Eastern Merchants PLC

(ESTABLISHED IN 1945)
Reg. No. PQ 153

EXPORTERS - IMPORTERS
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POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

1. Purpose

Eastern Merchants PLC ("the Company") recognises that effective control and responsible management of Company assets and investments are essential to protecting shareholder value and maintaining financial and operational integrity.

This Policy establishes the principles governing the acquisition, use, protection, monitoring and disposal of Company assets and investments and has been established in accordance with Rule 9.2.1(i) of the CSE Listing Rules.

2. Scope

This Policy applies to Company assets and investments, including:

- cash and bank balances;
- inventories;
- property, plant and equipment;
- investments;
- intellectual property;
- information and technology assets;
- vehicles and other operational assets; and
- other assets owned, controlled or used by the Company.

3. Asset Acquisition

The acquisition of material assets shall be undertaken in accordance with approved budgets, delegated authority limits, procurement procedures and applicable laws. Appropriate due diligence shall be undertaken before material acquisitions.

4. Use of Company Assets

Company assets shall be used responsibly and primarily for legitimate business purposes. Directors and employees shall not use Company assets for personal benefit without appropriate authorisation.

Chairman: J.B.L. de Silva | Deputy Chairman: H.J. de Silva | Managing Director: C.S.L. de Silva
Directors: S. Jayakody, G.R.J. de Silva, F. Mushin, R. Pradeep, N. Nanayakkara

5. Safeguarding and Internal Controls

The Company shall maintain appropriate controls to safeguard its assets against:

- theft;
- fraud;
- misuse;
- damage;
- unauthorised disposal; and
- other forms of loss.

Asset registers and appropriate supporting records shall be maintained.

6. Investments

Investments of Company funds shall be made prudently and in accordance with approved authority levels, applicable laws and the Company's risk appetite.

Investment decisions shall consider:

- financial viability;
- risk and return;
- liquidity;
- strategic relevance;
- counterparty risk; and
- protection of shareholder interests.

7. Subsidiaries and Other Investments

Investments in subsidiaries, associates, joint ventures or other entities shall be subject to appropriate Board oversight and due diligence. Material investment decisions shall be approved in accordance with the Company's governance and delegated authority framework.

8. Disposal of Assets

Material assets shall not be disposed of without appropriate evaluation and approval in accordance with delegated authority limits and applicable laws and regulations. Transactions involving related parties shall also comply with the Company's Related Party Transactions Policy and applicable CSE Listing Rules.

9. Monitoring

Management shall monitor the condition, utilisation and performance of material Company assets and investments. The Board, through the appropriate Board Committee, shall receive relevant information necessary to exercise effective oversight.

10. Shareholder Interests

All decisions concerning Company assets and investments shall be made with due regard to the interests of the Company and its shareholders. The Company shall seek to ensure that assets are not transferred, disposed of or otherwise used in a manner that unfairly prejudices shareholders.

11. Fraud and Misappropriation

Suspected fraud, theft, misappropriation or unauthorised use of Company assets shall be reported promptly through the appropriate internal reporting or whistleblowing channels.

12. Review

This Policy shall be reviewed periodically and amended where necessary to reflect changes in the Company's operations, laws, regulations and CSE Listing Rules.

The existence and implementation of this Policy shall be disclosed on the Company's website in accordance with Rule 9.2.1.

13. Document Control and Implementation

Upon Board approval, this Policy shall be communicated to all Directors, Board Committees and relevant senior management, published on the Company's website in accordance with Rule 9.2.1 of the CSE Listing Rules, and applied with immediate effect from the Effective Date stated above, with compliance monitored on an ongoing basis by the Company Secretary.

Board Approval Date	29.01.26
Effective Date	02.02.26
Review Date	
Version	1.0