting, the authority for the Proposed 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 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.

### **5.0 STATEMENT BY AUDIT COMMITTEE ("AC")**

The AC has the overall responsibility of determining whether the procedures for reviewing all Related Party(ies) transactions are appropriate to ensure that the RRPTs are within the limits approved by the Proposed Mandate.

The AC of the Company has reviewed the procedures mentioned in Section 2.4 above and is of the view that:-

- (i) the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and that these procedures and processes are reviewed annually; and
- (ii) the said procedures are sufficient to ensure that the RRPTs as set out in Section 2.3 are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders.

### **6.0 CONDITION FOR THE PROPOSED MANDATE**

The Proposed Mandate is conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM.

## 7.0 INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDER AND PERSONS CONNECTED WITH THEM

The direct and indirect interests in the Company of the interested Directors, interested Major Shareholder, and Persons Connected with them as at 4 March 2025 are as follows:-

Interested Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
* Jang Seon Pyo	-	-	-	-
* Yu Seung Yong	-	-	-	-
* Park Jae Sun	-	-	-	-

Interested Major Shareholder	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
@LCC	1,727,791,500	75.86	-	-
Lotte Corporation <sup>1</sup>	-	-	1,727,791,500	75.86
Lotte Property & Development <sup>1</sup>	-	-	1,727,791,500	75.86
Hotel Lotte <sup>2</sup>	-	-	1,727,791,500	75.86
Lotte Holdings <sup>2</sup>	-	-	1,727,791,500	75.86
Kwangyoonsa <sup>3</sup>	-	-	1,727,791,500	75.86

Notes:

\* Jang Seon Pyo, Yu Seung Yong and Park Jae Sun are the Directors of the Company and were nominated and appointed by LCC and they are deemed interested in the Proposed Mandate.

@ LCC is the Major Shareholder and the holding company of the Company.

<sup>1</sup> Deemed interest by virtue of its shareholdings in LCC pursuant to Section 8(4)(c) of the Act.

<sup>2</sup> Deemed interest by virtue of its shareholdings in Lotte Property & Development pursuant to Section 8(4)(c) of the Act.

<sup>3</sup> Deemed interest by virtue of its shareholdings in Lotte Holdings pursuant to Section 8(4)(c) of the Act.

Jang Seon Pyo, Yu Seung Yong and Park Jae Sun being the interested Directors have abstained and will continue to abstain from all Board deliberations and voting in relation to the RRPTs as set out in Section 2.3 of this Circular. The interested Directors and LCC, being the interested Major Shareholder shall also abstain from voting in respect of their direct and/or indirect shareholdings on the ordinary resolution relating to the Proposed Mandate at the forthcoming AGM.

In addition, the interested Directors and/or the interested Major Shareholder have undertaken that they will ensure that Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings, deliberating or approving the ordinary resolution relating to the Proposed Mandate at the forthcoming AGM.

Save for the interested Directors and the interested Major Shareholder, who are deemed interested in the RRPTs as set out in Section 7 of this Circular, none of the other Directors, and Major Shareholders of the Company or Persons Connected to them has any interest, direct or indirect in the Proposed Mandate.

## 8.0 FINANCIAL EFFECT OF THE PROPOSED MANDATE

With the assumption that all external conditions and factors in the industry and business environment remain constant, the Proposed Mandate is expected to contribute positively to the earnings per share and the net assets of the Company for the financial year ending 31 December 2025.

## 9.0 DIRECTORS' RECOMMENDATION

The Directors (save for the interested Directors), having considered all aspects of the Proposed Mandate, are of the opinion that they are of the best interest of the Company and its shareholders and not to the detriment of the minority shareholders of the Company. Accordingly, the Board (save for the interested Directors) recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM.

## 10.0 ANNUAL GENERAL MEETING

The Notice convening the AGM is set out in the Integrated Annual Report 2024. The AGM 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. for the purpose of considering and if thought fit, passing the Ordinary Resolution on the Proposed Mandate as set out in the said Notice.

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instruction therein and to arrive at the office of the Company's Share Registrar 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, not less than 48 hours before the time fixed for the AGM. The proxy appointment may also be submitted electronically via TIIH Online website at <https://tiih.online> not less than 48 hours before the time appointed for holding the meeting. Kindly refer to the Administrative Notes for further information on electronic submission of the Form of Proxy.

The lodging of the Form of Proxy will not preclude you from attending, speaking and voting in person at the AGM should you subsequently wish to do so.

## 11.0 FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully

On behalf of the Board of Directors

**LOTTE CHEMICAL TITAN HOLDING BERHAD**

**TAN SRI DATO' ABDUL RAHMAN MAMAT**

*(Chairman, Independent Non-Executive Director)*

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## **APPENDIX A**

### **LIST OF LCC GROUP AND PERSONS CONNECTED TO LCC AND ITS MAJOR SHAREHOLDERS**

Companies
<i><b>Subsidiaries of LCC Group</b></i>
Lotte Chemical Japan Co., Ltd
Other subsidiaries of LCC Group
<i><b>Persons Connected to LCC and its Major Shareholders</b></i>
PT Lotte Packaging
Lotte Innovate Co., Ltd
PT Lotte Innovate Indonesia
PT Lotte Global Logistics Indonesia
Other Persons Connected to LCC and its Major Shareholders

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**APPENDIX B****LIST OF LCT GROUP**

LCT Group of Companies	Effective Equity Interest held		Principal Activities
	Direct (%)	Indirect (%)	
LCT	-	-	Investment holding company
<b><i>Subsidiaries of the Company</i></b>			
Lotte Chemical Titan (M) Sdn. Bhd.	100	-	Manufacture and sales of petrochemical products and polyolefin resins
Lotte Chemical Titan Corporation Sdn. Bhd.	100	-	Trading of goods and provision of management services and to act as the regional centre for LCT and its subsidiaries
Lotte Chemical Titan International Sdn. Bhd.	100	-	Investment holding
PT Lotte Chemical Indonesia	51	-	Has not commenced business
<b><i>Subsidiary of Lotte Chemical Titan International Sdn. Bhd.</i></b>			
PT Lotte Chemical Titan Tbk	-	92.5	Wholesale trading of rubber and plastics in basic form
<b><i>Subsidiary of PT Lotte Chemical Titan Tbk</i></b>			
PT LCT Nusantara [held through PT Lotte Chemical Titan Tbk (92.36%) and Lotte Chemical Titan International Sdn Bhd (0.15%)]	-	92.5	Artificial resin (synthetic resin) industry and plastic raw material, wholesale trade on a fee or contract basis (chemical materials and goods), real estate privately owned or leased, provision of steam, hot water and cold air, wholesale trade of chemical materials (hydrogen) and goods and warehousing and other storage services

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**FURTHER INFORMATION****1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of the Company and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in the Circular are accurate and that there are no other facts the omission of which would make any statement in this Circular misleading.

**2. MATERIAL CONTRACTS**

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within the past two (2) years preceding the date of this Circular.

**3. MATERIAL LITIGATION**

The Group is not engaged in any material litigation either as plaintiff or defendant, claims or arbitration and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

**4. DOCUMENTS FOR INSPECTION**

The following documents can be inspected at the Company's registered office at Lot 29.01, Level 29, 1 Powerhouse, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan from Monday to Friday (except public holidays) during business hours for a period from the date of this Circular to the date of the AGM:

- (i) Company's Constitution; and
- (ii) The audited consolidated financial statements of the Company for the two (2) financial years ended 31 December 2023 and 31 December 2024.

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