

PT CATERPILLAR FINANCE INDONESIA

FINANCIAL STATEMENTS

31 DECEMBER 2025

**BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
PT CATERPILLAR FINANCE INDONESIA**

We, the undersigned:

Name : Glen Desmond Ash
Office address : Beltway Office Park
Jl. TB Simatupang No.41, Jakarta Selatan 12550.
Telephone : (6221) 2939-2999
Title : President Director

Name : Irawan
Office address : Beltway Office Park
Jl. TB Simatupang No.41, Jakarta Selatan 12550.
Telephone : (6221) 2939-2999
Title : Director

Declare that:

1. We are responsible for the preparation and presentation of the financial statements of PT Caterpillar Finance Indonesia;
2. The financial statements of PT Caterpillar Finance Indonesia have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the financial statements of PT Caterpillar Finance Indonesia has been disclosed in a complete and truthful manner;
b. The financial statements of PT Caterpillar Finance Indonesia do not contain any incorrect information or material fact, nor do they omit information or material facts;
4. We are responsible for the internal control system of PT Caterpillar Finance Indonesia.

This statement is made truthfully.

For and on behalf of the Board of Directors,
Jakarta, 28 April 2026



Glen Desmond Ash
President Director

Irawan
Director



Report No. 00742/2.1457/AU.1/09/1849-3/1/IV/2026

**Independent auditors' report
To the Shareholders of**

PT Caterpillar Finance Indonesia

Opinion

We have audited the financial statements of PT Caterpillar Finance Indonesia (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is outlined as follows.

Allowance for impairment losses on investment in finance leases

Refer to Note 2c (material accounting policy information – Impairment of financial assets and Note 5 (Net Investment in Financing Leases) to the financial statements.

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As of 31 December 2025, the allowances for impairment losses on investment in finance leases amounted to USD2,458,252

The Company assesses whether the risk of investment in finance lease has increased significantly since their initial recognition and applies a three-stage of risk level to calculate the allowance for impairment losses incorporating parameters of probability of default, estimated losses in the event of default, and exposure at default, after considering forward-looking information, including macroeconomic factors. We focused on this area as the allowances for impairment losses provided against the investment in finance leases are significant to the financial statements. In addition, the Company used several parameters, which relied on internal and external data inputs, and applied significant management judgement in determining the allowance for impairment losses.

How our audit addressed the key audit matter

We performed audit procedures over this matter to obtain sufficient and appropriate audit evidence including:

- We obtained an understanding of management's controls and processes in determining the allowance for impairment losses on investment in finance leases, including risk associated with credit modelling and estimation uncertainties.
- We tested the design and operating effectiveness of key internal controls over the investment in finance lease review and approval processes by management.
- We assessed whether the management's assumptions used in the expected credit loss models were supported by available historical data, industry standards, and current market conditions.
- In considering the appropriateness of the allowance for impairment losses, we also assessed whether investment in finance leases with higher risks had been appropriately considered and captured in the impairment assessment by inquiring management of their key areas of judgement, including the period of historical data used, identification of the most relevant macroeconomic factors, and estimated market value for collaterals held based on current market conditions.
- We tested the accuracy of the investment in finance leases data to supporting documents on a sample basis. We also engaged our information technology specialists to test the completeness of data from underlying system that were used in the calculation of the allowance for impairment losses.
- We assessed the model used and the key assumptions applied by management, such as the basis on which the probability of default is calculated and estimated losses in the event of default, and how these compared with historical data adjusted for current market conditions and trends. We reformed allowance for impairment losses calculations independently to assess the accuracy of the allowance recorded for impairment losses on investment in finance leases.
- We assessed the adequacy of the disclosures related to the allowance for impairment losses on investment in finance leases in the context of Indonesian Financial Accounting Standards disclosure requirements.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Jakarta,
28 April 2026



Ketty, CPA

Public Accountant License No. AP.1849



PT Caterpillar Finance Indonesia
00742/2.1457/AU.1/09/1849-3/1/IV/2026

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

| | <u>Notes</u> | <u>2025</u> | <u>2024</u> |
|-------------------------------------|--------------|--------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | 4 | 1,795,567 | 3,708,877 |
| Net investment in financing leases | 5 | 164,073,914 | 151,437,640 |
| Other receivables | | | |
| - Third parties | 6 | 137,917 | 92,788 |
| - Related parties | 6,20a | 1,098,803 | 997,928 |
| Prepaid expenses | | 68,053 | 5,325 |
| Prepaid taxes | 9a | 6,628 | 10,485 |
| Derivative assets | 11 | 796,332 | 1,082,957 |
| Repossessed assets - net | 7 | 347,355 | 648,029 |
| Fixed assets - net | 8 | 400,418 | 324,639 |
| Right-of-use assets - net | 8 | 346,572 | 566,078 |
| Intangible assets - net | 8 | 64,299 | 60,982 |
| Claim for taxes refunds | 9b | 30,397 | - |
| Deferred tax assets | 9e | 147,089 | 125,458 |
| TOTAL ASSETS | | <u>169,313,344</u> | <u>159,061,186</u> |
| LIABILITIES | | | |
| Accruals and other liabilities | | | |
| - Third parties | 10 | 4,752,905 | 2,496,484 |
| - Related parties | 10,20b | 242,087 | 212,461 |
| Taxes payables | 9c | 128,494 | 954,430 |
| Derivative liabilities | 11 | 484,248 | 1,181,101 |
| Borrowings | | | |
| - Third parties | 12 | 12,513,900 | 12,994,800 |
| - Related parties | 12,20b | 40,039,299 | 32,330,408 |
| Employee benefits obligation | 13 | - | - |
| TOTAL LIABILITIES | | <u>58,160,933</u> | <u>50,169,684</u> |
| EQUITY | | | |
| Share capital - par value of | | | |
| Rp 1,000 per share | | | |
| Authorised - 300,000,000 shares | | | |
| Issued and fully paid - | | | |
| 140,000,000 shares | 14 | 16,131,000 | 16,131,000 |
| Stock-based compensation reserve | 15 | 601,526 | 528,897 |
| Statutory reserves | 16 | 1,224 | 1,224 |
| Retained earnings | | 94,418,661 | 92,230,381 |
| TOTAL EQUITY | | <u>111,152,411</u> | <u>108,891,502</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>169,313,344</u> | <u>159,061,186</u> |

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

| | <u>Notes</u> | <u>2025</u> | <u>2024</u> |
|---|--------------|---------------------|---------------------|
| INCOME | | | |
| Finance lease income | 20c | 18,724,184 | 19,669,414 |
| Other income | 20c | <u>411,420</u> | <u>362,287</u> |
| Total income | | <u>19,135,604</u> | <u>20,031,701</u> |
| (EXPENSES)/OTHER INCOME | | | |
| Allowance for impairment losses | 5 | (2,206,390) | 236,222 |
| Depreciation and amortisation expenses | 8 | (399,400) | (353,751) |
| General and administrative expenses | 17 | (1,285,345) | (1,237,510) |
| Personnel expenses | 18,20d | (2,593,198) | (2,478,173) |
| Interest expenses | 19,20d | (2,900,791) | (4,618,104) |
| Service and guarantee fees | 20d | (3,571,083) | (3,397,522) |
| Foreign exchange loss - net | | (3,241,222) | (2,221,076) |
| Loss on sale of repossessed assets and impairment | | (193,769) | (48,047) |
| Others - net | | <u>65,375</u> | <u>321,773</u> |
| Total expenses | | <u>(16,325,823)</u> | <u>(13,796,188)</u> |
| PROFIT BEFORE INCOME TAX | | 2,809,781 | 6,235,513 |
| INCOME TAX EXPENSE | 9d | <u>(637,971)</u> | <u>(1,380,312)</u> |
| PROFIT FOR THE YEAR | | <u>2,171,810</u> | <u>4,855,201</u> |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | |
| Items that will not be reclassified to profit or loss: | | | |
| - Remeasurement of post-employment benefits | 13 | 21,116 | (87,583) |
| - Related income tax | 9e | <u>(4,646)</u> | <u>19,268</u> |
| | | <u>16,470</u> | <u>(68,315)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>2,188,280</u> | <u>4,786,886</u> |

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**
(Expressed in US Dollar, unless otherwise stated)

| | <u>Notes</u> | <u>Share capital</u> | <u>Stock-based compensation reserve</u> | <u>Statutory reserves</u> | <u>Retained earnings</u> | <u>Total</u> |
|--|--------------|----------------------|---|-------------------------------|------------------------------|--------------------|
| Balance as at 1 January 2024 | | 16,131,000 | 460,828 | 1,224 | 87,443,495 | 104,036,547 |
| Stock-based compensation reserve | 15 | - | 68,069 | - | - | 68,069 |
| Profit for the year | | - | - | - | 4,855,201 | 4,855,201 |
| Other comprehensive loss for the year | | - | - | - | (68,315) | (68,315) |
| Balance as at 31 December 2024 | | <u>16,131,000</u> | <u>528,897</u> | <u>1,224</u> | <u>92,230,381</u> | <u>108,891,502</u> |
| Stock-based compensation reserve | 15 | - | 72,629 | - | - | 72,629 |
| Profit for the year | | - | - | - | 2,171,810 | 2,171,810 |
| Other comprehensive income for the year | | - | - | - | 16,470 | 16,470 |
| Balance as at 31 December 2025 | | <u>16,131,000</u> | <u>601,526</u> | <u>1,224</u> | <u>94,418,661</u> | <u>111,152,411</u> |

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in US Dollar, unless otherwise stated)

| | <u>Notes</u> | <u>2025</u> | <u>2024</u> |
|--|--------------|--------------------|---------------------|
| Cash flows from operating activities: | | | |
| Profit before income tax | | 2,809,781 | 6,235,513 |
| Items not affecting cash flows: | | | |
| Depreciation and amortisation expenses | 8 | 399,400 | 353,751 |
| Addition/(reversal) of allowance for impairment losses | 5 | 2,206,390 | (236,222) |
| Reversal of allowance repossessed assets | 7 | (38,823) | (8,966) |
| Interest expenses | 19 | 2,900,791 | 4,618,104 |
| Stock-based compensation reserve | 15 | 72,629 | 68,069 |
| Provision for employee benefits | 13 | 83,526 | (18,137) |
| (Gain)/loss on disposal of fixed assets | 8a | (61,938) | 3,073 |
| Net unrealised losses on foreign exchange | | 4,960,639 | 4,985,613 |
| Modification of right-of-use assets | 8 | 12,251 | - |
| Operating cash flows before changes in assets and liabilities | | 13,344,646 | 16,000,798 |
| Changes in assets and liabilities: | | | |
| Net investment in financing leases | | (20,349,772) | 32,613,961 |
| Other receivables | | (105,640) | (552,694) |
| Prepaid expenses | | (62,728) | (3,161) |
| Repossessed assets | | 339,497 | (425,602) |
| Derivative - net | | (410,228) | (506,487) |
| Other tax liabilities | | (120) | (135,952) |
| Accruals and other liabilities | | 3,290,291 | (2,696,066) |
| Payment of interest expense | | (3,667,407) | (3,527,239) |
| Payment of employee benefits obligation | 13 | (62,410) | (69,446) |
| Payment of corporate income tax | | (1,516,604) | (1,960,681) |
| Net cash flows (used in)/provided from operating activities | | (9,200,475) | 38,737,431 |
| Cash flows from investing activities: | | | |
| Purchase of fixed assets | 8 | (229,318) | (73,182) |
| Purchase of intangible assets | 8 | (35,634) | (36,835) |
| Payment of right-of-use assets | 8 | (8,667) | - |
| Proceed from sale of fixed assets | 8a | 64,316 | - |
| Net cash flows used in investing activities | | (209,303) | (110,017) |
| Cash flows from financing activities: | | | |
| Proceeds from borrowings | | 92,029,659 | 49,655,270 |
| Repayment of borrowings | | (84,320,768) | (99,256,126) |
| Payment for leases | 8b | (143,422) | (141,025) |
| Net cash flows provided from/(used in) financing activities | | 7,565,469 | (49,741,881) |

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in US Dollar, unless otherwise stated)

| | <u>Notes</u> | <u>2025</u> | <u>2024</u> |
|---|--------------|-------------------------|-------------------------|
| Net decrease of cash and cash equivalents | | (1,844,309) | (11,114,467) |
| Foreign exchange adjustment in cash and cash equivalents | | (69,001) | (153,358) |
| Cash and cash equivalents at the beginning of the year | 4 | <u>3,708,877</u> | <u>14,976,702</u> |
| Cash and cash equivalents at the end of the year | 4 | <u><u>1,795,567</u></u> | <u><u>3,708,877</u></u> |

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

1. GENERAL INFORMATION

PT Caterpillar Finance Indonesia (“the Company”) was established on 9 March 1994, based on the Notarial Deed of Poerbaningsih Adi Warsito, S.H., No. 76 under the name of PT Triangle Multi Finance. The deed of establishment was approved by the Minister of Justice in decision letter No. C2-11706.HT.01.01.TH.94 dated 4 August 1994, and was published in Supplement No. 908 of the State Gazette No. 10 dated 2 February 1995.

Based on the Notarial Deed of Poerbaningsih Adi Warsito, S.H., No. 27 dated 8 September 1997, the name of the Company was changed from PT Triangle Multi Finance to PT Hyundai Panin Finance. This amendment was accepted by the Minister of Justice in decision letter No. C2-9661 HT.01.04.TH.97. Based on the Notarial Deed of A. Partomuan Pohan, S.H., LL,M., No.7 dated 2 December 1998, the name of the Company was changed from PT Hyundai Panin Finance to PT Caterpillar Finance Indonesia. This amendment was accepted by the Ministry of Justice in decision letter No. C2-2784.HT.01.04.TH.99.

The Company’s Articles of Association have been amended from time to time and the latest by Notarial Deed No. 02 of Dea Marsella Nawa, S.H., M.Kn., dated 04 December 2025 in relation to the addition of Article 24 concerning remuneration and nomination policy. The amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision letter No. AHU-0277183.AH.01.11.TAHUN 2025 dated 09 December 2025.

As stated in the Company’s Articles of Association and its operating license, the scope of the Company’s activities consists of financing activities which include investment financing, working capital financing, multipurpose financing, and other financing approved by the Financial Services Authority. Currently, the Company mainly engages in leasing activities.

The Company’s office is located at Beltway Office Park Building 3rd Floor, Jalan Simatupang No. 41, Jakarta Selatan. The Company’s ultimate parent company is Caterpillar Inc. which incorporated and domiciled in Irving, Texas, U.S.

As at 31 December 2025 and 2024, the Company’s Board of Commissioners and Board of Directors were as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------------------|------------------------|-----------------------------|
| President Commissioner | Christopher Lee Farrar | Christopher Lee Farrar |
| Independent Commissioner | Arie Laurens Tungka | Arie Laurens Tungka |
| President Director | Glen Desmond Ash | Glen Desmond Ash |
| Compliance Director | Glen Desmond Ash | Glen Desmond Ash |
| Finance Director | - | Julia Justina ^{*)} |
| Director | Michael Williams Lamba | Michael Williams Lamba |
| Director | Irawan | Irawan |

^{*)} *Julia Justina resigned effective on 31 December 2024 based on Notarial Deed No. 1268 dated 23 December 2024 of Notary Deska Legira, S.H., M.Kn.*

As of 31 December 2025, the Company had 48 employees (2024: 51 employees) (unaudited).

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION

The Company's financial statements were authorised for issuance by the Board of Directors on 28 April 2026. Presented below are the material accounting policies adopted in the preparation of the financial statements of the Company.

a. Basis of preparation of the financial statements

The financial statements of the Company have been prepared and presented in accordance with Indonesian Financial Accounting Standards.

The financial statements have been prepared under the historical cost convention, except for derivative contracts which are measured at fair value. The financial statements are prepared under the accrual basis of accounting, except for the statement of cash flows.

The statement of cash flows are prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and cash in banks which are not restricted and pledged as collateral for any borrowings.

Amounts in the financial statements are expressed in United States Dollar ("US Dollar" & "USD") unless otherwise stated.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

b. Changes to the statements of financial accounting standards and interpretations of statement of financial accounting standards

The followings are financial accounting standards, amendments and interpretation of financial accounting standard which become effective starting 1 January 2025.

- SFAS 117: "Insurance Contracts"; and
- Amendment of SFAS 117: "Insurance Contract" regarding Initial Application of SFAS 117 and SFAS 109 - Comparative Information; and
- Amendment of SFAS 221: "The Effect of Changes in Foreign Exchange Rates" regarding to conditions when a currency is not exchangeable.

The implementation of the above standards did not result in substantial changes to the Company's accounting policies and had no material impact to the financial statements for current period or prior financial years.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**b. Changes to the statements of financial accounting standards and interpretations of statement of financial accounting standards (continued)**

Financial Accounting Standard Board of Indonesian Institute of Accountants (“DSAK-IAI”) has issued the following new standards, amendments and interpretations, but not yet effective for the financial year beginning 1 January 2025 as follows:

- Amendments of SFAS 109: “Financial Instruments” and SFAS 107: “Financial Instruments: Disclosures”; and
- SFAS 338: “Business Combinations of Entities Under Common Control” (Revised 2025).

The above standard will be effective on 1 January 2026.

Financial Accounting Standard Board of Indonesian Institute of Accountants (“DSAK-IAI”) has issued the following new standards, as follows:

- SFAS 118: “Presentation and Disclosure in Financial Statements” which will replace SFAS 201: “Presentation in Financial Statements”.

The above standard will be effective on 1 January 2027 and early adoption is permitted.

SFAS 118: “Presentation and Disclosure in Financial Statements”

SFAS 118 supersedes SFAS 201, retaining many existing principles but significantly changing how entities report “operating profit or loss.” It establishes a defined structure for the statement of profit or loss, categorising items into operating, investing, financing, income taxes, and discontinued operations. The standard mandates specific disclosures, including Management-defined Performance Measures (“MPMs”), allowing investors to understand management’s view of the Company’s financial performance and how these measures compare to those defined in SFAS 118.

As at 31 December 2025, the Company is still evaluating the potential impact of the implementation of above standards amendment issued, but not yet effective, on the Company’s financial statements.

c. Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

The Company’s financial assets consist of cash and cash equivalents, net investment in financing leases, other receivables and derivative assets.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**c. Financial instruments (continued)****Financial assets (continued)**

The Company classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss or other comprehensive income; and
- financial assets at amortised cost.

The classification is based on the management's business model and their contractual cash flow characteristics. As at 31 December 2025, the Company had financial assets at amortised cost and financial assets at fair value through profit or loss.

Financial assets at amortised cost are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method, unless the impact of discounting is not significant, less a provision for impairment. Financial assets are derecognised when the rights to receive cash flows from the assets have ceased to exist or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss represents derivative assets, which are measured at fair value and recognised in profit or loss.

Assessment of whether contractual cash flows are Solely Payments of Principal and Interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**c. Financial instruments (continued)****Financial assets (continued)****Business model assessment**

Business model refers to how financial assets are managed together to generate cash flows for the Company. This may be collecting contractual cash flows, selling financial assets or both. Business models are determined at a level of aggregation where groups of assets are managed together to achieve a particular objective and do not depend on management's intentions for individual instruments.

The Company assesses the business model of financial assets at least at business line level or where there are varying mandates or objectives within a business line, at a more granular product business line or desk level (i.e. sub-portfolios or sub-business lines).

Business model determinations are made considering all relevant evidence that is available at the date of the assessment. This includes, but is not limited to:

- How the performance of the business and the financial assets held within that business unit are evaluated and reported to management. The level of segregation identified for SFAS 109 classification should be consistent with how asset portfolios are segregated and reported to senior management;
- The risks that affect the performance of the business unit and the financial assets held within that business unit and in particular the way those risks are managed; and
- How managers of the business unit are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Business model determinations are made on the basis of scenarios that the Company reasonably expects to occur and not under highly stressed or 'worst case' conditions. Where assets are disposed of under conditions that the Company did not reasonably expect to prevail when the assets were recognised, the classification of existing financial assets in the portfolio are not rendered inaccurate but the conditions in question should be considered for any assets acquired going forward.

The targeting operating model for SFAS 109 is designed such that accounting for instruments at fair value through profit or loss ("FVTPL") is a conscious choice.

Changes to business models or the introduction of new business models are determined through the new business unit approval process.

The Company can reclassify all of its financial assets when and only, its business model for managing those financial assets changes.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**c. Financial instruments (continued)****Financial assets** (continued)**Financial assets at amortised costs**

A financial asset is measured at amortised cost only if it meets both of the following conditions and it is not designated as at fair value through profit or loss:

- The financial asset is held within a business model whose objective is to hold the asset to collect contractual cash flows (hold to collect); and
- Its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, financial assets measured at amortised cost are recognised at fair value plus transaction costs (if any) and subsequently measured using the effective interest rate.

Impairment of financial assets

SFAS 109 requires a loss allowance to be recognised at an amount equal to either 12-month expected credit losses ("ECL") or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date.

ECL are recognised for net investment in financing leases that are classified as hold to collect and have cash flows that are SPPI.

The Company primarily uses models that utilise the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") metrics.

a. Probability of Default ("PD")

The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (Stage 1) or over the lifetime of the product (Stage 2 and 3) and incorporating the impact of forward-looking economic assumptions that have an effect on credit risk. PD is estimated at a point in time that means it will fluctuate in line with the economic cycle.

b. Loss Given Default ("LGD")

The loss that is expected to arise on default, incorporating the impact of relevant forward-looking economic assumptions (if any), which represents the difference between the contractual cash flows due and those that the Company expects to receive.

NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**c. Financial instruments (continued)****Financial assets** (continued)**Impairment of financial assets** (continued)**b. Loss Given Default (“LGD”) (continued)**

The Company estimates LGD based on the historical recovery rates and considers the recovery of any collateral that is integral to the financial assets and taking into account forward looking economic assumptions if relevant.

c. Exposure at Default (“EAD”)

The expected balance sheet exposure at the time of default, taking into account that expected change in exposure over the lifetime of the exposure.

12-month expected credit losses (Stage 1)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12 months basis.

Significant increase in credit risk (Stage 2)

If a financial asset experiences a significant increase in credit risk (“SICR”) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Whether a change in the risk of default is significant or not, it is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty.

Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**c. Financial instruments (continued)****Financial assets (continued)****Significant increase in credit risk (Stage 2) (continued)**

The Company uses a number of qualitative and quantitative measures in assessing SICR as follows:

- Accounts that are 30 days past due (“DPD”) or considered to experience an increase in credit risk based on certain management assessment, are considered to have experienced a significant increase in credit risk.
- An asset is only considered credit-impaired and lifetime expected credit losses recognised, if there is observed objective evidence of impairment. These factors of objective evidence of impairment includes, amongst other factors, assets in default or experiencing significant financial difficulty, or experiencing forbearance on impaired receivables (mentioned as ‘Stage 3 asset’). The measurement of expected credit losses across all stages is required to reflect an unbiased and probability weighted amount that is determined by evaluating a range of reasonably possible outcomes using reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions.

Credit impaired (or defaulted) exposures (Stage 3)

Quantitative criteria:

Financial assets that are credit impaired (or defaulted) represent those that are at least 90 days past due.

Qualitative criteria:

Financial assets that are credit impaired (or defaulted) represent those that are written off and has been proceed as credit settlement.

Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset based on management’s judgement. Allowance for impairment losses against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate. The ECL will reflect weighted average of the scenarios based on the probability of the relevant scenario to occur. The loss provisions held represent the difference between the present value of the cash flows expected to be recovered, discounted at the instrument’s original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

For assets measured at amortised cost, the balance sheet amount reflects the gross asset less the expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**c. Financial instruments (continued)****Financial liabilities**

The Company's financial liabilities consist of accruals and other liabilities, derivative liabilities, and borrowings.

The Company classified its financial liabilities into two categories: (i) at fair value through profit or loss and (ii) financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost

Financial liabilities that are not classified as fair value through profit or loss are categorised into financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction cost (if any) that are directly attributable to the financial liabilities and subsequently measured at amortised cost using effective interest rate. Effective interest rate amortisation is recognised in the statement of profit or loss as "Interest". Financial liabilities are derecognised when extinguished.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially have the same characteristic or calculated based on the expected cash flows discounted by relevant market rates.

The fair value for financing receivables as well as borrowings are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity, and costs. The fair value measurements of forward foreign exchange contracts were calculated by reference to observable foreign exchange rates.

The best evidence of fair value at initial recognition is the transaction price (that is, the fair value of the consideration given or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (that is, without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

For derivative instruments that measured at fair value, the Company uses the fair value (level 2) as explained in Note 21 (v).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c. Financial instruments (continued)

Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (if substantially all the risks and rewards are not transferred, hence the Company evaluates to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position, if and only if, the Company has a legal enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Classification of financial instruments

The Company classifies the financial instruments into classes that reflects the nature of information and take into account the characteristic of those financial instruments.

The classification can be seen in the table below:

| Category as defined by SFAS 109 | | Class (as determined by the Company) |
|---------------------------------|--|--|
| Financial assets | Financial assets at amortised cost | Cash and cash equivalents Net investment in financing leases Other receivables |
| | Financial assets at fair value through profit or loss ("FVTPL") | Derivative assets |
| Financial liabilities | Financial liabilities at amortised cost | Accruals and other liabilities Borrowings |
| | Financial liabilities at fair value through profit or loss ("FVTPL") | Derivative liabilities |

d. Derivative financial instruments

Derivative instruments are initially recognised at fair value on the date the contracts are entered into and are subsequently remeasured at their fair values. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**d. Derivative financial instruments (continued)**

The method of recognising the result of fair value gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged.

On the date the derivative contract is entered into, the derivative instrument is (1) designated as a hedge of the fair value of a recognised asset or liability (fair value hedge), (2) designated as a hedge of a forecasted transaction or the variability of cash flows (cash flow hedge) or (3) undesignated.

Derivatives that do not apply hedge accounting (undesignated)

For derivative instruments that do not apply hedge accounting, changes in the fair value of any derivative instrument are recognised immediately in the statement of profit or loss and other comprehensive income under "Foreign exchange gain/(loss)".

The Company uses derivative financial instruments to manage foreign currency exchange exposures and are not to be used for speculative purposes. The Company uses foreign currency forward contracts to offset the risk of currency mismatch between assets and liabilities and exchange rate risk associated with future transactions denominated in foreign currencies.

e. Net investment in financing leases

Net investment in financing leases is recognised initially at fair value, deducted by administration income and plus directly attributable transactions costs (if any) and subsequently measured at amortised cost using the effective interest rate method. Refer to Note 2c for accounting policy of amortised cost.

At initial recognition, the fair value of net investment in financing leases represents lease financing receivables plus the residual value at the end of the lease period deducted by unearned lease income and security deposits. The difference between the gross lease receivables and the present value of the lease receivables is recognised as unearned lease income. Unearned lease income is allocated to the current year profit or loss using the effective interest rate, on the Company's net investment as a lessor in the financing lease.

The lessee has the option to purchase at the end of the lease period at a price mutually agreed upon at the commencement of the finance lease agreement.

Early termination is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year profit or loss at the transaction date.

The Company calculates and records the allowance for possible losses on the lease receivables in accordance with accounting policies described in Note 2c.

NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

f. Other receivables

Other receivables consist of receivables from related parties related to intercompany fees income (Note 20), security deposit, employee loans, receivables from dealer, and others.

g. Repossessed assets

Repossessed assets are stated at net realisable values. Net realisable value is the fair value of the repossessed assets less estimated costs of liquidating the repossessed assets (if any). Net investment in financing leases is reclassified as repossessed assets when collateral assets have been foreclosed under the Company's authority because customers cannot fulfil their obligations.

In case of default, the customer gives the right to the Company to sell the repossessed assets or take any other actions to settle the outstanding receivables. Customers are entitled to the positive differences between the proceeds from the sales of repossessed assets and the outstanding loans. If there are negative differences, the Company will record these as losses from disposal of repossessed assets.

Expenses for maintaining repossessed assets are recognised in profit or loss. Any impairment occurred will be charged to profit or loss.

h. Fixed assets and intangible assets

Fixed assets and intangible assets are initially stated at cost and subsequently stated at cost less accumulated depreciation/amortisation and accumulated impairment (if any). Under SFAS 216, the Company has chosen the cost model for fixed assets.

Depreciation and amortisation for leasehold improvements and software are calculated using the the straight-line method, while furniture and fixtures, motor vehicles, and computers are calculated through accelerated methods. This approach allocates costs to their residual values over the estimated useful lives of each asset as outlined below:

| | <u>Years</u> |
|------------------------|--------------|
| Furniture and fixtures | 10 |
| Motor vehicles | 6 |
| Leasehold improvements | 5 |
| Computers | 3 |
| Software | 3 |

The assets' residual value and useful lives are reviewed and adjusted if appropriate, at financial position date. Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**h. Fixed assets and intangible assets (continued)**

Expenditures which extend the life of assets or provide further economic benefits are capitalised to the related assets and depreciated. The acquisition cost below USD 1,500 is directly charged to profit or loss as incurred.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, which is determined based on the higher of net selling price or value in use. When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are eliminated from the financial statements, and the resulting gains or losses on the disposal of fixed assets are recognised in the profit or loss.

i. Borrowings

Borrowings are recognised initially at fair value, net of directly attributable transaction costs (if any). Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the principal amount is recognised in the profit or loss over the period of borrowing using the effective interest rate method. Borrowings are classified as financial liabilities at amortised cost, refer to Note 2c for the accounting policy for liabilities at amortised cost. Interests on borrowings are recorded as interest expense using accrual basis.

j. Income and expense recognition

Income from finance leases is recognised over the term of the respective contracts using the effective interest rate method.

Finance leases are initially recognised at fair value plus transaction costs and less yield enhancing income which is directly attributable and subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. These calculations include transaction costs (if any).

Income unrelated to lease transactions and expenses are recognised as incurred on an accrual basis. Late payment charges represent income received from customers for late payment. The income is recognised when realisation is certain.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025**

(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**k. Employee benefits****Short-term employee benefits**

Short-term employee benefits are recognised when they are owed to the employees based on accrual method.

Long-term and post-employment benefits

Long-term and post-employment employee benefits, such as pension, severance payments, service payments, and other benefits are calculated in accordance with the Company's regulation and Labor Law No. 13/2003 ("Law 13/2003"). The plan complies with the minimum regulatory benefit Job Creation Law No.11/2020 and the accompanying Government Regulation No. 35/2021, in which the plan provides the higher between the minimum benefit and the Company's Regulation.

The Company is required to provide a minimum amount of pension benefits in accordance with Job Creation Law No.11/2020 and the accompanying Government Regulation No. 35/2021. Since the Job Creation Law sets the formula for determining the minimum amount of benefits, in substance, pension plans under Job Creation Law represents defined benefit plans.

A defined benefit plan is a pension plan that defines amount of pension benefit that will be received by the employee on becoming entitled to a pension, usually as a function of one or more factors such as age, years of service or compensation.

This pension plan is funded through payments to and managed by Dana Pensiun Lembaga Keuangan Manulife Indonesia. If the pension benefits based on Job Creation Law No. 11/2020 and the accompanying Government Regulation No. 35/2021 are higher than the Company's pension plan therefore the Company will provide for the shortage.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the curtailment or settlement occurs.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**I. Foreign currency translations**

The financial statements are presented in US Dollar, which is the functional currency at the Company. Foreign currency transactions are translated into US Dollar using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currency are translated using the Bank Indonesia's middle exchange rate. Exchange rate used as benchmark is the rate which is issued by Bank Indonesia.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

As at 31 December 2025 and 2024, the exchange rates used are in Indonesian Rupiah ("IDR") 16,781 and IDR 16,160, respectively, for 1 US Dollar.

m. Taxation

The tax expense comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. The Company periodically evaluates positions taken in Annual Corporate Income Tax Return with respect to situations in which applicable tax regulation is subject to interpretation. The Company establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is determined using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes at each reporting date. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting period and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset arising from temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**n. Transaction with related parties**

The Company has transactions with related parties. In accordance with SFAS 224 (previously SFAS 7) (revised 2015) regarding "Related Party Disclosure", the meaning of a related party is a person or entity that is related to a reporting entity as follow:

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is member of the key management personnel of the reporting entity or a parent of the reporting entity.

- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. the entity and the reporting entity are member of the same the company (which means that each parent, subsidiary, and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a company of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefits plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - vi. the entity controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The nature of transactions and balances of accounts with related parties are disclosed in the Note 20.

o. Stock-based compensation

Caterpillar Inc., USA (the "Ultimate Parent Company") offers equity-settled stock-based compensation. Under these plans, the Ultimate Parent Company will issue additional shares upon exercise of stock options. Locally, because the Company does not have the obligation to deliver cash to the employees (no cash flow impact to the Company), the Company accounts the transaction as equity-settled in its financial statements where the Company recognises the expense and corresponding credit to the stock-based compensation reserve.

Employee stock option programme is measured at grant date based on the fair value of the stock-options using a lattice-based option-pricing model and recognised in equity. The compensation expense is amortised over the service period or vesting period and recognised in the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**o. Stock-based compensation (continued)**

The stock-based compensation programme is recorded in the Company's financial statements as required by SFAS 102 (previously SFAS 53) regarding "Accounting for Stock-Based Compensation".

p. Lease transaction

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an asset for a period of time in exchange of consideration.

(i) The Company as the lessee

The Company leases certain fixed assets by recognising the right-of-use assets and lease liabilities. The right-of-use assets are stated at cost, less accumulated depreciation, and impairment. Right-of-use assets are depreciated over the shorter of the useful life of the assets or the lease term.

Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if cannot be readily determined, using incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as a discount rate. Each lease payment is allocated between the liability portion and finance cost. Lease liabilities are classified in long-term liabilities except for those with maturities within 12 months or less which are included in current liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant rate of interest on the remaining balance of the liability.

The Company does not recognise right-of-use assets and lease liabilities for:

- short-term leases that have a lease term of 12 months or less; or
- leases with low-value assets.

Payments made under those leases are charged to profit or loss on a straight-line basis over the period of the lease.

(ii) The Company as the lessor

As a lessor, the Company classified each of its leases as either an operating lease or a finance lease. Leases are classified as finance leases when they transfer substantially all of the risks and rewards incidental to ownership of the underlying assets.

Refer to Note 2e for financing lease.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain estimates and assumptions are made in the preparation of the financial statements. These often require management judgements in determining the appropriate methodology for valuation of assets and liabilities.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with Indonesian Financial Accounting Standards are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Although these estimates and assumptions are based on management's best knowledge of current events and activities, actual result may differ from those estimates and assumptions.

Key sources of estimation uncertainty:

Allowance for impairment losses

The Company reviews its net investment in financing lease at reporting date to evaluate the allowance for impairment losses. Management's judgement is applied in the estimation when determining the level of allowance required.

The specific debtors' conditions in determining allowance for impairment amount of its net investment in financing leases are evaluated individually and are based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about the debtor's financial situation and the net realisable value of any underlying collateral. Each impaired financial assets is assessed on its merits, and the workout strategy. Estimated cash flows which is considered recoverable are independently accepted and approved by the management.

The Company also estimates the collective impairment allowance for its net investment in financing lease portfolio, where evaluation is performed based on expected credit losses (refer to Note 2c).

Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar economic characteristics and financial assets that are individually insignificant. In assessing the need for collective impairment allowances, management considers factors such as credit quality and type of industry, among others. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions and forward-looking macroeconomics variable.

The accuracy of the allowances depends on how well these estimate future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective impairment allowances.

**NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in US Dollar, unless otherwise stated)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**Provision of employee benefits**

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of employee benefits obligations.

The assumptions used in determining the net cost/(income) for employee benefits included the discount rate, salary increment rate, normal pension age, mortality rate and others. The Company determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that have terms to maturity approximating the terms of the related employee benefits liability.

Annual salary increment rate is determined based on historical information of previous salary increment rate, inflation rate, and length of service.

Mortality rate assumption is based on the latest mortality table which is calculated using actuarial method generally accepted.

Refer to Note 13 for actuarial assumptions used.

Taxation

Significant judgement is involved in determining provision for corporate income tax. There are certain transaction and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

Deferred tax assets are recognised for the future recoverable taxable income arising from temporary difference. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing on level of future taxable profits, together with future tax planning strategies.

Functional currency

The Company has to make a judgement on the determination of the functional currency which has significant effects on the amounts recognised in the financial statements. The functional currency is the currency of the primary economic environment in which each entity operates. Key factors are the currency that mainly influences the sales prices for goods and services of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services; and the currency that mainly influences operating expenses and other costs. Another factor is the currency in which funds from financing activities are generated.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(Expressed in US Dollar, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

| | <u>2025</u> | <u>2024</u> |
|------------------------------------|------------------|------------------|
| Cash in banks: | | |
| US Dollar | | |
| - Citibank, N.A., Indonesia Branch | 293,399 | 198,035 |
| Rupiah | | |
| - Citibank, N.A., Indonesia Branch | 1,494,601 | 3,497,756 |
| - PT Bank Mandiri (Persero) Tbk | <u>7,567</u> | <u>13,086</u> |
| | <u>1,795,567</u> | <u>3,708,877</u> |

The time deposit interest rates ranging between 3.50% - 3.90% for the year ended 31 December 2025 for US Dollars currency (2024: 4.34% - 4.75%) and 3.60% - 5.01% for Rupiah currency (2024: 4.11% - 5.20%). The annual interest rate of saving accounts for the year ended 31 December 2025 is between 0.93% - 1.03% (2024: 0.00% - 1.00%).

There were no restricted cash and cash equivalents as of 31 December 2025 and 2024.

5. NET INVESTMENT IN FINANCING LEASES

The lease contracts entered into by the Company are classified as finance leases. The lease contracts mainly describe the lease terms, amount financed, interest rate, residual value, security deposit, bargain purchase option, the rights and obligations of lessees, and penalty.

| | <u>2025</u> | <u>2024</u> |
|--------------------------------------|---------------------|---------------------|
| Gross lease receivables | 184,539,808 | 171,863,842 |
| Residual value | 80,935,004 | 83,302,365 |
| Less: | | |
| Unearned lease income | (18,007,642) | (18,185,106) |
| Security deposit | <u>(80,935,004)</u> | <u>(83,302,365)</u> |
| Gross investment in financing leases | 166,532,166 | 153,678,736 |
| Allowance for impairment losses | <u>(2,458,252)</u> | <u>(2,241,096)</u> |
| Net investment in financing leases | <u>164,073,914</u> | <u>151,437,640</u> |

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5. NET INVESTMENT IN FINANCING LEASES (continued)

The gross investment in financing leases have the following maturity profile:

| | <u>2025</u> | <u>2024</u> |
|-------------|--------------------|--------------------|
| < 1 year | 20,255,779 | 18,507,217 |
| 1 - 2 years | 38,174,314 | 60,631,745 |
| 2 - 3 years | 83,816,357 | 65,222,221 |
| 3 - 4 years | 7,795,662 | 7,202,006 |
| > 4 years | 16,490,054 | 2,115,547 |
| | <u>166,532,166</u> | <u>153,678,736</u> |

Aging analysis of the gross investment in financing leases is as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------|--------------------|--------------------|
| Current | 138,614,361 | 139,164,279 |
| Overdue: | | |
| 1 - 30 days | 22,804,252 | 7,454,352 |
| 31 - 60 days | 3,899,018 | 3,724,486 |
| 61 - 90 days | 981,937 | 126,543 |
| > 90 days | 232,598 | 3,209,076 |
| | <u>166,532,166</u> | <u>153,678,736</u> |

Effective annual interest rates of finance lease ranged as follows:

| | <u>2025</u> | <u>2024</u> |
|-----------|----------------|----------------|
| US Dollar | 3.98% - 8.89% | 3.98% - 10.74% |
| Rupiah | 4.00% - 15.00% | 4.00% - 15.69% |

Movements in the allowance for impairment losses are as follows:

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|------------------|------------------|
| Beginning balance | 2,241,096 | 2,870,729 |
| Addition/(reversal) during the year | 2,206,390 | (236,222) |
| Recovery | 747,513 | 1,022,692 |
| Write-off | (2,639,586) | (1,289,320) |
| Foreign currency translation | (97,161) | (126,783) |
| Ending balance | <u>2,458,252</u> | <u>2,241,096</u> |

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5. NET INVESTMENT IN FINANCING LEASES (continued)

Below is movement of net investment in financing leases based on stages during the period ended 31 December 2025 and 2024:

| | 2025 | | | |
|--|--------------------|------------------|------------------|--------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Balance, beginning of year | 146,395,423 | 4,074,240 | 3,209,073 | 153,678,736 |
| Transfer to lifetime expected credit losses (Stage 2) | (9,194,166) | 9,287,988 | (93,822) | - |
| Transfer to credit impaired (Stage 3) | (467,569) | (119,293) | 586,862 | - |
| Transfer to 12 months expected credit losses (Stage 1) | 45,037 | (45,037) | - | - |
| Net change in exposure and remeasurement ^{*)} | 20,992,804 | (3,700,971) | (1,701,656) | 15,590,177 |
| Write-off | (585,970) | (1,214) | (2,052,402) | (2,639,586) |
| Foreign currency translation | (138,276) | (278,140) | 319,255 | (97,161) |
| Balance, end of year | <u>157,047,283</u> | <u>9,217,573</u> | <u>267,310</u> | <u>166,532,166</u> |
| | 2024 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Balance, beginning of year | 186,315,096 | 4,238,503 | 2,932,965 | 193,486,564 |
| Transfer to lifetime expected credit losses (Stage 2) | (1,790,381) | 1,806,047 | (15,666) | - |
| Transfer to credit impaired (Stage 3) | (556,929) | (553,101) | 1,110,030 | - |
| Transfer to 12 months expected credit losses (Stage 1) | 1,266,038 | (1,235,871) | (30,167) | - |
| Net change in exposure and remeasurement ^{*)} | (38,835,835) | (3,601) | 447,711 | (38,391,725) |
| Write-off | - | (197,295) | (1,092,025) | (1,289,320) |
| Foreign currency translation | (2,566) | 19,558 | (143,775) | (126,783) |
| Balance, end of year | <u>146,395,423</u> | <u>4,074,240</u> | <u>3,209,073</u> | <u>153,678,736</u> |

*) Include in the net change in exposure and remeasurement are additional/(deduction) for new financial assets originated/instalment repayment, and its exposure changes/transfer during the year.

The changes allowance for impairment losses for the year ended 31 December 2025 and 2024 are as follows:

| | 2025 | | | |
|--|------------------|------------------|---------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Balance, beginning of year | 1,057,779 | 398,556 | 784,761 | 2,241,096 |
| Transfer to lifetime expected credit losses (Stage 2) | (115,480) | 137,680 | (22,200) | - |
| Transfer to credit impaired (Stage 3) | (4,517) | (12,278) | 16,795 | - |
| Transfer to 12 months expected credit losses (Stage 1) | 122 | (122) | - | - |
| Net change in exposure and remeasurement ^{*)} | 1,153,169 | 775,721 | 1,025,013 | 2,953,903 |
| Write-off | (585,970) | (1,214) | (2,052,402) | (2,639,586) |
| Foreign currency translation | (138,276) | (278,140) | 319,255 | (97,161) |
| Balance, end of year | <u>1,366,827</u> | <u>1,020,203</u> | <u>71,222</u> | <u>2,458,252</u> |

*) Include in the net change in exposure and remeasurement are additional/(deduction) ECL for new financial assets originated/instalment payment, its exposure changes/transfer and the impact on changes in assumptions used to calculate the ECL during the year.

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5. NET INVESTMENT IN FINANCING LEASES (continued)

The changes allowance for impairment losses for the year ended 31 December 2025 and 2024 are as follows: (continued)

| | 2024 | | | |
|--|------------------|----------------|----------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| Balance, beginning of year | 1,070,524 | 301,427 | 1,498,778 | 2,870,729 |
| Transfer to lifetime expected credit losses (Stage 2) | (34,121) | 37,449 | (3,328) | - |
| Transfer to credit impaired (Stage 3) | (5,627) | (91,300) | 96,927 | - |
| Transfer to 12 months expected credit losses (Stage 1) | 52,746 | (46,104) | (6,642) | - |
| Net change in exposure and remeasurement ^{*)} | (23,177) | 374,821 | 434,826 | 786,470 |
| Write-off | - | (197,295) | (1,092,025) | (1,289,320) |
| Foreign currency translation | (2,566) | 19,558 | (143,775) | (126,783) |
| Balance, end of year | <u>1,057,779</u> | <u>398,556</u> | <u>784,761</u> | <u>2,241,096</u> |

^{*)} Include in the net change in exposure and remeasurement are additional/(deduction) ECL for new financial assets originated/instalment payment, its exposure changes/transfer and the impact on changes in assumptions used to calculate the ECL during the year.

As of 31 December 2025 and 2024, management believes the allowance for impairment losses of finance lease receivables is adequate to cover any loss from uncollectible accounts.

6. OTHER RECEIVABLES

| | 2025 | 2024 |
|------------------------------------|------------------|------------------|
| Third parties: | | |
| Security deposit | 71,892 | 55,873 |
| Employee loans | 4,097 | 5,961 |
| Others | 61,928 | 30,954 |
| | <u>137,917</u> | <u>92,788</u> |
| Related parties (refer to Note 20) | <u>1,098,803</u> | <u>997,928</u> |
| | <u>1,236,720</u> | <u>1,090,716</u> |

7. REPOSSESSED ASSETS - NET

| | 2025 | 2024 |
|---------------------------------|----------------|----------------|
| Third parties | 347,355 | 686,852 |
| Less: | | |
| Provision for impairment losses | - | (38,823) |
| Repossessed assets - net | <u>347,355</u> | <u>648,029</u> |

During the year, the Company have sold their repossessed assets and recorded loss of USD 86,383 (2024: USD 9,224) as loss on sale of repossessed assets - net of impairment.

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7. REPOSSESSED ASSETS - NET (continued)

Movements in the allowance for other impairment losses are as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------------------|------------------|-----------------|
| Beginning balance | 38,823 | 47,789 |
| Addition during the year | 120,291 | 38,823 |
| Reversal during the year | <u>(159,114)</u> | <u>(47,789)</u> |
| Ending balance | <u>-</u> | <u>38,823</u> |

Management believes that there is no impairment of repossessed assets since all repossessed assets can be fully recovered from subsequent sale of repossessed assets.

8. FIXED ASSETS, RIGHT-OF-USE ASSETS, AND INTANGIBLE ASSETS

| | <u>2025</u> | <u>2024</u> |
|---------------------|----------------|----------------|
| Fixed assets | 400,418 | 324,639 |
| Right-of-use assets | 346,572 | 566,078 |
| Intangible assets | <u>64,299</u> | <u>60,982</u> |
| | <u>811,289</u> | <u>951,699</u> |

| | <u>2025</u> | | | | |
|--|--------------------|------------------|------------------|---------------------|--------------------|
| | <u>Beginning</u> | <u>Additions</u> | <u>Disposals</u> | <u>Modification</u> | <u>Ending</u> |
| Costs | | | | | |
| Fixed assets | | | | | |
| Furniture and fixtures | 100,047 | - | - | - | 100,047 |
| Motor vehicles | 514,638 | 129,227 | (151,323) | - | 492,542 |
| Leasehold improvements | 188,004 | - | - | - | 188,004 |
| Computers | 252,912 | 91,588 | (1,757) | - | 342,743 |
| Construction in process | - | 8,503 | - | - | 8,503 |
| Right-of-use assets | | | | | |
| Office | 684,744 | - | - | (12,251) | 672,493 |
| House | 123,413 | 8,667 | (123,413) | - | 8,667 |
| Intangible assets | | | | | |
| Software | <u>93,496</u> | <u>35,634</u> | <u>-</u> | <u>-</u> | <u>129,130</u> |
| | <u>1,957,254</u> | <u>273,619</u> | <u>(276,493)</u> | <u>(12,251)</u> | <u>1,942,129</u> |
| Accumulated depreciation and amortisation | | | | | |
| Fixed assets | | | | | |
| Furniture and fixtures | (39,376) | (13,483) | - | - | (52,859) |
| Motor vehicles | (395,155) | (72,671) | 148,945 | - | (318,881) |
| Leasehold improvements | (65,429) | (36,632) | - | - | (102,061) |
| Computers | (231,002) | (28,375) | 1,757 | - | (257,620) |
| Right-of-use assets | | | | | |
| Office | (170,088) | (160,768) | - | - | (330,856) |
| House | (71,991) | (55,154) | 123,413 | - | (3,732) |
| Intangible assets | | | | | |
| Software | <u>(32,514)</u> | <u>(32,317)</u> | <u>-</u> | <u>-</u> | <u>(64,831)</u> |
| | <u>(1,005,555)</u> | <u>(399,400)</u> | <u>274,115</u> | <u>-</u> | <u>(1,130,840)</u> |
| Net book value | <u>951,699</u> | | | | <u>811,289</u> |

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(Expressed in US Dollar, unless otherwise stated)

8. FIXED ASSETS, RIGHT-OF-USE ASSETS, AND INTANGIBLE ASSETS (continued)

| | 2024 | | | | |
|--|------------------|------------------|-----------------|--------------|--------------------|
| | Beginning | Additions | Disposals | Modification | Ending |
| Costs | | | | | |
| Fixed assets | | | | | |
| Furniture and fixtures | 100,047 | - | - | - | 100,047 |
| Motor vehicles | 474,068 | 40,570 | - | - | 514,638 |
| Leasehold improvements | 160,376 | - | (4,984) | 32,612 | 188,004 |
| Computers | 265,054 | - | (12,142) | - | 252,912 |
| Construction in process | - | 32,612 | - | (32,612) | - |
| Right-of-use assets | | | | | |
| Office | 808,157 | - | - | - | 808,157 |
| Intangible assets | | | | | |
| Software | 56,661 | - | - | 36,835 | 93,496 |
| Construction in process | - | 36,835 | - | (36,835) | - |
| | <u>1,864,363</u> | <u>110,017</u> | <u>(17,126)</u> | <u>-</u> | <u>1,957,254</u> |
| Accumulated depreciation and amortisation | | | | | |
| Fixed assets | | | | | |
| Furniture and fixtures | (24,209) | (15,167) | - | - | (39,376) |
| Motor vehicles | (329,377) | (65,778) | - | - | (395,155) |
| Leasehold improvements | (34,855) | (32,485) | 1,911 | - | (65,429) |
| Computers | (212,989) | (47,469) | 12,142 | 17,314 | (231,002) |
| Right-of-use assets | | | | | |
| Office | (51,836) | (190,243) | - | - | (242,079) |
| Intangible assets | | | | | |
| Software | (12,591) | (2,609) | - | (17,314) | (32,514) |
| | <u>(665,857)</u> | <u>(353,751)</u> | <u>14,053</u> | <u>-</u> | <u>(1,005,555)</u> |
| Net book value | <u>1,198,506</u> | | | | <u>951,699</u> |

a. Fixed assets

Depreciation expense charged to profit or loss for the years ended 31 December 2025 and 2024 amounted to USD 151,161 and USD 143,585, respectively.

As at 31 December 2025, fixed assets were insured for a total sum insured of USD 573,719 (2024: USD 379,406). Management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

The calculation of the loss on disposal and gain on sale of fixed assets are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|---------------|----------------|
| Carrying value fixed assets disposed/sold | 2,378 | 3,073 |
| Proceeds from sale of fixed assets | <u>64,316</u> | <u>-</u> |
| Gain/(Loss) on disposal of fixed assets | <u>61,938</u> | <u>(3,073)</u> |

Based on management's assessment, there are no events or changes in circumstances which may indicate any impairment in value of its fixed assets as of 31 December 2025 and 2024.

The Company performed a review on useful lives, depreciation method, and residual value of fixed assets on a regular basis and concluded that there is no change on the methodology and assumptions.

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8. FIXED ASSETS, RIGHT-OF-USE ASSETS, AND INTANGIBLE ASSETS (continued)

b. Right-of-use assets

Depreciation expenses charged to profit or loss for the years ended 31 December 2025 and 2024 amounted to USD 215,922 and USD 190,243, respectively.

The total cash outflow for leases for the year ended 31 December 2025 and 2024 are USD 143,422 and USD 141,025, respectively.

Statement of profit or loss shows the following amounts related to leases:

| | <u>2025</u> | <u>2024</u> |
|--|----------------|----------------|
| Depreciation expense of right-of-use assets | 215,922 | 190,243 |
| Interest expense | 20,324 | 23,698 |
| Expense relating to short-term leases (less than 12 months) | <u>18,009</u> | <u>18,857</u> |
| | <u>254,255</u> | <u>232,798</u> |

c. Intangible assets

Amortisation expenses charged to profit or loss for the years ended 31 December 2025 amounted to USD 32,317.

Based on management's assessment, there are no events or changes in circumstances which may indicate any impairment in value of its intangible assets as of 31 December 2025 and 2024.

9. TAXATION

a. Prepaid tax

| | <u>2025</u> | <u>2024</u> |
|-------------------|--------------|---------------|
| - Prepaid Tax 21 | 6,628 | 9,346 |
| - Value Added Tax | <u>-</u> | <u>1,139</u> |
| | <u>6,628</u> | <u>10,485</u> |

b. Claim for taxes refunds

| | <u>2025</u> | <u>2024</u> |
|-----------------------------|---------------|-------------|
| Corporate Income Tax - 2022 | <u>30,397</u> | <u>-</u> |

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9. TAXATION

c. Taxes payables

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|----------------|----------------|
| Corporate income tax: | | |
| - Article 29 | 71,681 | 752,997 |
| - Article 25 | - | 140,643 |
| | <u>71,681</u> | <u>893,640</u> |
| Other taxes: | | |
| - Article 23 and Article 4 (2) | 1,347 | 878 |
| - Article 26 | 21,505 | 31,825 |
| - Value Added Tax | <u>33,961</u> | <u>28,087</u> |
| | <u>56,813</u> | <u>60,790</u> |
| | <u>128,494</u> | <u>954,430</u> |

d. Income tax expense

| | <u>2025</u> | <u>2024</u> |
|--------------|-----------------|------------------|
| Current tax | 664,248 | 1,834,785 |
| Deferred tax | <u>(26,277)</u> | <u>(454,473)</u> |
| | <u>637,971</u> | <u>1,380,312</u> |

The reconciliations between income tax expense and theoretical tax amount on the Company's profit before income tax is as follows:

| | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| Profit before income tax | <u>2,809,781</u> | <u>6,235,513</u> |
| Tax calculated at applicable tax rates | 618,152 | 1,371,813 |
| Adjustment of deferred tax assets | - | 45,938 |
| Interest income subject to final tax | 48 | (73,592) |
| Non-deductible expenses | <u>19,771</u> | <u>36,153</u> |
| | <u>637,971</u> | <u>1,380,312</u> |

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9. TAXATION**d. Income tax expense (continued)**

Reconciliation between profit before tax as shown in the statement of comprehensive income and estimated taxable income is as follows:

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Profit before income tax | <u>2,809,781</u> | <u>6,235,513</u> |
| Temporary differences: | | |
| Allowance for impairment losses - finance lease | - | 2,439,781 |
| Allowance for impairment losses - repossessed assets | (38,823) | (8,966) |
| Employee benefits | 21,116 | (87,583) |
| Depreciation | 2,073 | 40,008 |
| Accrued expenses | (9,398) | (163,001) |
| Right-of-use assets | 219,507 | 190,243 |
| Lease liabilities | (149,035) | (163,101) |
| Others | <u>74,000</u> | <u>27,213</u> |
| | 119,440 | 2,274,594 |
| Permanent differences: | | |
| Non-deductible expenses | 89,871 | 164,336 |
| Interest income | <u>218</u> | <u>(334,509)</u> |
| | <u>209,529</u> | <u>2,104,421</u> |
| Taxable income | <u>3,019,310</u> | <u>8,339,934</u> |
| Corporate income tax expense | <u>664,248</u> | <u>1,834,785</u> |
| Less: | | |
| Prepaid tax article 23 | 2,798 | 1,564 |
| Prepaid tax article 25 | <u>589,769</u> | <u>1,080,224</u> |
| Corporate income tax payable | <u>71,681</u> | <u>752,997</u> |

The calculation of corporate income tax for the year ended 31 December 2025 is a preliminary estimate made for accounting purposes and is subject to revision when the Company lodges its Annual Corporate Income Tax Return ("SPT") calculation.

The calculation of corporate income tax for the year ended 31 December 2024 was confirmed to the Company's SPT.

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9. TAXATION**e. Deferred tax assets/(liabilities)**

| | 2025 | | | |
|---|----------------------|---|--|-------------------|
| | Beginning balance | Credited/ (charged) to profit or loss | Recognised in other comprehensive income | Ending balance |
| Allowance for impairment losses - repossessed assets | 8,541 | (8,541) | - | - |
| Employee benefits | - | 4,646 | (4,646) | - |
| Depreciation | 45,438 | 456 | - | 45,894 |
| Accrued expenses | 55,861 | (2,068) | - | 53,793 |
| Right-of-use asset | (124,538) | 48,292 | - | (76,246) |
| Lease liabilities | 84,571 | (32,788) | - | 51,783 |
| Others | 55,585 | 16,280 | - | 71,865 |
| Deferred tax assets/(liabilities) | <u>125,458</u> | <u>26,277</u> | <u>(4,646)</u> | <u>147,089</u> |
| | 2024 | | | |
| | Beginning balance | Credited/ (charged) to profit or loss | Recognised in other comprehensive income | Ending balance |
| Allowance for impairment losses - finance lease | (536,751) | 536,751 | - | - |
| Allowance for impairment losses - repossessed assets | 10,514 | (1,973) | - | 8,541 |
| Employee benefits | - | (19,268) | 19,268 | - |
| Depreciation | 36,636 | 8,802 | - | 45,438 |
| Accrued expenses | 91,721 | (35,860) | - | 55,861 |
| Right-of-use asset | - | (124,538) | - | (124,538) |
| Lease liabilities | - | 84,571 | - | 84,571 |
| Others | 49,597 | 5,988 | - | 55,585 |
| Deferred tax assets/(liabilities) | <u>(348,283)</u> | <u>454,473</u> | <u>19,268</u> | <u>125,458</u> |

f. Administration

Under the Taxation Laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The Directorate General of Taxes ("DGT") may assess or amend taxes within five years of the time the tax becomes due.

Under Law No. 7 year 2021 concerning Harmonisation of Tax Regulations ("UU HPP"), income tax rate for domestic taxpayers and business establishments is 22% which will be effective from the Fiscal Year 2021 onwards. For tax year 2024 and 2023, the Company used tax rate of 22%.

The Minister of Finance Regulation no. 136 Year 2024 ("MoF-136") was enacted in Indonesia, the jurisdiction in which the Company is incorporated, and came into effect from 1 January 2025. The first filing is for the fiscal year ending on 31 December 2025 which will be due by 30 June 2027.

The Company is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules and applied the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes from 1 January 2025.

The Company has performed an assessment of the Company's potential exposure to Pillar Two income taxes. Based on the assessment, most of the entities in the Company operate in jurisdiction that have an effective tax rate above 15%, hence the income tax expense related to Pillar Two income taxes in the relevant jurisdictions is assessed to be immaterial.

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9. TAXATION (continued)**g. Taxation cases**Tax audit 2022 - Corporate Income Tax ("CIT")

In April 2025, the Company received a Tax Underpayment Assessment Letter ("SKPKB") for CIT for the fiscal year 2022 amounting to USD 30,397. The Company disagreed with the assessment and submitted an objection in July 2025. The underpayment was paid in June 2025 and has been recorded as a claim for tax refunds.

In April 2026, the Company received the objection results amounting USD 30,397. Accordingly, the Company disagreed with the objection decision and as of the date of these financial statements, the objection process is still ongoing.

Tax audit 2022 - Value Added Tax ("VAT")

In April 2025, the Company received a Tax Collection Letter ("STP") for VAT for the fiscal year 2022 amounting to IDR 2,117,872,003 (full amount), equivalent to USD 126,204. The Company disagreed with the assessment and submitted a cancellation request in August 2025.

In October 2025, the Company received the cancellation results which rejected the cancellation in full. The Company disagree with the decision and submitted a second cancellation request in December 2025. As of the date of these financial statements, the cancellation process is still ongoing.

10. ACCRUALS AND OTHER LIABILITIES

| | <u>2025</u> | <u>2024</u> |
|-------------------------------------|------------------|------------------|
| Third parties: | | |
| Accrued interest | 2,117,560 | 1,329,368 |
| Advance payment from customers | 1,873,156 | 283,389 |
| Provision for legal claim | 244,515 | 253,912 |
| Lease liabilities | 235,377 | 384,412 |
| Professional fees | 254,952 | 180,697 |
| Employee costs | <u>27,345</u> | <u>64,706</u> |
| | <u>4,752,905</u> | <u>2,496,484</u> |
| Related parties (refer to Note 20): | | |
| Accrued interest | 171,394 | 172,646 |
| Intercompany payable | <u>70,693</u> | <u>39,815</u> |
| | <u>242,087</u> | <u>212,461</u> |
| | <u>4,994,992</u> | <u>2,708,945</u> |

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11. DERIVATIVE ASSETS AND LIABILITIES

The fair value of derivative instruments reported in the statement of financial position were as follows:

| | 2025 | | |
|---|---|--------------------------|-------------------------------|
| | Notional amount (in million) | Fair values | |
| | | Derivative assets | Derivative liabilities |
| Undesignated derivatives | | | |
| Foreign currency forward | | | |
| - Australia and New Zealand Banking Group Limited | IDR 1,004,320 | 278,852 | (184,018) |
| - JP Morgan Chase Bank, N.A., Singapore Branch | IDR 786,950 | 94,946 | (279,217) |
| - PT Bank ANZ Indonesia | <u>IDR 337,000</u> | <u>422,534</u> | <u>(21,013)</u> |
| | <u>IDR 2,128,270</u> | <u>796,332</u> | <u>(484,248)</u> |
| 2024 | | | |
| | Notional amount (in million) | Fair values | |
| | | Derivative assets | Derivative liabilities |
| Undesignated derivatives | | | |
| Foreign currency forward | | | |
| - Australia and New Zealand Banking Group Limited | IDR 1,011,000 | - | (1,051,675) |
| - JP Morgan Chase Bank, N.A., Singapore Branch | IDR 612,500 | 614,755 | (14,638) |
| - PT Bank ANZ Indonesia | IDR 380,000 | 468,202 | (54,734) |
| - JP Morgan Chase Bank, N.A., Indonesia Branch | <u>IDR 110,000</u> | <u>-</u> | <u>(60,054)</u> |
| | <u>IDR 2,113,500</u> | <u>1,082,957</u> | <u>(1,181,101)</u> |

12. BORROWINGS

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Third parties: | | |
| Rupiah | | |
| - Citibank N.A., Indonesia Branch | 12,513,900 | 12,994,800 |
| Related parties (refer to Note 20): | | |
| US Dollar | | |
| - Caterpillar Financial Services Corporation | <u>40,039,299</u> | <u>32,330,408</u> |
| | <u>52,553,199</u> | <u>45,325,208</u> |

The borrowings are used by the Company for working capital.

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12. BORROWINGS (continued)

Loan facilities from several banks require the Company to provide written notice in respect of changes of capital and shareholders, changes of Board of Directors and Board of Commissioners, and changes of main business activities. Under the loan agreements, the Company is also obliged to maintain gearing ratio at the maximum 10:1 and other reporting obligations.

As of 31 December 2025, the Company fulfilled all covenants requirements stipulated in all of the borrowing agreements and there are no Company's assets which are held as collateral for all of the borrowing agreements.

Citibank N.A., Indonesia Branch ("Citibank")

The Company has a credit agreement in the form of Revolving Credit Agreement from Citibank with maximum loan amount of USD 125,000,000. This facility is automatically renewed for the next 1 (one) year unless the Bank provides notice to the Debtor at least 30 (thirty) calendar days before the end of the current availability period.

As of 31 December 2025, the Company has the outstanding loan amounting IDR 210,000,000,000 (full amount) or equivalent to USD 12,513,900 (2024: IDR 210,000,000,000 (full amount) or equivalent to USD 12,944,800) with interest rates 6.60%. This loan facility will mature on 23 June 2026.

Caterpillar Financial Services Corporation

The Company obtained a credit agreement from Caterpillar Financial Services Corporation with a maximum loan amount of USD 550,000,000. This facility shall continue in effect unless terminated by either party.

As of 31 December 2025, the Company has used this facility amounting to USD 18,532,735, USD 12,100,840, USD 3,397,914, and USD 6,007,810 (2024: USD 900,000, USD 12,100,840, USD 6,391,818, and USD 12,937,749) with interest rates ranging between 3.93% - 5.00%. This loan facility has maturity on 31 January 2026, 30 April 2026, 27 February 2026, and 30 January 2026, respectively. For facilities amounting USD 3,397,914 and USD 6,007,810 had been fully repaid at maturity date and was not renewed.

PT Bank ANZ Indonesia

The Company has a credit agreement in the form of Revolving Credit Agreement from PT Bank ANZ Indonesia with maximum loan amount of USD 20,000,000. This facility is automatically renewed for the next 1 (one) year unless the Bank provides notice to the Debtor at least 30 (thirty) calendar days before the end of the current availability period.

As of 31 December 2025, the Company has Nil outstanding amount. This facility will mature on 31 August 2026.

JPMorgan Chase Bank N.A., Jakarta Branch

The Company has a credit agreement in the form of Revolving Credit Agreement from PT Bank ANZ Indonesia with maximum loan amount of USD 25,000,000.

As of 31 December 2025, the Company has Nil Outstanding amount. This facility will mature on 30 September 2026.

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13. EMPLOYEE BENEFITS OBLIGATION

The Company has provided a liability for employee benefits under Job Creation Law No.6/2023. The employee benefits obligation was determined based on actuarial valuations performed by an independent actuary, Actuarial Consulting Firm Santhi Devi dan Ardianto Handoyo (a member firms of Willis Towers Watson network) as of 31 December 2025 and 2024, as set out in its reports dated 9 April 2026 and 16 April 2025, respectively.

The liability for employee benefits for the years ended 31 December 2025 and 2024 are calculated by independent actuaries using the "Projected Unit Credit" method based on the following assumptions:

| | <u>2025</u> | <u>2024</u> |
|---------------------------------------|--|--|
| Discount rate | 6.50% | 7.00% |
| Expected rate of return on plan asset | 7.00% | 7.00% |
| Salary increment rate | 6.70% | 6.70% |
| Rate of mortality | Indonesia Mortality Table 2019 ("TMI 2019") | Indonesia Mortality Table 2019 ("TMI 2019") |
| Rate of disability | 10% of TMI 2019 | 10% of TMI 2019 |
| Rate of resignation | 6% per annum at age 20 and decreasing linearly to 0% per annum at age 44 | 2% per annum at age 20 and decreasing linearly to 0% per annum at age 45 |
| Normal retirement age | 55 years old | 55 years old |

The amounts recognised in the statement of financial position are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|------------------------------|------------------------------|
| Present value of defined benefit obligation | 477,865 | 461,574 |
| Fair value of plan assets | (651,089) | (649,707) |
| Irrecoverable surplus (effect of asset ceiling) | <u>173,224</u> | <u>188,133</u> |
| Liabilities in the statement of financial position | <u> -</u> | <u> -</u> |

The movement in the liability recognised in the statement of financial position are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|------------------------------|------------------------------|
| Beginning balance | - | - |
| Total expenses/(income) charged to profit or loss | 83,526 | (18,137) |
| Remeasurement of post-employment benefits recognised in other comprehensive income | (21,116) | 87,583 |
| Contribution to the plan | <u>(62,410)</u> | <u>(69,446)</u> |
| Ending balance | <u> -</u> | <u> -</u> |

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13. EMPLOYEE BENEFITS OBLIGATION (continued)

The amounts recognised in the profit or loss are as follows:

| | <u>2025</u> | <u>2024</u> |
|---|---------------|-----------------|
| Current service cost/(income) | 83,526 | (18,137) |
| Interest cost | 31,581 | 32,623 |
| Expected return on plan assets | (44,492) | (39,855) |
| Interest on irrecoverable surplus | <u>12,911</u> | <u>7,232</u> |
| Expense/(Income) recognised in the profit or loss (Note 18) | <u>83,526</u> | <u>(18,137)</u> |

The movement in the fair value of plan assets during the year is as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------|-----------------|-----------------|
| Balance at beginning of year | 649,707 | 602,600 |
| Expected return on plan assets | 43,703 | 39,855 |
| Remeasurement: | | |
| - Return on plan assets | (16,716) | (15,570) |
| Employer's contribution | 62,410 | 69,446 |
| Actual benefit paid | (62,864) | (18,849) |
| Foreign exchange translation | <u>(25,151)</u> | <u>(27,775)</u> |
| Balance at end of year | <u>651,089</u> | <u>649,707</u> |

The movement in the defined benefit obligation during the year is as follows:

| | <u>2025</u> | <u>2024</u> |
|------------------------------------|-----------------|-----------------|
| Balance at beginning of year | 461,574 | 494,294 |
| Current service cost/(income) | 82,044 | (18,137) |
| Interest cost | 31,021 | 32,623 |
| Actual benefit paid | (62,864) | (18,849) |
| Remeasurement: | | |
| - Changes in experience | (36,081) | (5,575) |
| - Changes in financial assumptions | 26,018 | - |
| Foreign exchange translation | <u>(17,082)</u> | <u>(22,782)</u> |
| Balance at end of year | <u>484,630</u> | <u>461,574</u> |

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13. EMPLOYEE BENEFITS OBLIGATION (continued)

Plan assets comprise the following:

| | <u>2025</u> <u>Quoted</u> | <u>2024</u> <u>Quoted</u> |
|--------------|------------------------------|------------------------------|
| Money market | 651,089 | 649,707 |

The actual plan assets return for the latest of two years are as follows:

| | <u>Total</u> | <u>Percentage</u> |
|------------------|--------------|-------------------|
| 31 December 2025 | 36,194 | 5.48% |
| 31 December 2024 | 32,942 | 5.30% |

The weighted average duration of the defined benefit pension obligation at 31 December 2025 is 11.90 years (2024: 12.30 years).

Expected maturity analysis of undiscounted pension benefit is as follows:

| | <u>2025</u> | <u>2024</u> |
|----------------------|-------------|-------------|
| 1 year | 2,742 | 2,778 |
| Between 1 - 2 years | 3,488 | 3,504 |
| Between 2 - 5 years | 16,570 | 16,784 |
| Between 5 - 10 years | 456,061 | 411,509 |

The sensitivity of the defined benefit pension obligation to changes in the principal actuarial assumptions are as follows:

| | <u>2025</u> | | |
|-------------------------|---|-------------------------------|-------------------------------|
| | <u>Impact on defined benefit obligation</u> | | |
| | <u>Changes in assumption</u> | <u>Increase in assumption</u> | <u>Decrease in assumption</u> |
| Discount rate | 1% | (427,513) | 535,506 |
| Future salary increases | 1% | 534,826 | (427,151) |
| | <u>2024</u> | | |
| | <u>Impact on defined benefit obligation</u> | | |
| | <u>Change in assumption</u> | <u>Increase in assumption</u> | <u>Decrease in assumption</u> |
| Discount rate | 1% | (413,442) | 516,601 |
| Future salary increases | 1% | 516,226 | (412,884) |

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14. SHARE CAPITAL

The Company's shareholders as at 31 December 2025 and 2024 are as follows:

| | <u>Number of shares</u> | <u>%</u> | <u>Amount USD</u> |
|--|-----------------------------|----------------|-----------------------|
| Caterpillar Financial Services Corporation | 119,000,000 | 85.00% | 13,711,350 |
| PT Caterpillar Indonesia | <u>21,000,000</u> | <u>15.00%</u> | <u>2,419,650</u> |
| | <u>140,000,000</u> | <u>100.00%</u> | <u>16,131,000</u> |

15. STOCK-BASED COMPENSATION RESERVE

Caterpillar Inc. offers equity-settled stock-based compensation by the granting of Restricted Stock Units ("RSUs") to the selected Officers and other key employees, as well as non-employee Board of Directors. Under this plan, shares of Caterpillar Inc.'s common stock are permitted to be used for grants of awards to the Company's employees.

The Company's stock-based compensation plans consist of RSUs with no obligation to deliver cash to employees and without recharge from the Group. RSU awards generally vest according to 3 years vesting period.

Below is the detail of RSUs granted that still under vesting period:

| <u>Grant date</u> | <u>RSUs granted</u> | <u>Fair value</u> | <u>Vesting period</u> |
|-------------------|---------------------|-------------------|-------------------------|
| 1 March 2021 | 168 | USD 219.76 | March 2021 - March 2024 |
| 7 March 2022 | 458 | USD 196.70 | March 2022 - March 2025 |
| 6 March 2023 | 335 | USD 253.98 | March 2023 - March 2026 |
| 4 March 2024 | 201 | USD 338.65 | March 2024 - March 2027 |
| 3 March 2025 | 273 | USD 332.04 | March 2025 - March 2028 |

The stock-based compensation expense for 2025 is USD 72,629 (2024: USD 68,069). As of 31 December 2025, stock-based compensation reserve is amounting to USD 601,526 (2024: USD 528,897).

16. STATUTORY RESERVES

As at 31 December 2025 and 2024, the Company has set up a statutory reserves amounted to USD 1,224 in accordance with the Indonesian Limited Company Law No. 40/2007. This law requires companies to set up a statutory reserves at least 20% of their issued and paid-up share capital. There is no a set period of time over which this amount should be accumulated. As at 31 December 2025 and 2024, the Company's statutory reserves amounted to 0.01% of the issued and paid-up share capital.

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17. GENERAL AND ADMINISTRATIVE EXPENSES

| | <u>2025</u> | <u>2024</u> |
|-----------------------------------|------------------|------------------|
| Professional fees | 749,050 | 661,630 |
| Advertising and promotion | 147,759 | 121,275 |
| Transportation and travelling | 96,283 | 103,754 |
| Outsourced service expenses | 77,119 | 103,348 |
| Maintenance expenses | 44,419 | 50,416 |
| Stationary, printing and supplies | 43,181 | 39,119 |
| Office rental | 30,980 | 32,513 |
| Employee and public relation | 15,791 | 44,208 |
| Subscription | 15,497 | 15,473 |
| Electricity | 13,715 | 15,867 |
| Service charges | 12,790 | 14,356 |
| Entertainment | 12,583 | 11,320 |
| Others | 26,178 | 24,231 |
| | <u>1,285,345</u> | <u>1,237,510</u> |

18. PERSONNEL EXPENSES

| | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| Salary | 1,927,938 | 2,051,738 |
| Allowances | 361,838 | 222,916 |
| Pension plan | 97,565 | 101,779 |
| Employee benefits provision (refer to Note 13) | 83,526 | (18,137) |
| Stock-based compensation expenses (refer to Note 15) | 72,629 | 68,069 |
| Social health insurance | 49,702 | 51,808 |
| | <u>2,593,198</u> | <u>2,478,173</u> |

Refer to Note 20 for details of balances and transactions with related parties.

19. INTEREST EXPENSES

| | <u>2025</u> | <u>2024</u> |
|------------------------------------|------------------|------------------|
| Third parties: | | |
| Bank loan interest | 854,232 | 2,100,417 |
| Others | 20,324 | 23,698 |
| | <u>874,556</u> | <u>2,124,115</u> |
| Related parties (refer to Note 20) | <u>2,026,235</u> | <u>2,493,989</u> |
| | <u>2,900,791</u> | <u>4,618,104</u> |

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20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Company engages in transactions with parties related to the Company. The parent of the Company is Caterpillar Financial Services Corporation, whereas Caterpillar Inc. is the ultimate shareholder of Caterpillar Financial Services Corporation.

| <u>Related parties</u> | <u>Nature of relationship</u> | <u>Nature of transaction</u> |
|---|--|---|
| Caterpillar Inc. | The ultimate shareholder/ shareholder of CFSC | Intercompany charges |
| Caterpillar Financial Services Corporation ("CFSC") | The Company's shareholder | Intercompany loan, intercompany fees income, and intercompany charges |
| PT Caterpillar Indonesia ("CIPT") | The Company's shareholder | Intercompany fees income |
| Caterpillar Financial Receivables Corporation | Owned by the same ultimate shareholder | Intercompany factoring transaction |
| Caterpillar Societe A Responsabilie Limitee, Singapore Branch | Owned by the same ultimate shareholder | Intercompany deferred subsidy income |
| Caterpillar Insurance Services Corporation | Owned by the same ultimate shareholder | Intercompany fees income |
| Caterpillar Financial Services Malaysia Sdn Bhd ("CSFM") | Owned by the same ultimate shareholder | Intercompany fees income |
| Caterpillar Financial Services Philippines Inc. ("CFSPI") | Owned by the same ultimate shareholder | Intercompany fees income |
| Caterpillar Finance Services India Limited ("CFSI") | Owned by the same ultimate shareholder | Intercompany fees income |
| Caterpillar Financial Services Kabushiki Kaisha | Owned by the same ultimate shareholder | Intercompany fees income |
| Caterpillar Leasing (Thailand) Limited ("CLTL") | Owned by the same ultimate shareholder | Intercompany fees income and intercompany charges |
| Caterpillar Financial Services Asia Pte. Ltd. ("CFSA") | Owned by the same ultimate shareholder | Intercompany fees income and intercompany charges |
| Caterpillar Financial Australia Limited ("CFAL") | Owned by the same ultimate shareholder | Intercompany fees income and intercompany charges |
| Caterpillar (China) Financial Leasing Co., Ltd. ("CCFL") | Owned by the same ultimate shareholder | Intercompany charges |
| Caterpillar of Australia Pty. Ltd. | Owned by the same ultimate shareholder | Intercompany charges |
| Key management | Board of Directors and Board of Commissioners | Personnel expense |

Intercompany charges represent transactions related to service fees for the administration supports and guarantee fees for the corporate guarantee of the external debts.

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20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

a. Assets

| | <u>2025</u> | <u>2024</u> |
|---|------------------|----------------|
| Other receivables (refer to Note 6) | | |
| - Caterpillar Societe A Responsabilie Limitee, Singapore Branch | 1,065,573 | 977,564 |
| - Caterpillar Insurance Services Corporation | 23,673 | 7,032 |
| - PT Caterpillar Indonesia | 8,700 | 1,312 |
| - Caterpillar Financial Services Asia Pte. Ltd. | 452 | - |
| - Caterpillar Finance Services India Limited | 241 | 1,579 |
| - Caterpillar (China) Financial Leasing Co., Ltd | 164 | - |
| - Caterpillar Financial Services Philippines, Inc | - | 10,441 |
| Total asset with related parties | <u>1,098,803</u> | <u>997,928</u> |
| Percentage of total assets | <u>0.65%</u> | <u>0.63%</u> |

b. Liabilities

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| Accruals and other liabilities (refer to Note 10) | | |
| - Caterpillar Financial Services Corporation | 171,394 | 172,646 |
| - Caterpillar Inc. | 58,262 | 596 |
| - Caterpillar of Australia Pty. Ltd. | 12,178 | 38,713 |
| - Caterpillar Financial Services Asia Pte. Ltd. | 1,908 | 506 |
| - Caterpillar Societe A Responsabilie Limitee, Singapore Branch | 1,051 | - |
| - Caterpillar Financial Receivables Corporation | (2,706) | - |
| | <u>242,087</u> | <u>212,461</u> |
| Borrowings (refer to Note 12) | | |
| - Caterpillar Financial Services Corporation | 40,039,299 | 32,330,408 |
| | <u>40,039,299</u> | <u>32,330,408</u> |
| Total liabilities with related parties | <u>40,281,386</u> | <u>32,542,869</u> |
| Percentage of total liabilities | <u>69.26%</u> | <u>64.87%</u> |

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20. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)**c. Income**

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Finance lease income | | |
| - Caterpillar Societe A Responsabilie Limitee, Singapore Branch | 2,034,831 | 1,645,834 |
| Other income | | |
| - Caterpillar Insurance Services Corporation | 127,960 | 130,036 |
| - PT Caterpillar Indonesia | 22,273 | 13,326 |
| - Caterpillar Financial Australia Limited | 15,000 | 20,000 |
| - Caterpillar Financial Services Malaysia Sdn Bhd | 13,297 | 10,157 |
| - Caterpillar Leasing (Thailand) Limited | 12,775 | 12,855 |
| - Caterpillar Financial Services Philippines Inc. | 10,494 | 15,554 |
| - Caterpillar Financial Services Asia Pte. Ltd. | 4,888 | 4,759 |
| - Caterpillar Finance Services India Limited | 2,606 | 8,240 |
| - Caterpillar Financial Service Kabushiki Kaisha | 2,606 | - |
| | <u>211,899</u> | <u>214,927</u> |
| Total income with related parties | <u>2,246,730</u> | <u>1,860,761</u> |
| Percentage of total income | <u>11.74%</u> | <u>9.29%</u> |

d. Expense

| | <u>2025</u> | <u>2024</u> |
|---|------------------|------------------|
| Service fee | | |
| - Caterpillar Financial Services Asia Pte. Ltd. | 1,609,690 | 1,584,566 |
| - Caterpillar Financial Services Corporation | 1,306,213 | 1,083,893 |
| - Caterpillar Inc. | 371,477 | 320,619 |
| - Caterpillar Financial Australia Limited | 240,149 | 307,431 |
| - Caterpillar (China) Financial Leasing Co., Ltd. | 11,029 | 17,579 |
| - Caterpillar Leasing (Thailand) Limited ("CLTL") | 2,264 | - |
| | <u>3,540,822</u> | <u>3,314,088</u> |
| Guarantee fees | | |
| - Caterpillar Financial Services Corporation | 30,261 | 83,434 |
| Service fee and guarantee fees | <u>3,571,083</u> | <u>3,397,522</u> |
| Interest expenses (refer to Note 19) | | |
| - Caterpillar Financial Services Corporation | 2,026,235 | 2,493,989 |
| | <u>2,026,235</u> | <u>2,493,989</u> |
| Personnel expenses | | |
| - Salary, bonus and allowance | 527,575 | 600,962 |
| - Stock-based compensation (refer to Note 15) | 72,629 | 68,069 |
| | <u>600,204</u> | <u>669,031</u> |
| Total expenses with related parties | <u>6,197,522</u> | <u>6,560,542</u> |
| Percentage of total expenses | <u>37.96%</u> | <u>47.55%</u> |

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21. FINANCIAL RISK MANAGEMENT

The Company has exposure to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(i) Liquidity risk

Liquidity risk arises in situations where the Company has difficulties in obtaining funding. Liquidity risk also arises from situations in which the Company has a mismatch between the maturity of its liabilities and the maturity of its net investment in financing leases. The Company monitors regularly the maturity gap between financial assets and financial liabilities. The Company also prepares daily cash flow projections to ensure that any projected net cash shortages can be covered by credit facilities available from financial institutions.

The maturity tables below provide information about maturities on contractual undiscounted cash flows of liabilities on 31 December 2025 and 2024.

| | | 2025 | | | | | | |
|--------------------------------|--|--------------------------------|----------------------|---|--|---|----------------------------|-------------------|
| | | No contractual maturity | Up to 1 month | More than 1 month until 3 months | More than 3 months until 6 months | More than 6 months until 12 months | More than 12 months | Total |
| Accruals and other liabilities | | 171,393 | 1,863,954 | 305,459 | 2,121,328 | 103,429 | 429,429 | 4,994,992 |
| Borrowings | | 40,039,299 | - | - | 12,513,900 | - | - | 52,553,199 |
| Total | | <u>40,210,692</u> | <u>1,863,954</u> | <u>305,459</u> | <u>14,635,228</u> | <u>103,429</u> | <u>429,429</u> | <u>57,548,191</u> |
| Derivative In flow | | - | - | 52,936,319 | 71,088,482 | 3,487,798 | - | 127,512,599 |
| Derivative Out flow | | - | - | (52,914,092) | (71,384,270) | (3,526,321) | - | (127,824,683) |
| Derivative - net | | - | - | <u>22,227</u> | <u>(295,788)</u> | <u>(38,523)</u> | - | <u>(312,084)</u> |
| | | 2024 | | | | | | |
| | | No contractual maturity | Up to 1 month | More than 1 month until 3 months | More than 3 months until 6 months | More than 6 months until 12 months | More than 12 months | Total |
| Accruals and other liabilities | | 172,646 | 128,086 | 326,875 | 26,488 | 73,242 | 1,981,608 | 2,708,945 |
| Borrowings | | 32,330,408 | - | - | - | - | 12,994,800 | 45,325,208 |
| Total | | <u>32,503,054</u> | <u>128,086</u> | <u>326,875</u> | <u>26,488</u> | <u>73,242</u> | <u>14,976,408</u> | <u>48,034,153</u> |
| Derivative In flow | | - | - | 45,323,720 | 25,749,268 | 47,106,506 | 11,508,256 | 129,687,750 |
| Derivative Out flow | | - | - | (45,450,166) | (25,721,321) | (47,416,895) | (11,197,512) | (129,785,894) |
| Derivative - net | | - | - | <u>(126,446)</u> | <u>27,947</u> | <u>(310,389)</u> | <u>310,744</u> | <u>(98,144)</u> |

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21. FINANCIAL RISK MANAGEMENT (continued)

(ii) Credit risk

a. Credit risk monitoring

The Company is exposed to credit risk mainly from the defaulting customers. Improper assessment on customers' credit worthiness and inadequate collection management will trigger the credit risk. The Company applies prudent credit acceptance policies, performs ongoing credit portfolio monitoring as well as manages the collection of the net investment in financing leases in order to minimise the credit risk exposure.

The Company employs a range of policies and practices to mitigate credit risk among others are the taking of security deposits and sufficient collateral value from leased equipment.

Management is confident of its ability to continuously control and sustain minimal exposure of credit risk, based on the following:

- The Company has provided sufficient allowance for impairment losses to cover incurred losses arising from uncollectible receivables based on existing historical loss; and
- Gross investment in financing leases is secured by sufficient collaterals.

The following table breaks down the Company's maximum exposure without considering collaterals held by the Company:

| | <u>2025</u> | <u>2024</u> |
|--------------------------------------|--------------------|--------------------|
| Cash and cash equivalents | 1,795,567 | 3,708,877 |
| Gross investment in financing leases | 166,532,166 | 153,678,736 |
| Other receivables | 1,236,720 | 1,090,716 |
| Derivative assets | <u>796,332</u> | <u>1,082,957</u> |
| | <u>170,360,785</u> | <u>159,561,286</u> |

The above table represents a maximum financial assets risk exposure to the Company at 31 December 2025 and 2024 without taking into account the collaterals held. The exposures set out above are based on gross amounts before allowance for impairment losses as reported in the statement of financial position.

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21. FINANCIAL RISK MANAGEMENT (continued)**(ii) Credit risk (continued)****b. Industrial sector**

The following table presents the Company's maximum exposure to credit risk of financial instrument on statement of financial position at gross amount, without taking into account of any collateral held or other credit enhancement and risk concentration of the Company:

| | 2025 | | | | | |
|------------------------------------|---------------------------|-------------------|------------------|-------------------|---------------------------------|--------------------|
| | Credit risk concentration | | | | Allowance for impairment losses | Maximum exposure |
| | Mining | Agro/Forestry | Construction | Other | | |
| Cash and cash equivalents | - | - | - | 1,795,567 | - | 1,795,567 |
| Net investment in financing leases | 106,015,898 | 20,221,746 | 7,233,367 | 33,061,155 | (2,458,252) | 164,073,914 |
| Other receivables | - | - | - | 1,236,720 | - | 1,236,720 |
| Derivative assets | - | - | - | 796,332 | - | 796,332 |
| Total | 106,015,898 | 20,221,746 | 7,233,367 | 36,889,774 | (2,458,252) | 167,902,533 |

| | 2024 | | | | | |
|------------------------------------|---------------------------|------------------|-------------------|-------------------|---------------------------------|--------------------|
| | Credit risk concentration | | | | Allowance for impairment losses | Maximum exposure |
| | Mining | Agro/Forestry | Construction | Other | | |
| Cash and cash equivalents | - | - | - | 3,708,877 | - | 3,708,877 |
| Net investment in financing leases | 111,847,021 | 8,932,221 | 11,255,765 | 21,643,729 | (2,241,096) | 151,437,640 |
| Other receivables | - | - | - | 1,090,716 | - | 1,090,716 |
| Derivative assets | - | - | - | 1,082,957 | - | 1,082,957 |
| Total | 111,847,021 | 8,932,221 | 11,255,765 | 27,526,279 | (2,241,096) | 157,320,190 |

c. Credit quality of financial assets

The following table presents the financial assets based on stage in accordance with SFAS 109:

| | 2025 | | | | |
|--|---------------------------|--------------------------------|-------------------|-------------------|--------------------|
| | Cash and cash equivalents | Investment in Financing leases | Other receivables | Derivative assets | Total |
| Assets | | | | | |
| Stage 1 | 1,795,567 | 157,047,283 | 1,236,720 | 796,332 | 160,875,902 |
| Stage 2 | - | 9,217,573 | - | - | 9,217,573 |
| Stage 3 | - | 267,310 | - | - | 267,310 |
| Total assets | 1,795,567 | 166,532,166 | 1,236,720 | 796,332 | 170,360,785 |
| Allowance for Impairment losses | | | | | |
| Stage 1 | - | (1,366,827) | - | - | (1,366,827) |
| Stage 2 | - | (1,020,203) | - | - | (1,020,203) |
| Stage 3 | - | (71,222) | - | - | (71,222) |
| Total allowance | - | (2,458,252) | - | - | (2,458,252) |
| Total - net | 1,795,567 | 164,073,914 | 1,236,720 | 796,332 | 167,902,533 |

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21. FINANCIAL RISK MANAGEMENT (continued)**(ii) Credit risk (continued)**

c. Credit quality of financial assets (continued)

The following table presents the financial assets based on stage in accordance with SFAS 109: (continued)

| | 2024 | | | | |
|--|---------------------------|--------------------------------|-------------------|-------------------|--------------------|
| | Cash and cash equivalents | Investment in Financing leases | Other Receivables | Derivative assets | Total |
| Assets | | | | | |
| Stage 1 | 3,708,877 | 146,395,423 | 1,090,716 | 1,082,957 | 152,277,973 |
| Stage 2 | - | 4,074,240 | - | - | 4,074,240 |
| Stage 3 | - | 3,209,073 | - | - | 3,209,073 |
| Total assets | <u>3,708,877</u> | <u>153,678,736</u> | <u>1,090,716</u> | <u>1,082,957</u> | <u>159,561,286</u> |
| Allowance for impairment losses | | | | | |
| Stage 1 | - | (1,057,779) | - | - | (1,057,779) |
| Stage 2 | - | (398,556) | - | - | (398,556) |
| Stage 3 | - | (784,761) | - | - | (784,761) |
| Total allowance | <u>-</u> | <u>(2,241,096)</u> | <u>-</u> | <u>-</u> | <u>(2,241,096)</u> |
| Total - net | <u>3,708,877</u> | <u>151,437,640</u> | <u>1,090,716</u> | <u>1,082,957</u> | <u>157,320,190</u> |

In determining credit quality, exposures are analysed by based on days past due as explained in Note 2c.

(iii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. Fair value interest risk is the risk that the value of a financial instrument will fluctuate because of the changes in market interest rates. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on cash flow risks.

The Company regularly monitor interest repricing gap between financial asset and financial liabilities. The margin offered to the lessee is determined based upon the cost of fund from the borrowings.

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21. FINANCIAL RISK MANAGEMENT (continued)**(iii) Interest rate risk (continued)**

The following table summarises the Company's exposure to interest rate risks for all financial assets and liabilities based on the earliest of repricing date or contractual maturity.

| | 2025 | | | | | | Total |
|--------------------------------------|--------------------|----------|-------------------|----------|----------|----------------------|--------------------|
| | Floating | | | | | Non-interest bearing | |
| | Fixed rate | 1 month | 3 months | 6 months | 1 year | | |
| FINANCIAL ASSETS | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | 1,795,567 | 1,795,567 |
| Gross investment in financing leases | 143,931,596 | - | 22,600,570 | - | - | - | 166,532,166 |
| Other receivables - gross | - | - | - | - | - | 1,236,720 | 1,236,720 |
| Derivative assets | - | - | - | - | - | 796,332 | 796,332 |
| Total financial assets | 143,931,596 | - | 22,600,570 | - | - | 3,828,619 | 170,360,785 |
| FINANCIAL LIABILITIES | | | | | | | |
| Accruals and other liabilities | - | - | - | - | - | 4,994,992 | 4,994,992 |
| Borrowings | 52,553,199 | - | - | - | - | - | 52,553,199 |
| Derivative liabilities | - | - | - | - | - | 484,248 | 484,248 |
| Total financial liabilities | 52,553,199 | - | - | - | - | 5,479,240 | 58,032,439 |
| Total interest repricing gap | 91,378,397 | - | 22,600,570 | - | - | (1,650,621) | 112,328,346 |
| | 2024 | | | | | | |
| | Floating | | | | | Non-interest bearing | Total |
| | Fixed rate | 1 month | 3 months | 6 months | 1 year | | |
| FINANCIAL ASSETS | | | | | | | |
| Cash and cash equivalents | - | - | - | - | - | 3,708,877 | 3,708,877 |
| Gross investment in financing leases | 151,708,026 | - | 1,970,710 | - | - | - | 153,678,736 |
| Other receivables - gross | - | - | - | - | - | 1,090,716 | 1,090,716 |
| Derivative assets | - | - | - | - | - | 1,082,957 | 1,082,957 |
| Total financial assets | 151,708,026 | - | 1,970,710 | - | - | 5,882,550 | 159,561,286 |
| FINANCIAL LIABILITIES | | | | | | | |
| Accruals and other liabilities | - | - | - | - | - | 2,708,945 | 2,708,945 |
| Borrowings | 45,325,208 | - | - | - | - | - | 45,325,208 |
| Derivative liabilities | - | - | - | - | - | 1,181,101 | 1,181,101 |
| Total financial liabilities | 45,325,208 | - | - | - | - | 3,890,046 | 49,215,254 |
| Total interest repricing gap | 106,382,818 | - | 1,970,710 | - | - | 1,992,504 | 110,346,032 |

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21. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest rate risk (continued)

The table below shows the sensitivity of the Company's net income to movement of interest rates as at 31 December 2025 and 2024:

| | 2025 | |
|-------------------------------------|---------------------------------|---------------------------------|
| | Increased by 100 bps | Decreased by 100 bps |
| Impact to net gain/(loss) after tax | 176,284 | (176,284) |
| | 2024 | |
| | Increased by 100 bps | Decreased by 100 bps |
| Impact to net gain/(loss) after tax | 15,372 | (15,372) |

The projection assumes that interest rates of all maturities move by the same amount therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

(iv) Foreign exchange risk

In its operational activities, the Company conducts transactions in non-functional currency (currencies other than USD). The Company is exposed to foreign exchange risk arising from foreign currency exposures, with respect to the Rupiah. Therefore, the Company monitors regularly foreign exchange gap between financial assets and liabilities denominated in foreign currency.

Net financial assets and liabilities denominated in foreign currency are disclosed as follows:

| | 2025 | |
|------------------------------------|--------------------------|-----------------------|
| | Rupiah | USD Equivalent |
| FINANCIAL ASSETS | | |
| Cash and cash equivalents | 25,208,393,889 | 1,502,168 |
| Net investment in financing leases | 2,384,186,558,147 | 142,073,677 |
| Other receivables | 1,841,590,643 | 109,740 |
| TOTAL FINANCIAL ASSETS | 2,411,236,542,679 | 143,685,585 |
| Accruals and other liabilities | 52,845,647,881 | 3,149,072 |
| Borrowings | 210,000,000,000 | 12,513,900 |
| TOTAL FINANCIAL LIABILITIES | 262,845,647,881 | 15,662,972 |
| Foreign exchange gap | 2,148,390,894,798 | 128,022,613 |

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21. FINANCIAL RISK MANAGEMENT (continued)

(iv) Foreign exchange risk (continued)

Net financial assets and liabilities denominated in foreign currency are disclosed as follows: (continued)

| | 2024 | |
|------------------------------------|---------------------------------|---------------------------|
| | Rupiah | USD Equivalent |
| FINANCIAL ASSETS | | |
| Cash and cash equivalent | 56,736,306,675 | 3,510,843 |
| Net investment in financing leases | 2,316,802,410,897 | 143,363,733 |
| Other receivables | <u>16,268,845,972</u> | <u>1,006,716</u> |
| TOTAL FINANCIAL ASSETS | <u><u>2,389,807,563,544</u></u> | <u><u>147,881,292</u></u> |
| Accruals and other liabilities | 38,746,747,086 | 2,397,649 |
| Borrowings | <u>210,000,000,000</u> | <u>12,994,800</u> |
| TOTAL FINANCIAL LIABILITIES | <u><u>248,746,747,086</u></u> | <u><u>15,392,449</u></u> |
| Foreign exchange gap | <u><u>2,141,060,816,458</u></u> | <u><u>132,488,843</u></u> |

The table below shows the sensitivity of the Company's net income to movement of foreign exchange rates as at 31 December 2025 and 2024:

| | 2025 | |
|-------------------------------------|----------------------------|----------------------------|
| | Increased by 5% | Decreased by 5% |
| Impact to net (loss)/gain after tax | <u><u>(4,992,882)</u></u> | <u><u>4,992,882</u></u> |
| | 2024 | |
| | Increased by 5% | Decreased by 5% |
| Impact to net (loss)/gain after tax | <u><u>(5,167,065)</u></u> | <u><u>5,167,065</u></u> |

(v) Fair value of financial assets and liabilities

Financial assets and liabilities measured at fair value use the following fair value hierarchy of:

- a) Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2
Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c) Level 3
Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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21. FINANCIAL RISK MANAGEMENT (continued)

(v) Fair value of financial assets and liabilities (continued)

As at 31 December 2025 and 2024, financial assets and liabilities measured at fair value based on the following fair value hierarchy:

| | 2025 | | | | |
|------------------------------|-----------------------|----------------|----------------|----------------|-------------------|
| | Carrying value | Level 1 | Level 2 | Level 3 | Fair value |
| Financial assets | | | | | |
| Derivative assets | 796,332 | - | 796,332 | - | 796,332 |
| Financial liabilities | | | | | |
| Derivative liabilities | 484,248 | - | 484,248 | - | 484,248 |
| | 2024 | | | | |
| | Carrying value | Level 1 | Level 2 | Level 3 | Fair value |
| Financial assets | | | | | |
| Derivative assets | 1,082,957 | - | 1,082,957 | - | 1,082,957 |
| Financial liabilities | | | | | |
| Derivative liabilities | 1,181,101 | - | 1,181,101 | - | 1,181,101 |

The table below sets out the carrying amounts and fair value of those financial assets and liabilities that are not presented at their fair value in the Company's statement of financial position:

| | 2025 | | 2024 | |
|--------------------------------|-----------------------|-------------------|-----------------------|-------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents | 1,795,567 | 1,795,567 | 3,708,877 | 3,708,877 |
| Gross lease receivables | 166,532,166 | 167,961,567 | 153,678,736 | 157,726,264 |
| Other receivables | 1,236,720 | 1,236,720 | 1,090,716 | 1,090,716 |
| Financial liabilities | | | | |
| Borrowing | 52,553,199 | 52,504,899 | 45,325,208 | 43,907,282 |
| Accruals and other liabilities | 4,994,992 | 4,994,992 | 2,708,945 | 2,708,945 |

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21. FINANCIAL RISK MANAGEMENT (continued)

(v) Fair value of financial assets and liabilities (continued)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

- a) The fair values of cash and cash equivalents, other receivables, and accruals and other liabilities approximate their carrying values due to maturities less than 1 year.
- b) The fair value of net investment in financing leases is estimated using discounted cash flows applying weighted average market rates offered by the Company at the statement of financial position date for financial assets that have similar characteristics with the above-mentioned financial assets (level 3 - fair value hierarchy).
- c) The fair value of borrowings are estimated by using discounted cash flows, using interest rate of debt with similar remaining maturity (level 2 - fair value hierarchy).

22. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (including bonds payable and medium-term notes) divided by total capital. Total capital consists of 'equity' as shown in the statement.

Based on the prevailing regulation, the maximum gearing ratio is 10 times from total capital.

| | <u>2025</u> | <u>2024</u> |
|------------------|-------------|-------------|
| Total borrowings | 52,553,199 | 45,325,208 |
| Total equity | 111,152,411 | 108,891,502 |
| Gearing ratio | 0.47 | 0.42 |

The Company always maintains the gearing ratio at smaller level than the applicable regulation by performing an analysis to determine financing alternative such as through bank loans. The Company also calculates the cost of fund of each financing alternative to ensure it could generate a maximum income for the Company.

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23. NET FINANCING ACTIVITIES RECONCILIATION

Reconciliation from financing activities are as follows:

| | 2025 | | | | Ending balance |
|---|--------------------------|---------------------|-------------------------------------|------------------------------------|-----------------------|
| | Beginning balance | Cash flows | Non-cash changes | | |
| | | | Movement of foreign exchange | Other non-cash transactions | |
| Accruals and other liabilities | | | | | |
| - Third parties | 384,412 | (143,422) | 6,044 | (11,657) | 235,377 |
| Borrowings | | | | | |
| - Third parties | 12,994,800 | - | (480,900) | - | 12,513,900 |
| - Related parties | 32,330,408 | 7,708,891 | - | - | 40,039,299 |
| Total liabilities from financing activities | <u>45,709,620</u> | <u>7,565,469</u> | <u>(474,856)</u> | <u>(11,657)</u> | <u>52,788,576</u> |
| | | | | | |
| | 2024 | | | | Ending balance |
| | Beginning balance | Cash flows | Non-cash changes | | |
| | | | Movement of foreign exchange | Other non-cash transactions | |
| Accruals and other liabilities | | | | | |
| - Third parties | 547,513 | (141,025) | 1,622 | (23,698) | 384,412 |
| Borrowings | | | | | |
| - Third parties | 52,544,700 | (37,722,010) | (1,827,890) | - | 12,994,800 |
| - Related parties | 44,209,254 | (11,878,846) | - | - | 32,330,408 |
| Total liabilities from financing activities | <u>97,301,467</u> | <u>(49,741,881)</u> | <u>(1,826,268)</u> | <u>(23,698)</u> | <u>45,709,620</u> |

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24. FINANCIAL RATIOS BASED ON OJK REGULATION

Based on Financial Services Authority Regulation (“POJK”) No. 35/POJK.35/2018 dated 27 December 2018 regarding the Organisation of Financial Company Business, the Company is required to comply with several financial ratios. These financial ratios are calculated based on POJK No. 35/POJK.35/2018 and may not be consistent with Indonesian Financial Accounting Standards. The following are certain financial ratios based on OJK Regulation: (unaudited).

| | <u>2025</u> | <u>2024</u> |
|--|-------------|-------------|
| Financing to asset ratio | 96.91% | 95.21% |
| Net financing receivables to funding ratio | 312.21% | 334.11% |
| Net financing receivables for investment and working capital financing to total financing receivables ratio | 98.52% | 98.54% |
| Non-performing financing ratio (“NPF”) - gross | 0.20% | 2.53% |
| Capital ratio | 127.18% | 135.09% |
| Equity to paid-up capital ratio | 689.06% | 675.04% |
| Gearing ratio | 0.47 | 0.42 |

25. ADDITIONAL INFORMATION THAT IS NOT REQUIRED BY INDONESIAN ACCOUNTING STANDARDS

a. Investment in finance leases

The classification of investment in finance leases in accordance with POJK No. 35/POJK.05/2018 regarding business activities of financing Companies Article 29 are as follows:

| | <u>2025</u> | <u>2024</u> |
|-----------------|--------------------|--------------------|
| Current | 145,538,939 | 144,270,313 |
| Special mention | 20,664,249 | 5,523,961 |
| Substandard | 142,242 | 3,143,293 |
| Doubtful | 137,800 | 383,526 |
| Loss | 48,936 | 357,643 |
| | <u>166,532,166</u> | <u>153,678,736</u> |