



## **POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS**

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## **1. INTRODUCTION**

The policy on control and management of Company assets and shareholder investments (the policy) is to establish a comprehensive framework for the management and control of assets at Asia Asset Finance PLC (hereinafter referred to as "the Company"). This policy aims to ensure that the Company achieves its strategic objectives while optimizing asset performance, safeguarding investments, and maintaining compliance with the Colombo Stock Exchange (CSE) Rule 9.2

## **2. SCOPE**

This policy applies to all physical and financial assets including tangible and intangible assets owned, leased, or utilized by the Company. It encompasses all aspects of asset management, including acquisition, operation, maintenance, and disposal. The policy is applicable to all employees, management, contractors, and relevant stakeholders engaged in the asset management processes of the Company.

## **3. BENEFITS OF ASSET MANAGEMENT**

Effective asset management is integral to the success of the Company, yielding numerous benefits, such as:

### **3.1. Increased Profitability**

By closely monitoring asset performance, the Company can enhance forecasting for future investments and optimize returns. This leads to higher profitability and better financial health.

### **3.2. Improved Efficiency**

A thorough understanding of asset utilization enables informed decision-making, minimizing waste and maximizing operational efficiency. Streamlined processes can lead to faster turnaround times and reduced costs.

### **3.3. Risk Mitigation**

Implementing robust security and preventive measures reduces the risk of asset loss and enhances financial stability. Risk assessments should be regularly conducted to identify vulnerabilities and develop appropriate strategies.

### **3.4. Optimized Performance**

Continuous analysis of asset performance leads to strategic adjustments, improving overall productivity and return on investment.

### **3.5. Enhanced Decision-Making**

Data-driven insights facilitate informed investment decisions that align with the Company's strategic goals. This can involve advanced analytics and modeling to forecast trends and assess market conditions.

#### **4. OBJECTIVES**

This policy ensures that all departments and employees are aligned in their asset management efforts to maximize value, minimize risks, and ensure customer satisfaction in a sustainable manner. The intent includes:

- Ensuring compliance with all relevant regulations and standards including the Listing Rules.
- Promoting a culture of accountability and responsibility in asset management.
- Engaging stakeholders in discussions related to asset management strategies and performance.

#### **5. POLICY STATEMENT**

In managing the Company's assets, the organization commit to:

##### **5.1. Fostering Collaboration**

Encouraging inter-departmental collaboration and information sharing to enhance asset management practices. Regular meetings and workshops should be conducted to align goals and strategies.

##### **5.2. Value Optimization**

Prioritizing asset management decisions that deliver optimum value to stakeholders, considering both short-term and long-term impacts.

##### **5.3. Holistic Decision-Making**

Ensuring decisions are informed by a holistic understanding of the asset lifecycle and interdependencies among various asset types. This includes analyzing the potential impact of one asset on another.

##### **5.4. Sustainability Integration**

Incorporating sustainability considerations into all asset management strategies, recognizing the importance of environmental and social governance.

#### **6. COMMITMENT TO CONTINUOUS IMPROVEMENT AND COMPLIANCE**

The Company views compliance with legal standards and continuous improvement as essential components of its asset management approach. The organization's commitments include,

6.1. Promoting innovation in asset management practices and tools to stay ahead of industry trends.

6.2. Regularly reviewing and assessing the effectiveness of asset management processes in supporting the Company's strategic objectives. This may involve internal audits and stakeholder feedback.

6.3. Providing training and resources to enhance the competencies necessary for effective asset management. This includes professional development programs and certifications.

6.4. Annually reviewing this policy to incorporate necessary adjustments based on evolving best practices, regulatory requirements, and feedback from stakeholders.

## **7. ROLES AND RESPONSIBILITIES**

The following outlines the roles and responsibilities associated with this policy:

**7.1. Board of Directors** responsible for approving the asset management policy, defining organizational priorities, and ensuring adequate funding for implementation. They should also establish a framework for risk governance.

**7.2. Chief Financial Officer (CFO)** leads the execution of this policy across the organization, ensuring alignment with financial goals. The CFO should also monitor financial metrics related to asset performance.

**7.3. Department Heads** oversee the implementation of asset management practices within their respective departments, ensuring adherence to policy guidelines. They are responsible for reporting asset performance and compliance.

**7.4. All Employees** required understanding and complying with this policy, actively participating in the management and reporting of assets. Employees should be encouraged to provide feedback and suggestions for improvement.

## **8. SHAREHOLDER INVESTMENTS**

The Company aims to generate robust returns on shareholder investments while promoting sustainable development. This objective is achieved through meticulous analysis of investment opportunities based on strategic alignment, risk assessment, and potential social and environmental impacts. Key elements include:

### **8.1. Balanced Portfolio Management**

Striving for a diversified investment portfolio that balances risk and return, aligned with the Company's strategic goals.

### **8.2. Stakeholder Engagement**

Actively engaging with shareholders to communicate investment strategies and performance, fostering transparency and trust.

## **9. INVESTMENT ANALYSIS**

The Company conducts comprehensive evaluations of potential investments, considering, assessing historical performance, projected returns, and financial health of potential investments, analyzing corporate governance, social responsibility, and environmental sustainability aspects of investments. This includes ESG criteria and sustainability ratings and evaluating market risks, credit risks, and operational risks associated with potential investments to make informed decisions.

## **10. RESPONSIBLE INVESTMENT PRACTICES**

The Company believes that responsible investment practices are crucial for achieving long-term value creation. This includes:

### **10.1. ESG Integration**

Actively integrating environmental, social, and governance (ESG) factors into investment decision-making processes. This involves regular assessments and adjustments based on ESG performance.

### **10.2. Community Impact**

Supporting initiatives that contribute to sustainable development and community welfare, aligning investments with social impact goals.

## **11. TRANSPARENCY AND ACCOUNTABILITY**

The Company is committed to maintaining transparency in its investment practices. This includes:

**11.1. Regular Reporting:** Providing regular reports to shareholders on investment performance, strategies, and market conditions, including insights into portfolio adjustments.

**11.2. Stakeholder Engagement:** Engaging with stakeholders to gather feedback and address concerns related to investments. This may include forums, surveys, and direct communications.

## **12. COMPLIANCE AND BEST PRACTICES**

The Company adheres to applicable regulations and best practices in investment management. This includes:

**12.1. Regulatory Compliance:** Ensuring all investments comply with local laws, regulations, and CSE guidelines. Regular audits will be conducted to confirm compliance.

**12.2. Continuous Improvement:** Regular reviews of investment policies and practices to ensure alignment with evolving standards and regulations. This involves benchmarking against industry best practices and adapting accordingly.

**12.3. Training and Development:** Continuously educating employees involved in investment management on regulatory changes and best practices to foster a culture of responsible investing.

### **13. REVIEW, MONITOR AND UPDATE OF THE POLICY**

As the owner of the policy, Compliance officer shall be responsible to review the policy at least annually or more frequently as necessary. Any changes and amendments should be documented with rationale and to be presented to the Nomination and Governance committee for review and approval.