

GENERAL MAGNETICS LIMITED

(Incorporated in Singapore. Registration Number: 197300630H)

AND ITS SUBSIDIARIES

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**OA Assurance PAC
Public Accountants and
Chartered Accountants of Singapore**

**GENERAL MAGNETICS LIMITED.
AND ITS SUBSIDIARIES**

(Incorporated in Singapore)

ANNUAL REPORT

FOR FINANCIAL YEAR ENDED 31 DECEMBER 2025

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GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The directors are pleased to present their statement to the shareholders together with the audited financial statements of General Magnetics Limited (the "Company") and its subsidiaries (the 'Group') for the financial year ended 31 December 2025.

1. Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Group and Company are drawn up so as to give a true and fair view of the financial position of the Group and Company as at 31 December 2025 and the financial performance, changes in equity of the Group and Company and cash flows of the Group for the year then ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors in office at the date of this statement are as follows:

Oh Loon Lian
Yuen Yuet Kheng

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

4. Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporation except as stated below:

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. Directors' interests in shares or debentures (continued)

Name of directors	Direct Interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Oh Loon Lian	7,271,599	7,271,599	40,000,000	40,000,000
Yuen Yuet Kheng	168,000	168,000	-	-

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. Auditor

OA Assurance PAC has expressed its willingness to accept appointment as auditor.

The Board of Directors



.....
Oh Loon Lian
Director

26 May 2026



.....
Yuen Yuet Kheng
Director

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of General Magnetics Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2025, the statement of profit or loss and other comprehensive income and statement of changes in equity of the Group and the Company, and statement of cash flow of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2025 and of the financial performance and changes in equity of the Group and the Company, and cash flows of the Group for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 SSAs 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 SSAs, 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Khoo Xiangjun, Beverley.

OA Assurance PAC

OA ASSURANCE PAC
Public Accountants and
Chartered Accountants
Singapore

26 May 2026

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

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

	Note	Group		Company	
		<u>2025</u> \$	<u>2024</u> \$	<u>2025</u> \$	<u>2024</u> \$
Revenue	4	1,932,048	1,769,351	1,100,112	1,010,778
Investments income, net	5	1,706,157	272,746	1,706,144	272,728
Other income	6	294,044	1,150,911	777,406	1,590,560
Employee benefits costs	7	(1,195,654)	(1,144,973)	(849,674)	(840,801)
Other operating expenses	8	(1,958,093)	(1,704,187)	(1,864,581)	(954,410)
Depreciation of property, plant and equipment	11	(106,235)	(142,733)	(95,837)	(132,736)
Amortisation of intangible assets	12	(7,650)	-	-	-
Depreciation of investment property	13	(244,743)	(244,743)	(244,743)	(244,743)
Profit/(loss) before tax		419,874	(43,628)	528,827	701,376
Income tax expense	9	(486)	(7,327)	-	-
Profit/(loss) for the year		419,388	(50,955)	528,827	701,376

Earnings/(loss) per share (cents per share) attributable to owners of the Company:

Basic	10	<u>0.419</u>	<u>(0.051)</u>
Diluted	10	<u>0.419</u>	<u>(0.051)</u>

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

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

	Note	Group		Company	
		<u>2025</u> \$	<u>2024</u> \$	<u>2025</u> \$	<u>2024</u> \$
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Net fair value gain on equity instruments at fair value through other comprehensive income		<u>1,276,898</u>	1,566,045	<u>1,276,898</u>	1,566,045
		<u>1,276,898</u>	1,566,045	<u>1,276,898</u>	1,566,045
Items that may be reclassified subsequently to profit or loss:					
Net fair value changes on debt instruments at fair value through other comprehensive income reclassified to profit or loss		(128,640)	41,025	(128,640)	41,025
Foreign currency translation		56,225	(103,005)	-	-
		<u>(72,415)</u>	(61,980)	<u>(128,640)</u>	41,025
Other comprehensive income for the year, net of tax		<u>1,204,483</u>	1,504,065	<u>1,148,258</u>	1,607,070
Total comprehensive income for the year		<u>1,623,871</u>	1,453,110	<u>1,677,085</u>	2,308,446

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	Group	
		<u>2025</u>	<u>2024</u>
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	11	669,781	755,042
Intangible assets	12	94,350	-
Investment property	13	734,239	978,982
Investment securities	16	15,606,482	12,521,485
Other receivables	15	390	425
		<u>17,105,242</u>	<u>14,255,934</u>
Current assets			
Trade and other receivables	15	122,490	106,830
Investment securities	16	2,699,963	2,736,478
Cash and cash equivalents	18	6,601,738	5,287,479
		<u>9,424,191</u>	<u>8,130,787</u>
Total assets		<u>26,529,433</u>	<u>22,386,721</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	38,771,033	38,771,033
Accumulated losses		(23,690,899)	(23,810,287)
Fair value reserves	20	145,207	(1,003,051)
Translation reserve	21	1,019,693	963,468
Equity attributable to owners of the Company		<u>16,245,034</u>	<u>14,921,163</u>
Current liabilities			
Trade and other payables	23	951,505	709,243
Borrowings	22	8,946,762	6,384,659
Dividends payable		379,347	364,328
Tax payable		6,785	7,328
		<u>10,284,399</u>	<u>7,465,558</u>
Total liabilities		<u>10,284,399</u>	<u>7,465,558</u>
Total equity and liabilities		<u>26,529,433</u>	<u>22,386,721</u>

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	Company	
		<u>2025</u>	<u>2024</u>
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	11	423,564	511,061
Investment property	13	734,239	978,982
Investment securities	16	15,606,482	12,521,485
Investment in subsidiaries	14	50,002	50,002
		<u>16,814,287</u>	<u>14,061,530</u>
Current assets			
Trade and other receivables	15	76,655	62,195
Investment securities	16	2,699,963	2,736,478
Amounts due from subsidiaries	17	1,169,252	1,146,675
Cash and cash equivalents	18	6,323,262	5,013,079
		<u>10,269,132</u>	<u>8,958,427</u>
Total assets		<u>27,083,419</u>	<u>23,019,957</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	38,771,033	38,771,033
Accumulated losses		(21,851,211)	(22,080,038)
Fair value reserves	20	145,207	(1,003,051)
		<u>17,065,029</u>	<u>15,687,944</u>
Equity attributable to owners of the Company		<u>17,065,029</u>	<u>15,687,944</u>
Current liabilities			
Trade and other payables	23	428,200	407,774
Borrowings	22	8,946,762	6,384,659
Dividends payable		379,347	364,328
Amounts due to subsidiaries	17	264,081	175,252
		<u>10,018,390</u>	<u>7,332,013</u>
Total liabilities		<u>10,018,390</u>	<u>7,332,013</u>
Total equity and liabilities		<u>27,083,419</u>	<u>23,019,957</u>

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

<u>Group</u>	Share capital \$	Accumulated losses \$	Fair value reserves \$	Translation reserves \$	Total \$
At 1 January 2024	38,771,033	(23,459,332)	(2,609,400)	1,065,752	13,768,053
Loss for the year	-	(50,955)	-	-	(50,955)
Other comprehensive income					
Foreign currency translation differences	-	-	(721)	(102,284)	(103,005)
Net fair value gain on equity instruments at FVOCI	-	-	1,566,045	-	1,566,045
Net fair value gain on debt instruments at FVOCI	-	-	-	-	-
Net fair value changes on debt instruments at FVOCI reclassified to profit or loss on derecognition	-	-	41,025	-	41,025
Total comprehensive income for the year	-	(50,955)	1,606,349	(102,284)	1,453,110
<u>Transactions with owners, recognised directly in equity</u>					
Contributions by and distributions to owners					
Dividends declared (Note 29)	-	(300,000)	-	-	(300,000)
Total transactions with owners	-	(300,000)	-	-	(300,000)
At 31 December 2024	38,771,033	(23,810,287)	(1,003,051)	963,468	14,921,163

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

<u>Group</u>	Share capital \$	Accumulated losses \$	Fair value reserves \$	Translation reserves \$	Total \$
At 1 January 2025	38,771,033	(23,810,287)	(1,003,051)	963,468	14,921,163
Profit for the year	-	419,388	-	-	419,388
Other comprehensive income					
Foreign currency translation differences	-	-	-	56,225	56,225
Net fair value gain on equity instruments at FVOCI	-	-	1,276,898	-	1,276,898
Net fair value gain on debt instruments at FVOCI	-	-	-	-	-
Net fair value changes on debt instruments at FVOCI reclassified to profit or loss on derecognition	-	-	(128,640)	-	(128,640)
Total comprehensive income for the year	-	419,388	1,148,258	56,225	1,623,871
<u>Transactions with owners, recognised directly in equity</u>					
Contributions by and distributions to owners					
Dividends declared (Note 29)	-	(300,000)	-	-	(300,000)
Total transactions with owners	-	(300,000)	-	-	(300,000)
At 31 December 2025	38,771,033	(23,690,899)	145,207	1,019,693	16,245,034

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

Company	Share capital \$	Accumulated losses \$	Fair value reserves \$	Total \$
At 1 January 2024	38,771,033	(22,481,414)	(2,610,121)	13,679,498
Profit for the year	-	701,376	-	701,376
Other comprehensive income				
Net fair value gain on equity instruments at FVOCI	-	-	1,566,045	1,566,045
Net fair value changes on debt instruments at FVOCI reclassified to profit or loss on derecognition	-	-	41,025	41,025
Total comprehensive income for the year	-	701,376	1,607,070	2,308,446
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends declared (Note 29)	-	(300,000)	-	(300,000)
At 31 December 2024	38,771,033	(22,080,038)	(1,003,051)	15,687,944
At 1 January 2025	38,771,033	(22,080,038)	(1,003,051)	15,687,944
Profit for the year	-	528,827	-	528,827
Other comprehensive income				
Net fair value gain on equity instruments at FVOCI	-	-	1,276,898	1,276,898
Net fair value changes on debt instruments at FVOCI reclassified to profit or loss on derecognition	-	-	(128,640)	(128,640)
Total comprehensive income for the year	-	528,827	1,148,258	1,677,085
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends declared (Note 29)	-	(300,000)	-	(300,000)
At 31 December 2025	38,771,033	(21,851,211)	145,207	17,065,029

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Group	
	<u>2025</u>	<u>2024</u>
	\$	\$
Cash flows from operating activities		
Profit/(loss) before tax	419,874	(43,628)
Adjustments for:		
Depreciation of investment property (Note 13)	244,743	244,743
Depreciation of property, plant and equipment (Note 11)	106,235	142,733
Amortisation of intangible assets (Note 12)	7,650	-
Dividend income	(113,894)	(186,158)
Exchange differences on translation	3,649	(120,195)
Property, plant and equipment revaluation (Note 11)	(3,120)	-
Net fair value gain on investment securities	(204,125)	(174,655)
Net fair value loss on disposal of FVOCI	(384,999)	901,067
Interest income	(1,003,139)	(821,048)
Lease interest	-	2,280
Loan interest	193,981	347,038
	<u>(733,145)</u>	<u>292,177</u>
Changes in working capital:		
Trade and other receivables	(15,624)	32,648
Trade and other payables	(257,738)	21,630
Cash generated from operations	<u>(1,006,507)</u>	<u>346,455</u>
Tax refund/(paid)	(1,029)	7,319
Net cash (used in)/generated from operating activities	<u>(1,007,536)</u>	<u>353,774</u>
Cash flows from investing activities		
Dividend received from investment securities	113,894	178,831
Interest received	1,003,139	821,048
Proceeds from disposal of investment securities	9,983,065	12,546,702
Purchase of investment securities	(11,294,166)	(9,428,272)
Purchase of property, plant and equipment	(8,340)	-
Purchase of intangible assets	(200,000)	-
Disposal of intangible assets	98,000	-
Net cash (used in)/generated from investing activities	<u>(304,408)</u>	<u>4,118,309</u>
Cash flows from financing activities		
Dividend paid	15,019	(405)
Loan interest paid	(193,981)	(347,038)
Advances from director	200,000	-
Lease interest paid	-	(2,280)
Repayment of lease liabilities	-	(22,280)
Proceed from borrowings	63,385,521	42,672,696
Repayment of borrowings	(60,780,356)	(43,532,286)
Net cash generated from/(used in) financing activities	<u>2,626,203</u>	<u>(1,231,593)</u>
Net changes in cash and cash equivalents	<u>1,314,259</u>	<u>3,240,490</u>
Cash and cash equivalents at the 1 January	<u>5,287,479</u>	<u>2,046,989</u>
Cash and cash equivalents at the 31 December	<u>6,601,738</u>	<u>5,287,479</u>

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

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1. General

General Magnetics Limited is a public company limited by shares which is incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 625 Lorong 4 Toa Payoh, General Magnetics, Singapore 319519.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities')

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries disclosed in Note 14.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$). All financial information presented in Singapore Dollars has been rounded to the nearest dollar, unless otherwise indicated.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these standards did not have any material effect on the financial statements of the Group.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

A number of new standards and amendments standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to FRSS - Volume 11	1 January 2026
Amendments to FRS 109 <i>Financial Instruments</i> and FRS 107 <i>Financial Instruments: Disclosures</i> : Contracts Referencing Nature-dependent Electricity	1 January 2026
FRS 118 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
FRS 119 <i>Subsidiaries and Small Entities without Public Accountability</i>	1 January 2027
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation

Business combinations

The group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group measures goodwill at the date of acquisition as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non controlling interest (NCI) in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

Where the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.4 Basis of consolidation (continued)

Business combinations (continued)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate shares of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Cost related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2.5 Foreign currency transactions and balances

Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Group entities and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.5 Foreign currency transactions and balances (continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into SGD at the rate of exchange ruling at the end of the reporting period. The income and expenses of foreign operations are translated to SGD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in Other Comprehensive Income (OCI). However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and presented in the translation reserve in equity.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives (Years)</u>
Land and buildings	20 to 48 years
Furniture and fittings	5 to 20 years
Plant and equipment	5 to 8 years
Motor vehicles	5 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Investment properties

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise complete investment properties and properties that are being constructed or developed for future use as investment properties.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.7 Investment properties (continued)

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives (Years)</u>
Investment property	41 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Music content copyrights

The Company made upfront payments to acquire music content copyrights. They are initially recognized and measured at cost. Music content copyrights are amortized using a straight-line method which reflects the estimated consumption patterns. The estimated useful life is as follows:

	<u>Useful lives</u>
Music content copyright	10 years

The residual value, useful lives and amortisation method are reviewed at the end of each reporting period.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Financial Instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.10 Financial Instruments (continued)

a) Financial assets (continued)

Subsequent measurement (continued)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Debt instruments at fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Debt instruments at fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.10 Financial Instruments (continued)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.11 Impairment of financial assets (continued)

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value.

2.13 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.15 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.16 Employee benefits

(a) Defined contributed plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.17 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.18 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from renovation works and packing services is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when the services have been performed and rendered.

Rental income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Revenue from music content

Revenue from distribution of music contents is recognized at the point in time when relevant specific performance measures are fulfilled.

2.19 Investment income

The Group's investment income include:

- Interest income;
- Dividend income;
- The net gain or loss on the disposal of debt investments measured at FVOCI; and
- The net gain or loss on the financial assets at FVTPL.

Interest income is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

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 gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

2.20 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.20 Taxes (continued)

a) Current income tax (continued)

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.21 Share capital

Ordinary shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Material accounting policy information (continued)

2.22 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes, and share options granted to employees.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Group. In determining the functional currencies of the Group, judgement is used by the Group to determine the currency of the primary economic environment in which the Group operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking estimates are analysed. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3.2 Key sources of estimation uncertainty (continued)

Provision for expected credit losses of trade receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 28.

4. Revenue

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
<u>Type of good and service</u>				
Rental income	1,100,112	1,010,778	1,100,112	1,010,778
Service income	831,936	758,573	-	-
	1,932,048	1,769,351	1,100,112	1,010,778
<u>Timing of transfer of good or service</u>				
At a point in time	831,936	758,573	-	-
Over time	1,100,112	1,010,778	1,100,112	1,010,778
	1,932,048	1,769,351	1,100,112	1,010,778

5. Investment Income, net

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Dividend income	113,894	178,831	113,894	178,831
Net fair value gain on investments securities	204,125	173,934	204,125	173,934
Gain/(loss) on disposal of investment securities	384,999	(901,067)	384,999	(901,067)
Interest income	1,003,139	821,048	1,003,126	821,030
	1,706,157	272,746	1,706,144	272,728

6. Other income

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Government grants	10,896	18,216	2,446	2,865
Management fees	-	-	495,000	455,000
Sundry income	283,148	1,132,695	279,960	1,132,695
	294,044	1,150,911	777,406	1,590,560

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7. Employee Benefits Costs

Salaries and employees' benefits (including directors' remuneration) comprise the following:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Salaries and related costs	1,118,030	1,071,536	794,626	786,375
Contribution to defined contribution plans	77,624	73,437	55,048	54,426
	1,195,654	1,144,973	849,674	840,801

8. Other operating expenses

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Bank charges	358,119	50,020	353,974	46,743
Bad debts	-	-	34,700	-
Factory expenses	39,600	41,660	39,600	41,660
Foreign exchange loss/(gain)	689,201	637,817	640,612	(66,166)
Insurance expenses	26,981	24,420	24,638	22,158
Lease interest	-	2,280	-	2,280
Legal and professional fees	51,452	28,197	23,760	18,764
Loan interest	193,983	347,039	193,983	347,039
Property tax	218,503	219,694	214,950	216,292
Rental sublet fee	66,400	63,971	66,400	59,907
Repair and maintenance	972	611	-	11
Upkeep of motor vehicles	36,767	29,099	36,767	29,099
Utilities	163,926	181,457	163,527	180,612
Others	112,189	77,922	71,670	56,011
	1,958,093	1,704,187	1,864,581	954,410

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. Income tax expenses

Major Components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 31 December 2024 are:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Current income tax:				
- Over provision in respect of previous years	-	-	-	-
Income tax expense recognised in profit or loss	486	7,327	-	-

Relationship between tax expense and accounting (loss)/profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate is as follows:

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Profit/(Loss) before tax	419,874	(43,628)	528,827	701,376
Income tax using the statutory rate of 17%	71,379	(7,417)	89,901	119,234
Tax effects of:				
Non-allowable items	-	254,058	-	116,956
Utilisation of deferred tax assets not recognised in prior years	(70,893)	(237,435)	(89,901)	(236,190)
Income tax exemptions and rebates	-	(1,879)	-	-
	486	7,327	-	-

Deferred income tax assets are recognised for tax losses and investment allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of \$746,044 (2024: \$746,044) and investment allowances of \$3,096,270 (2024: \$3,096,270) at the reporting date which can be carried forward and used to offset against future taxable income subjected to meeting certain statutory requirements.

10. Earnings/(loss) per share

The earnings/(loss) per share is calculated based on the consolidated profit/(loss) attributable to members of the Company of \$419,388 (2024: \$(50,955)) on 100,000,000 shares in issue during the financial year. There are no factors giving rise to dilution.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

11. Property, plant and equipment

Group	Land and buildings	Furniture and fittings	Plant and machinery	Motor vehicles	Total
	\$	\$	\$	\$	\$
Cost					
At 1 January 2024	3,379,065	603,552	484,760	1,164,852	5,632,229
Translation difference	23,105	-	(4,292)	(150)	18,663
At 31 December 2024 and 1 January 2025	3,402,170	603,552	480,468	1,164,702	5,650,892
Additions	-	-	8,340	3,120	11,460
Translation difference	18,086	-	(30,041)	(1,054)	(13,009)
At 31 December 2025	3,420,256	603,552	458,767	1,166,768	5,649,343
Accumulated depreciation					
At 1 January 2024	2,680,876	603,552	473,446	989,267	4,747,141
Depreciation	77,686	-	3,345	61,702	142,733
Translation difference	10,418	-	(4,292)	(150)	5,976
At 31 December 2024 and 1 January 2025	2,768,980	603,552	472,499	1,050,819	4,895,850
Depreciation	78,087	-	3,665	24,483	106,235
Translation difference	8,572	-	(30,041)	(1,054)	(22,523)
At 31 December 2025	2,855,639	603,552	446,123	1,074,248	4,979,562
Carrying amount					
At 31 December 2024	633,190	-	7,969	113,883	755,042
At 31 December 2025	564,617	-	12,644	89,400	669,781

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
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11. Property, plant and equipment (continued)

Company	Land and buildings	Furniture and fittings	Plant and machinery	Motor vehicles	Total
	\$	\$	\$	\$	\$
Cost					
At 1 January 2024	2,957,186	603,552	106,216	1,151,899	4,818,853
Addition	-	-	-	-	-
At 31 December 2024 and 1 January 2025	2,957,186	603,552	106,216	1,151,899	4,818,853
Addition	-	-	8,340	-	8,340
At 31 December 2025	2,957,186	603,552	114,556	1,151,899	4,827,193
Accumulated depreciation					
At 1 January 2024	2,495,956	603,552	99,234	976,314	4,175,056
Depreciation	68,689	-	2,345	61,702	132,736
At 31 December 2024 and 1 January 2025	2,564,645	603,552	101,579	1,038,016	4,307,792
Depreciation	68,689	-	2,665	24,483	95,837
At 31 December 2025	2,633,334	603,552	104,244	1,062,499	4,403,629
Carrying amount					
At 31 December 2024	392,541	-	4,637	113,883	511,061
At 31 December 2025	323,852	-	10,312	89,400	423,564

Assets held under lease liabilities

During the financial year, the Group and the Company has motor vehicles held under lease liabilities with net carrying value of \$89,400 (2024: \$113,883).

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible assets

	<u>Music content copyrights</u>	<u>Total</u>
	\$	\$
Cost		
At 1 January 2025	-	-
Additions	200,000	200,000
Disposal	(98,000)	(98,000)
At 31 December 2025	<u>102,000</u>	<u>102,000</u>
Accumulated amortisation		
At 1 January 2025	-	-
Amortisation	7,650	7,650
At 31 December 2025	<u>7,650</u>	<u>7,650</u>
Carrying amount		
At 31 December 2025	<u>94,350</u>	<u>94,350</u>

13. Investment property

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Cost:		
At 1 January and 31 December	<u>10,118,477</u>	10,118,477
Accumulated depreciation:		
At 1 January	9,139,495	8,894,752
Depreciation	244,743	244,743
At 31 December	<u>9,384,238</u>	9,139,495
Net carrying value	<u>734,239</u>	978,982

As at 31 December 2025, the fair value of the investment property is \$12,000,000 (2024: \$12,000,000).

The following amounts are recognised in profit or loss:

	<u>Group and Company</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Rental income (Note 4)	1,100,112	1,010,778
Direct operating expenses	(281,350)	(282,428)
	<u>818,762</u>	<u>728,350</u>

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. Investment in subsidiaries

	Company	
	<u>2025</u> \$	<u>2024</u> \$
Unquoted shares, at cost		
Beginning of the year	3,824,002	3,824,001
Addition	-	1
End of the year	3,824,002	3,824,002
Less: Allowance for impairment losses		
Beginning/end of the year	(3,774,000)	(3,774,000)
	50,002	50,002

On 7 November 2024, the Company incorporated a wholly-owned subsidiary, General Music Pte. Ltd. with an initial and paid-up share capital of S\$1.00.

Details of the subsidiary is as follow:

Name	Principal activities	Country of incorporation and place of business	Percentage of equity held by the Company	
			<u>2025</u> %	<u>2024</u> %
<i>Held by the Company:</i>				
General Magnetics (M) Sdn. Bhd.	Dormant*	Malaysia	100	100
General CD Pte. Ltd.	Dormant**	Singapore	100	100
General Media Pte. Ltd.	Manufacture and sales of optical and magnetic media products**	Singapore	100	100
General Music Pte. Ltd.	Music Publishing and Distribution activities**	Singapore	100	100
PT Dynatech Perkasa	Manufacture and selling of recording media***	Indonesia	100	100

* Audited by Deloitte, Malaysia

** Audited by OA Assurance PAC

*** Audited by TGS AU & Partners, Members of TGS Global

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
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15. Trade and other receivables

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Trade receivables:				
- Third parties	34,732	18,182	18,639	7,150
Other receivables:				
<i>Current</i>				
- Deposits	30,821	30,648	27,534	27,484
- Prepayments	32,847	32,575	30,482	27,561
- Advance to employees	-	2,000	-	-
- GST receivables	24,090	22,940	-	-
- Sundry receivables	-	485	-	-
	87,758	88,648	58,016	55,045
	122,490	106,830	76,655	62,195
<i>Non-current</i>				
- Sundry receivables	390	425	-	-
	390	425	-	-
Total trade and other receivables	122,880	107,255	76,655	62,195

Trade receivables are non-interest bearing and are generally on 90 days' terms. Sundry receivables are non-interest bearing and are repayable on demand. There were no allowance for expected credit losses on trade receivables.

Advance to employees are unsecured, non-interest bearing and repayable on demand.

16. Investment securities

	Group and Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
At fair value through profit or loss		
- Other debt securities (quoted)	1,918,671	1,681,952
- Equity securities (quoted)	781,292	1,054,526
	2,699,963	2,736,478
At fair value through other comprehensive income		
- Other debt securities (quoted)	12,373,819	9,263,535
- Equity securities (quoted)	3,232,663	3,257,950
	15,606,482	12,521,485
Total investment securities	18,306,445	15,257,963

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

16. Investment securities (continued)

	Group and Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
Net carrying amount		
Current	2,699,963	2,736,478
Non-current	15,606,482	12,521,485

The Group have elected to measure securities at fair value through other comprehensive income due to the Group's intention to hold these equity securities for long-term appreciation.

17. Amount due from/(to) subsidiaries

	Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
Amounts due from subsidiaries - nominal amounts	1,169,252	1,146,675
Less: Allowance for expected credit loss	-	-
	<u>1,169,252</u>	<u>1,146,675</u>
 Amounts due to subsidiaries	 <u>(264,081)</u>	 <u>(175,252)</u>
 Movement in allowance accounts:		
At beginning of the year	-	2,306,794
Reversal of impairment loss	-	(2,306,794)
At end of the year	-	-

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

18. Cash and cash equivalents

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Cash at banks and on hand	542,631	635,406	264,155	361,006
Fixed deposits	6,059,107	4,652,073	6,059,107	4,652,073
	<u>6,601,738</u>	<u>5,287,479</u>	<u>6,323,262</u>	<u>5,013,079</u>

The fixed deposits have an average maturity of 1.75 (2024: 1.75) months from the end of the financial year. The approximate annual effective interest rates applicable for the financial year was 3.42% (2024: 3.42%) for the Group and the Company.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. Share capital

	Group and Company			
	<u>2025</u>		<u>2024</u>	
	No. of shares	\$	No. of shares	\$
Issued and fully paid ordinary shares				
At 1 January and 31 December	<u>100,000,000</u>	<u>38,771,033</u>	100,000,000	38,771,033

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

20. Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of equity and debt securities at fair value through other comprehensive income until they are disposed of or impaired.

21. Translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

22. Borrowings

	Group and Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
Bank borrowings	<u>8,946,762</u>	<u>6,384,659</u>

The bank borrowings were obtained to finance the investment in investment securities. The bank borrowings are secured and have an average maturity of 1 to 31 (2024: 1 to 31) days from the end of the financial year. The approximately annual effective interest rates incurred for the financial year were between to 2% to 4% (2024: 2% to 4%).

As at 31 December 2025, the Group's and Company's bank borrowings are fully secured by the assets of the Company.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

22. Borrowings (continued)

A reconciliation of liabilities arising from Group's financing activities is as follows:

	At 1 January 2024 \$	Cash flows \$	Non-cash changes				At 31 December 2024 \$
			Acquisition \$	Accretion of interests \$	Foreign exchange movement \$	Other \$	
Liabilities							
Bank borrowings	7,251,753	(43,532,286)	42,323,377	347,039	(5,224)	-	6,384,659
Lease liabilities							
- current	20,000	(22,280)	-	2,280	-	-	-
- non-current	-	-	-	-	-	-	-
	20,000	(22,280)	-	2,280	-	-	-
	7,271,753	(43,554,566)	42,323,377	349,319	(5,224)	-	6,384,659

	At 1 January 2025 \$	Cash flows \$	Non-cash changes				At 31 December 2025 \$
			Acquisition \$	Accretion of interests \$	Foreign exchange movement \$	Other \$	
Liabilities							
Bank borrowings	6,384,659	(60,780,356)	63,191,538	193,983	(43,062)	-	8,946,762

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. Trade and other payables

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Trade payables:				
- Third parties	144,287	155,432	13,329	12,722
Other payables:				
Amount owing to director	200,000	-	-	-
Deposits received	458,141	425,514	301,761	286,383
GST payables	67,779	62,817	67,779	62,816
Accruals	81,298	65,480	45,331	45,853
	807,218	553,811	414,871	395,052
Total trade and other payables	951,505	709,243	428,200	407,774

24. Leases

Company as a lessor

The Company has entered into operating leases on its investment property. These leases are negotiated for terms ranging from one to three years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties.

Rental income from investment property is disclosed in Note 4.

Lease receivables

The Group leases its investment property under non-cancellable operating leases agreements (Note 13). These leases are negotiated for terms ranging from one to three years. The terms of the leases also require the tenants to pay a security deposit.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	Group	
	<u>2025</u>	<u>2024</u>
	\$	\$
Not later than one year	807,470	382,999
Later than one year but not later than five years	772,527	4,020
	1,579,997	387,019

25. Related party transactions

a) Sale and purchase of goods and services

The transaction between the Company and its subsidiaries have been eliminated on consolidation and not disclosed in this note.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

25. Related party transactions (continued)

b) Compensation of key management personnel

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	\$	\$	\$	\$
Directors				
Salaries and related cost	390,539	391,079	390,539	391,079
Contributions to defined contribution plans	16,372	15,724	16,372	15,724
Key management personnel (other than Directors)				
Salaries and related cost	161,265	160,265	161,265	160,265
Contributions to defined contribution plans	7,605	7,881	7,605	7,881
	575,781	574,949	575,781	574,949

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

26. Carrying amounts of financial assets and liabilities

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at were as follows:

	Group	
	<u>2025</u>	<u>2024</u>
	\$	\$
Financial assets at FVTPL	2,699,963	2,736,478
Financial assets that is debt instruments at FVTOCI	12,373,819	9,263,535
Financial assets that is an equity investment at FVTOCI	3,232,663	3,257,950
Financial assets measured at amortised cost		
Trade and other receivables *	65,943	51,740
Cash and cash equivalents	6,601,738	5,287,479
Total financial assets measured at amortised cost	6,667,681	5,339,219
Financial liabilities measured at amortised cost		
Trade and other payables ^	883,726	646,426
Borrowings	8,946,762	6,384,659
Dividend payable	379,347	364,328
Total financial liabilities measured at amortised cost	10,209,835	7,395,413

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Carrying amounts of financial assets and liabilities (continued)

	Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
Financial assets at FVTPL	2,699,963	2,736,478
Financial assets that is debt asset instrument at FVTOCI	12,373,819	9,263,535
Financial assets that is an equity investment at FVTOCI	3,232,663	3,257,950
Financial assets measured at amortised cost		
Trade and other receivables #	46,173	34,634
Amounts due from subsidiaries	1,169,252	1,146,675
Cash and cash equivalents	6,323,262	5,013,079
Total financial assets measured at amortised cost	7,538,687	6,194,388
Financial liabilities measured at amortised cost		
Trade and other payables	360,421	344,958
Borrowings	8,946,762	6,384,659
Dividend payable	379,347	364,328
Amounts due to subsidiaries	264,081	175,252
Total financial liabilities measured at amortised cost	9,950,611	7,269,197

* excluding prepayments and GST receivables

^ excluding GST payables

27. Fair value of financial instruments

a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
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27. Fair value of financial instruments (continued)

b) Assets measured at fair value

		Group and Company			
		Fair value measurements at the reporting date using			
		<u>Quoted prices in active markets for identical instruments</u>	<u>Significant observable inputs other than quote prices</u>	<u>Significant unobservable inputs</u>	<u>Total</u>
Note		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		\$	\$	\$	\$
2025					
Financial assets:					
	At fair value through profit or loss - debt securities (quoted)	-	1,918,671	-	1,918,671
16					
	At fair value through profit or loss - equity securities (quoted)	781,292	-	-	781,292
16					
	At fair value through other comprehensive income – debt securities (quoted)	12,373,819	-	-	12,373,819
16					
	At fair value through other comprehensive income – equity securities (quoted)	3,232,663	-	-	3,232,663
16					
	Financial assets as at 31 December 2025	16,387,774	1,918,671	-	18,306,445
2024					
Financial assets:					
	At fair value through profit or loss - debt securities (quoted)	-	1,681,952	-	1,681,952
16					
	At fair value through profit or loss - equity securities (quoted)	1,054,527	-	-	1,054,527
16					
	At fair value through other comprehensive income – debt securities (quoted)	9,263,534	-	-	9,263,534
16					
	At fair value through other comprehensive income – equity securities (quoted)	3,257,950	-	-	3,257,950
16					
	Financial assets as at 31 December 2024	13,576,011	1,681,952	-	15,257,963

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. Fair value of financial instruments (continued)

c) Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, other payables, dividend payable, amount due to a director and amounts due from/(to) subsidiaries

The carrying values of these balances are reasonable approximations of fair value due to their short-term nature.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Bank borrowings

The carrying amounts of bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

28. Financial risk management

The Group's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current financial period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. Financial risk management (continued)

(a) Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
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28. Financial risk management (continued)

(a) Credit risk (continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis of recognising excepted credit loss ("ECL")
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

Group	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 December 2025						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	34,732	-	34,732
Other receivables	15	I	12-month ECL	31,211	-	31,211
					-	
31 December 2024						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	18,182	-	18,182
Other receivables	15	I	12-month ECL	33,558	-	33,558
					-	

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Financial risk management (continued)

(a) Credit risk (continued)

Company	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 December 2025						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	18,639	-	18,639
Other receivables	15	I	12-month ECL	27,534	-	27,534
31 December 2024						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	7,150	-	7,150
Other receivables	15	I	12-month ECL	27,484	-	27,484

Trade receivables (Note 1)

For trade receivables, the Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Group		Company	
	2025 \$	2024 \$	2025 \$	2024 \$
Trade receivables past due but not impaired:				
- Less than 30 days	34,732	9,161	18,639	7,150
- 30 to 60 days	-	-	-	-
- 61 to 90 days	-	-	-	-
- More than 90 days	-	9,021	-	-
	34,732	18,182	18,639	7,150

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. Financial risk management (continued)

(a) Credit risk (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

The Group has no significant concentration of credit risk. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables and amounts due from subsidiaries

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group and the Company finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Group and the Company.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(b) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount \$	Contractual Cash flows \$	Group <u>2025</u> One year or less \$	Two to Five years \$
<u>Financial assets</u>				
Trade and other receivables *	65,943	65,943	65,943	-
Investment securities	18,306,445	18,306,445	2,699,963	15,606,482
Cash and cash equivalents	6,601,738	6,601,738	6,601,738	-
Total undiscounted financial assets	<u>24,974,126</u>	<u>24,974,126</u>	<u>9,367,644</u>	<u>15,606,482</u>
<u>Financial liabilities</u>				
Trade and other payables ^	883,726	883,726	883,726	-
Borrowings	8,946,762	8,946,762	8,946,762	-
Dividend payable	379,347	379,347	379,347	-
Total undiscounted financial liabilities	<u>10,209,835</u>	<u>10,209,835</u>	<u>10,209,835</u>	<u>-</u>
Total net undiscounted financial assets/(liabilities)	<u>14,764,291</u>	<u>14,764,291</u>	<u>(842,191)</u>	<u>15,606,482</u>

* excluding prepayments and GST receivables

^ excluding GST payables

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Group 2024			
	Carrying amount \$	Contractual Cash flows \$	One year or less \$	Two to Five years \$
<u>Financial assets</u>				
Trade and other receivables *	51,740	51,740	51,740	-
Investment securities	15,257,963	15,257,963	2,736,478	12,521,485
Cash and cash equivalents	5,287,479	5,287,479	5,287,479	-
Total undiscounted financial assets	20,597,182	20,597,182	8,075,697	12,521,485
<u>Financial liabilities</u>				
Trade and other payables ^	646,426	646,426	646,426	-
Borrowings	6,384,659	6,386,704	6,386,704	-
Dividend payable	364,328	364,328	364,328	-
Total undiscounted financial liabilities	7,395,413	7,397,458	7,397,458	-
Total net undiscounted financial assets	13,201,769	13,199,724	678,239	12,521,485
Company 2025				
	Carrying amount \$	Contractual Cash flows \$	One year or less \$	Two to Five years \$
<u>Financial assets</u>				
Trade and other receivables #	46,173	46,173	46,173	-
Investment securities	18,306,445	18,306,445	2,699,963	15,606,482
Amounts due from subsidiaries	1,203,952	1,203,952	1,203,952	-
Cash and cash equivalents	6,323,262	6,323,262	6,323,262	-
Total undiscounted financial assets	25,879,832	25,879,832	10,273,350	15,606,482
<u>Financial liabilities</u>				
Trade and other payables ^	360,421	360,421	360,421	-
Borrowings	8,946,762	8,946,762	8,946,762	-
Dividend payable	379,347	379,347	379,347	-
Amounts due to subsidiaries	264,081	264,081	264,081	-
Total undiscounted financial liabilities	9,950,611	9,950,611	9,950,611	-
Total net undiscounted financial assets	15,929,221	15,929,221	322,739	15,606,482

* excluding prepayments and GST receivables

^ excluding GST payables

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Company 2024			
	Carrying amount \$	Contractual Cash flows \$	One year or less \$	Two to Five years \$
<u>Financial assets</u>				
Trade and other receivables #	34,634	34,634	34,634	-
Investment securities	15,257,963	15,257,963	2,736,478	12,521,485
Amounts due from subsidiaries	1,146,675	1,146,675	1,146,675	-
Cash and cash equivalents	5,013,079	5,013,079	5,013,079	-
Total undiscounted financial assets	<u>21,452,351</u>	<u>21,452,351</u>	<u>8,930,866</u>	<u>12,521,485</u>
<u>Financial liabilities</u>				
Trade and other payables ^	344,958	344,958	344,958	-
Borrowings	6,384,659	6,386,704	6,386,704	-
Dividend payable	364,328	364,328	364,328	-
Amounts due to subsidiaries	175,252	175,252	175,252	-
Total undiscounted financial liabilities	<u>7,269,197</u>	<u>7,271,242</u>	<u>7,271,242</u>	<u>-</u>
Total net undiscounted financial assets	<u>14,183,154</u>	<u>14,181,109</u>	<u>1,659,624</u>	<u>12,521,485</u>

* excluding deferred costs, prepayments, GST receivables and tax recoverable.

^ excluding deferred grant income and GST payables

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's and the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from borrowings.

The Group and the Company does not expect any significant effect on the Group's and the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. Financial risk management (continued)

(c) Market risk (continued)

At the reporting date, the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	Group and Company	
	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Fixed rate instruments</u>		
Financial liabilities	8,946,762	6,384,659

The Group's and the Company's exposure to risk of changes in interest rate relates primarily to the Group's and the Company's variable interest rate loans which reprices on 12 months as may be agreed with the banks.

Interest on financial instruments at fixed rates are fixed until the maturity of the instruments and are not subject to interest rate risk.

Sensitivity analysis for interest rate risk

For the variable interest rate loans, an increase of 100 basis point in interest rate at the reporting date would decrease profit before tax by \$89,468 (2024: \$62,453). A decrease in 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all variables, in particular foreign currency rates, remain constant.

Foreign currency risk

The Group's and the Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group and the Company does not have any formal policy for hedging against currency risk. The Group and the Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Group and the Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Group and the Company, primarily Euro (EUR), Great Britain Pound (GBP), Hong Kong Dollar (HKD), Australian Dollar (AUD) and United States Dollar (USD).

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(c) Market risk (continued)

Foreign currency risk (continued)

The Group's currency exposures to the EUR, GBP, HKD, AUD and USD at the reporting date were as follows:

	Group 2025					
	EUR	GBP	HKD	AUD	USD	Others
	\$	\$	\$	\$	\$	\$
<u>Financial assets</u>						
Trade and other receivables	-	-	-	-	-	3,527
Investment securities	2,955,261	1,607,446	3,132,616	1,327,616	6,191,199	111,148
Cash and cash equivalents	18,098	55,403	14,346	5,467	84,272	29,047
	2,973,359	1,662,849	3,146,962	1,333,083	6,275,471	143,722
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	-	-	151,511
Borrowings	2,822,643	1,652,514	531,488	1,381,521	1,451,027	1,107,570
	2,822,643	1,652,514	531,488	1,381,521	1,451,027	1,259,081
Net financial assets/(liabilities)	150,716	10,335	2,615,474	(48,438)	4,824,444	(1,115,359)

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(c) Market risk (continued)

Foreign currency risk (continued)

The Group's currency exposures to the EUR, GBP, HKD, IDR and USD at the reporting date were as follows:

	EUR	GBP	HKD	Group 2024	IDR	USD	Others
	\$	\$	\$		\$	\$	\$
<u>Financial assets</u>							
Trade and other receivables	-	-	-		2,019	-	5,254
Investment securities	559,715	883,448	3,031,473		-	6,120,278	972,367
Cash and cash equivalents	9,430	27,545	11,849		8,028	3,820,944	15,798
	<u>569,145</u>	<u>910,993</u>	<u>3,043,322</u>		<u>10,047</u>	<u>9,941,222</u>	<u>993,419</u>
<u>Financial liabilities</u>							
Trade and other payables	-	-	-		145,090	-	5,275
Borrowings	994,214	905,292	1,032,131		-	-	701,896
	<u>994,214</u>	<u>905,292</u>	<u>1,032,131</u>		<u>145,090</u>	<u>-</u>	<u>707,171</u>
Net financial assets/(liabilities)	<u>(425,069)</u>	<u>5,701</u>	<u>2,011,191</u>		<u>(135,043)</u>	<u>9,941,222</u>	<u>286,248</u>

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(c) Market risk (continued)

Foreign currency risk (continued)

The Company's currency exposures to the EUR, GBP, HKD, AUD and USD at the reporting date were as follows:

	Company 2025					
	EUR	GBP	HKD	AUD	USD	Others
	\$	\$	\$	\$	\$	\$
<u>Financial assets</u>						
Investment securities	2,955,261	1,607,446	3,132,616	1,327,616	6,191,199	111,148
Cash and cash equivalents	18,098	55,403	14,346	5,467	84,272	7,717
	2,973,359	1,662,849	3,146,962	1,333,083	6,275,461	118,865
<u>Financial liabilities</u>						
Borrowings	2,822,643	1,652,514	531,488	1,381,521	1,451,027	1,107,570
Amount due to subsidiaries	-	-	-	-	11,818	-
	2,822,643	1,652,514	531,488	1,381,521	1,462,845	1,107,570
Net financial assets/(liabilities)	150,716	10,335	2,615,474	(48,438)	4,812,626	(988,705)

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(c) Market risk (continued)

Foreign currency risk (continued)

The Company's currency exposures to the EUR, GBP, HKD, IDR and USD at the reporting date were as follows:

	Company 2024					
	EUR	GBP	HKD	IDR	USD	Others
	\$	\$	\$	\$	\$	\$
<u>Financial assets</u>						
Investment securities	559,715	883,448	3,031,473	-	6,120,278	972,367
Cash and cash equivalents	9,430	27,545	11,849	-	3,800,320	11,536
	<u>569,145</u>	<u>910,993</u>	<u>3,043,322</u>	<u>-</u>	<u>9,920,598</u>	<u>983,903</u>
<u>Financial liabilities</u>						
Borrowings	994,214	905,292	1,032,131	-	-	701,896
Net financial assets/(liabilities)	<u>(425,069)</u>	<u>5,701</u>	<u>2,011,191</u>	<u>-</u>	<u>9,920,598</u>	<u>282,007</u>

GENERAL MAGNETICS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

28. Financial risk management (continued)

(c) Market risk (continued)

Foreign currency risk (continued)

Others comprises of Malaysian Ringgit (MYR), Japanese Yen (JPY) and Chinese Renminbi (CNY). A 10% strengthening of functional currency against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	Profit before tax		Profit before tax	
	2025	2024	2025	2024
	\$	\$	\$	\$
Euro	12,509	(35,281)	12,509	(35,281)
Great Britain Pound	858	473	858	473
Hong Kong Dollar	217,084	166,929	217,084	166,929
Australian Dollar	(4,020)	-	(4,020)	-
United States Dollar	400,429	825,121	399,448	823,410

A 10% weakening of functional currency against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

29. Dividends declared

	2025	2024
	\$	\$
Declared during the year:		
Interim dividend at 0.3 cents and payable on 3 June 2026	300,000	-
Interim dividend at 0.3 cents and paid on 2 June 2025	-	300,000
	300,000	300,000

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Group comprises issued share capital, retained earnings and other reserves.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

31. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 26 May 2026.