

Lake House Printers & Publishers PLC

Policy Statement on Controls & Management of Company Assets and Shareholder Investment

1. Introduction

The Board of Directors (the "Board") of Lake House Printers and Publishers PLC ("the Company") is committed to ensuring the prudent management, protection, and optimal utilization of Company assets and shareholder investments. This Policy Statement outlines the framework for safeguarding tangible and intangible assets, managing financial resources, and upholding shareholder trust, in compliance with the Continuing Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practice on Corporate Governance.

2. Objectives

- To protect Company assets from loss, misuse, or damage.
- To ensure efficient and effective use of resources in line with strategic goals.
- To maintain robust internal controls over asset management and financial transactions.
- To maximize long-term value for shareholders through disciplined capital allocation.

3. Scope

This policy applies to all Company assets, including but not limited to:

- Physical Assets: Property, plant, equipment, inventory, and infrastructure.
- Financial Assets: Cash, investments, receivables, and financial instruments.
- Intangible Assets: Intellectual property, brand reputation, and data.
- Shareholder Investments: Equity capital and retained earnings.

4. Governance Framework

4.1 Board Oversight

- The Board is responsible for approving policies related to asset management, capital expenditure, and investment decisions.
- The Audit Committee oversees the effectiveness of internal controls and risk management processes.

4.2 Management Accountability

- Management is accountable for implementing asset management protocols, ensuring compliance with policies, and reporting on asset performance.

5. Key Controls and Procedures

5.1 Asset Acquisition and Disposal

- Capital expenditures above specified thresholds require Board approval.
- Disposal of assets must follow competitive bidding or valuation processes to ensure fairness and transparency.

5.2 Inventory and Cash Management

- Regular inventory audits and reconciliations are conducted to prevent theft or obsolescence.
- Cash management policies ensure liquidity while minimizing idle funds.

5.3 Investment of Shareholder Funds

- Investments are made based on rigorous risk-return analysis and aligned with strategic objectives.
- Speculative investments are prohibited; all investments must comply with regulatory guidelines.

5.4 Cybersecurity and Data Protection

- IT systems are secured to protect digital assets and sensitive information.
- Data privacy policies comply with the Sri Lankan Personal Data Protection Act No. 9 of 2022.

5.5 Insurance Coverage

- Adequate insurance is maintained for key assets to mitigate risks of loss or damage.

6. Internal Controls and Audits

- Internal controls are designed to prevent and detect errors, fraud, or mismanagement.
- Internal audits regularly assess the adequacy of controls over asset management.

7. Shareholder Value Protection

- The Company prioritizes investments that generate sustainable returns and enhance shareholder value.
- Dividend policies balance reinvestment needs with returns to shareholders.

8. Disclosure and Transparency

- The Annual Report includes disclosures on:
 - Significant asset acquisitions/disposals.
 - Internal control effectiveness.

9. Review and Updates

This policy is reviewed annually to address emerging risks, regulatory changes, and operational needs.