

Semi-Annual Report

March 2026

For the Period Ended 31 March 2026

Areca Dividend Income Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT MARCH 2026

✦ ARECA DIVIDEND INCOME FUND

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CORPORATE DIRECTORY

MANAGER

Areca Capital Sdn Bhd
Company No: 200601021087 (740840-D)
107, Blok B, Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor
Tel: 603-7956 3111, Fax: 603-7955 4111
website: www.arecacapital.com
e-mail: invest@arecacapital.com

BOARD OF DIRECTORS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Wong Teck Meng
(Non-Independent Executive/Chief Executive Officer)

INVESTMENT COMMITTEE MEMBERS

Raja Datuk Zaharaton Bt Raja Dato' Zainal Abidin
(Independent Non-Executive Chairman)
Dr. Junid Saham
(Independent Non-Executive)
Dato' Seri Lee Kah Choon
(Independent Non-Executive)

TRUSTEE

Maybank Trustees Berhad
Company No: 196301000109 (5004-P)
22nd Floor, Tower 1, Etiqa Twin Towers
11, Jalan Pinang
50450 Kuala Lumpur
Tel: 603-2177 5999, Fax: 603-2177 5974

AUDITOR

Deloitte Malaysia PLT (*formerly known as
Deloitte PLT*) (LLP0010145-LCA)
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 8986

TAX ADVISER

Deloitte Malaysia Tax Services Sdn Bhd
(*formerly known as Deloitte Tax Services
Sdn Bhd*) (197701005407 (36421-T))
Level 16, Menara LGB
1 Jalan Wan Kadir, Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 603-7610 8888, Fax: 603-7726 8986

MANAGER'S OFFICE AND BRANCHES

HEAD OFFICE

107, Blok B, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor
Tel: 603-7956 3111, Fax: 603-7955 4111
website: www.arecacapital.com
e-mail: invest@arecacapital.com

PENANG BRANCH

368-2-02 Bellisa Row
Jalan Burma, Georgetown
10350 Pulau Pinang
Tel : 604-210 2011
Fax: 604-210 2013

KUCHING BRANCH

1st Floor, Sublot 3
Lot 7998, Block 16
KCLD, Cha Yi Goldland
Jalan Tun Jugah/Stutong
93350 Kuching, Sarawak
Tel : 6082-572 472

IPOH BRANCH

11, Persiaran Greentown 5
Greentown Business Centre
30450 Ipoh, Perak
Tel : 605-249 6697
Fax: 605-249 6696

JOHOR BRANCH

No 105, Jalan Meranti Merah
Taman Melodies
80250 Johor Bahru
Tel : 607-336 3689

MALACCA BRANCH

95A, Jalan Melaka Raya 24
Taman Melaka Raya
75000 Melaka
Tel : 606-282 9111
Fax: 606-283 9112

KOTA KINABALU BRANCH

Unit 5-1-8, 1st Floor
Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 6088-276 757

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ARECA DIVIDEND INCOME FUND

FUND INFORMATION

Name of the Fund	Areca Dividend Income Fund
Fund Category/ Type	Equity Fund/Income and Growth
Objective of the Fund	To provide investors regular income while providing long term capital appreciation.
Performance Benchmark	1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category
Distribution Policy of the Fund	The Fund will declare income distribution quarterly subject to the availability of the realised income received.
Rebates & Soft Commissions	<p>During the period under review, the Manager has received soft commissions from brokers and dealers by virtue of transactions conducted for the Fund and other funds managed by the Manager. The soft commissions were received in the form of goods and services, including financial data provider services such as access to the Bloomberg terminal, securities price quotations, fund performance benchmarks, and investment research.</p> <p>These goods and services are utilised to assist the Manager in the investment decision-making process and are of demonstrable benefit to the unitholders of the Fund. The Manager confirms that the soft commissions were accepted in compliance with the relevant regulatory requirements, that there was no churning of trades, and that all transactions were executed on terms most favourable to the Fund.</p>
Inception Date	15 February 2017
Financial Year End	30 September

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ARECA DIVIDEND INCOME FUND

FUND PERFORMANCE

	2026	2025	2024
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	104.59	90.78	108.92
Units in circulation (million units)	70.58	71.81	80.71
NAV per unit (RM)	1.4820	1.2641	1.3494

HIGHEST & LOWEST NAV per unit			
<i>Please refer to Note 1 for further information on NAV and pricing policy</i>			
Highest NAV per unit (RM)	1.5077	1.4556	1.3496
Lowest NAV per unit (RM)	1.4069	1.2276	1.2216

ASSET ALLOCATION % of NAV			
Quoted equity securities - local			
Construction	5.18	8.94	10.89
Consumer Products & Services	3.25	2.90	9.60
Energy	11.48	6.33	9.52
Financial Services	15.56	17.71	13.42
Health Care	2.10	9.26	10.17
Industrial Products & Services	10.79	5.88	1.50
Plantation	1.15	-	-
Property	5.23	2.09	9.27
Real Estate Investment Trust	3.31	6.43	5.88
Technology	7.17	10.09	7.68
Telecommunications & Media	-	5.63	-
Transportation & Logistics	-	1.80	5.76
Utilities	8.22	3.29	1.05
Quoted collective investment scheme - foreign			
Real Estate Investment Trust	2.07	-	-
Unquoted collective investment schemes - local	7.92	13.02	6.40
Unquoted securities - local			
Preferences Shares	-	1.10	-
Liquid assets and other net current assets	16.57	5.53	8.86

DISTRIBUTION	
There was no distribution for the financial period under review.	

UNIT SPLIT	
There was no unit split exercise for the financial period under review.	

EXPENSE/TURNOVER			
Total expense ratio (TER) (%)			
<i>Please refer to Note 2 for further information</i>	1.01	0.92	0.96
Portfolio turnover ratio (PTR) (times)			
<i>Please refer to Note 3 for further information</i>	0.84	0.70	0.56

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FUND PERFORMANCE

	30.09.2025 to 31.03.2026	30.09.2024 to 31.03.2025	30.09.2023 to 31.03.2024		
TOTAL RETURN					
<i>Please refer to Note 4 for further information</i>					
Total Return (%)	3.28	(8.41)		8.08	
- Capital growth (%)	3.28	(8.41)		8.08	
- Income distribution (%)	-	-		-	
	2026	2025	2024	2023	2022
Annual Total Return (%)	6.68*	(16.16)*	16.76*	(3.70)*	(9.85)*
Performance Benchmark (%): 1-year Average Returns of the funds under "Equity Malaysia Income" Non- Islamic category	1.63*	(8.90)*	27.73*	13.23*	(2.73)*
<i>* Annualised for comparison purpose only</i>					
		1-yr	3-yrs	5-yrs	
Average Total Return per annum (%)		17.23	8.33	1.75	

NOTES:

Note 1: Selling of units by the Management Company (i.e. when you purchase units and invest in the Fund) and redemption of units by the Management Company (i.e. when you redeem your units and liquidate your investments) will be carried out at NAV per unit (the actual value of a unit). The entry/exit fee (if any) would be computed separately based on your net investment/liquidation amount.

Note 2: TER is calculated based on the total fees and expenses incurred by the Fund, divided by the average net asset value calculated on a daily basis.

Note 3: PTR is computed based on the average of the total acquisitions and total disposals of the investment securities of the Fund, divided by the average net asset value calculated on a daily basis.

Note 4: Fund performance figures are calculated based on NAV to NAV and assume reinvestment of distributions (if any) at NAV. The benchmark performance, based on the 1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category, is calculated assuming investment in the index. The total return and benchmark data are sourced from Lipper.

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

FUND REVIEW

During the period under review, the Fund outperformed its benchmark (1-year Average Returns of the funds under "Equity Malaysia Income" Non-Islamic category of the Malaysia Lipper Fund table, "peers benchmarking") with a total return of 3.28% compared to benchmark's return of 0.68%.

Since launch in February 2017, the Fund recorded a total return of 106.32% compared to the benchmark return of 55.01%. In view of the outperformance over longer-term benchmark, the Fund has actually achieved its investment objective to provide investors regular income while providing long term capital appreciation.

The current strategy of the Fund is to invest in high quality dividend yield names to cushion the market volatility. The Fund also tactically overweighed energy and commodities names in view of elevated geopolitical risk. Meanwhile, we also reserve a decent level of cash as we plan to accumulate high-quality stocks during periods of market weakness, focusing on those with solid fundamentals that are well-positioned for long-term growth.

Investment Policy and Strategy

The current strategy of the Fund is to invest mainly in conventionally high dividend yield stocks in sectors such as financials (benefitting from interest rate hikes), Real Estate Investment Trust (REIT) and consumers (benefitting from economic reopening), while remaining invested in some future dividend growers which are either cash rich or generate strong free cash flows for medium to long term prospect.

NAV per unit as at 31 March 2026

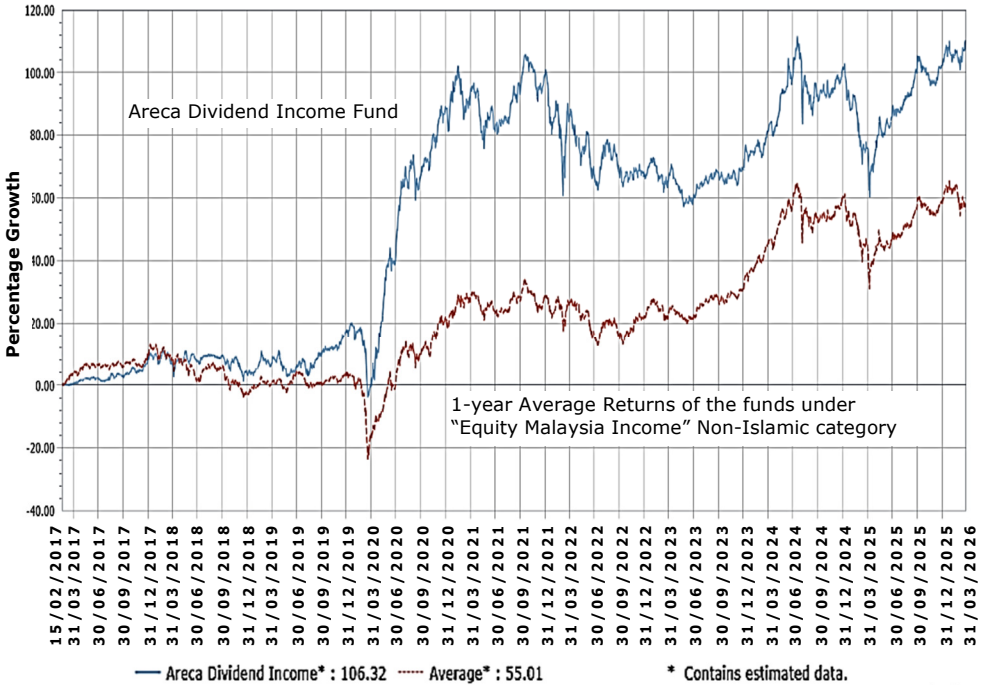
RM1.4820

Asset Allocation/Portfolio Composition	2026	2025	2024
Quoted equity securities - local	73.44%	80.35%	84.74%
Quoted collective investment scheme - foreign	2.07%	-	-
Unquoted collective investment schemes - local	7.92%	13.02%	6.40%
Unquoted securities - local	-	1.10%	-
Liquid assets and other net current assets	16.57%	5.53%	8.86%

FUND REVIEW

Performance of Areca Dividend Income Fund
for the period since inception to 31 March 2026

Total Return of Areca Dividend Income Fund vs Benchmark



MALAYSIAN EQUITY MARKET REVIEW

During the period under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") gained 4.90% to 1,690 points, while the broader FTSE Bursa Malaysia EMAS Index ("FBMEMAS") advanced 2.70% to 12,304 points. Separately, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") plunged 12.10% to 14,646 points, underperforming the broader market.

Foreign investors remained net sellers for the period, bringing net outflows to MYR6.0 billion. In contrast, domestic institutions were net buyers, recording inflows of MYR9.7 billion while domestic retail investors were net sellers at MYR3.7 billion.

Local equity markets rallied strongly through late 2025, supported by a favourable policy backdrop and improving macro sentiment. Key catalysts included the United States ("US")-Malaysia reciprocal trade agreement, the rollout of Budget 2026, and a series of rate cuts by the Federal Reserve in September, October and December, which helped ease global financial conditions. Gains accelerated into year-end, with the FBMKLCI lifted by window-dressing activities and a firmer Ringgit.

The positive momentum extended into early 2026, underpinned by sustained foreign inflows, improved liquidity, and currency strength. However, sentiment turned more cautious towards the end of the period as escalating Middle East tensions, notably the disruption of the Strait of Hormuz, pushed Brent crude oil prices sharply higher to as much as US\$118 per barrel. Furthermore, market performance became increasingly selective and volatile, with small caps lagging due to weaker earnings delivery, lingering uncertainty over global monetary policy, and heightened geopolitical risks.

On the policy front, Prime Minister ("PM") Anwar Ibrahim's mid-December cabinet reshuffle provided additional clarity on governance continuity. The US-Malaysia reciprocal trade agreement improved export visibility, with up to 1,700 Malaysian products now benefiting from tariffs below 19.00%. Domestically, the RM470 billion Budget 2026 reaffirmed the government's commitment to fiscal consolidation, targeting a narrower fiscal deficit of 3.50% of Gross Domestic Product ("GDP") versus 3.80% previously. Meanwhile, approved investments reached RM285.2 billion in the first nine months of 2025, up 13.20% year-on-year ("YoY"), reinforcing confidence in Malaysia's medium-term growth outlook.

In commodities, Brent crude surged 76.70% to \$118.4/barrel amid escalating geopolitical tensions. Similarly, Crude Palm Oil ("CPO") advanced 9.90% to RM4,728/tonne. Meanwhile, the Dollar index gained 2.20% to 99.96 for the period while the Ringgit strengthened 3.80% against the greenback, reaching 4.05.

Sector-wise, plantation (+15.00%), financials (+10.00%) and industrials (+7.00%) outperformed, while construction (-23.00%), telecommunications (-14.00%) and utilities (-13.00%) underperformed. Among the FBMKLCI constituents, the top gainers were Petronas Chemicals (+44.00%), Sunway Healthcare (+38.00%), and Press Metal (+35.00%), while the biggest laggards were YTL Corp (-16.00%), CelcomDigi (-17.00%), and Gamuda (-11.00%).

MALAYSIAN EQUITY MARKET OUTLOOK

Malaysia occupies a structurally differentiated position in the current environment. The country is both an oil and gas producer through Petroliam Nasional Berhad ("PETRONAS") and the upstream sector, and a significant net importer of refined petroleum products and petrochemicals. This dual exposure makes the net economic impact of elevated crude prices more nuanced. On the positive side, higher oil prices support government revenues through PETRONAS dividends and petroleum income taxes, providing fiscal headroom and enabling continued infrastructure spending. Malaysia's trade surplus, which reached RM16.70 billion in February 2026 and was partly driven by commodity exports, is likely to receive further support from elevated energy export revenues in the near term.

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On the other hand, rising refined product import costs and higher petrochemical feedstock prices are creating inflationary pressures. Malaysia's inflation rate, which stood at a relatively benign 1.40% YoY in February 2026, is expected to face upward pressure from fuel and transportation cost pass-through. Bank Negara Malaysia, which maintained the overnight policy rate at 2.75% at its latest meeting, now faces a delicate balance between supporting economic growth and containing imported inflation.

The ceasefire on April 8 introduces a new dynamic for Malaysia. The immediate implication is a partial reversal of the oil price spike that had supported the domestic energy sector. With Brent crude declining following the ceasefire announcement, oil and gas stocks may face near-term profit-taking. However, prices remain well above the pre-conflict level of approximately USD73 per barrel, meaning Malaysia's energy sector continues to benefit from an elevated price environment relative to the start of the year. For the broader economy, the ceasefire is clearly positive, as it reduces inflation risks, supports domestic consumption, and lowers the probability of a global growth slowdown that would otherwise weigh on Malaysia's export-oriented sectors.

As discussed earlier, our base case assumed that the conflict would be intense but relatively short, lasting approximately two to four weeks, which has largely materialised. At the fund level, we had prudently raised cash ahead of the conflict as part of our proactive risk management approach and deployed selectively during periods of market weakness. The current two-week ceasefire window, with peace talks scheduled to begin in Islamabad on April 10, represents the most meaningful step toward a durable resolution since the conflict began. While risks remain, including the possibility of a ceasefire breakdown or incomplete reopening of the Strait of Hormuz, we believe the balance of probabilities has shifted meaningfully toward a resolution scenario. We remain disciplined in balancing prudent risk management with the pursuit of long-term investment opportunities.

CROSS TRADE

No cross trade transactions have been carried out during the financial period under review.

SECURITIES FINANCING TRANSACTIONS

The Fund had not undertaken any securities financing transactions during the financial period under review.

STATE OF AFFAIRS

There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.

TRUSTEE'S REPORT

To the Unitholders of Areca Dividend Income Fund ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 March 2026 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Areca Capital Sdn Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deeds; and
3. Any creation and cancellation of units are carried out in accordance with the deeds and any regulatory requirement.

For Maybank Trustees Berhad
[Registration No: 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM
HEAD, UNIT TRUST & CORPORATE OPERATIONS

Kuala Lumpur
26 May 2026

STATEMENT BY MANAGER

To the Unitholders of Areca Dividend Income Fund

We, **WONG TECK MENG** and **DR. JUNID SAHAM**, two of the Directors of the Manager, Areca Capital Sdn Bhd, do hereby state that in the opinion of the Manager, the accompanying unaudited financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 March 2026 and the financial performance and the cash flows of the Fund for the financial period ended on that date.

For and on behalf of the Manager
Areca Capital Sdn Bhd

WONG TECK MENG
CEO/EXECUTIVE DIRECTOR

Dr. JUNID SAHAM
INDEPENDENT NON-EXECUTIVE DIRECTOR

Kuala Lumpur
26 May 2026

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UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 March 2026

	Note	31.03.2026	31.03.2025
		RM	RM
Assets			
Investments	5	87,267,899	85,753,459
Cash and cash equivalents	6	17,030,306	3,516,374
Amount due from stockbrokers		2,359,265	2,454,180
Dividend receivables		<u>179,926</u>	<u>312,548</u>
Total Assets		<u><u>106,837,396</u></u>	<u><u>92,036,561</u></u>
 Unitholders' Fund And Liabilities			
Liabilities			
Amount due to Manager		-	964,923
Amount due to stockbrokers		2,049,588	142,513
Other payables and accrued expenses	7	<u>192,880</u>	<u>151,760</u>
Total Liabilities		<u><u>2,242,468</u></u>	<u><u>1,259,196</u></u>
 Unitholders' Fund			
Unitholders' capital		99,844,262	101,360,805
Retained earnings/(Accumulated losses)		<u>4,750,666</u>	<u>(10,583,440)</u>
Net Asset Value Attributable To Unitholders		<u><u>104,594,928</u></u>	<u><u>90,777,365</u></u>
 Total Unitholders' Fund And Liabilities			
		<u><u>106,837,396</u></u>	<u><u>92,036,561</u></u>
 Number Of Units In Circulation			
	8	<u><u>70,578,912</u></u>	<u><u>71,813,359</u></u>
Net Asset Value Per Unit (RM)		<u><u>1.4820</u></u>	<u><u>1.2641</u></u>

The accompanying Notes form an integral part of the Financial Statements.

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ARECA DIVIDEND INCOME FUND

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 31 March 2026

	Note	01.10.2025 to 31.03.2026 RM	01.10.2024 to 31.03.2025 RM
Investments Income/(Loss)			
Dividend income		1,180,220	1,220,630
Interest income		145,877	147,040
Net gain/(loss) on investments at fair value through profit or loss ("FVTPL")	5	3,443,047	(8,433,155)
Net loss on foreign exchange		(28,467)	-
Total Investments Income/(Loss)		<u>4,740,677</u>	<u>(7,065,485)</u>
Expenditure			
Management fee	9	(926,333)	(890,380)
Trustee's fee	10	(25,721)	(25,306)
Audit fee		(5,285)	(4,999)
Tax agent's fee		(1,939)	(3,984)
Transaction costs		(481,221)	(387,024)
Other expenses		(83,275)	(22,567)
Total Expenditure		<u>(1,523,774)</u>	<u>(1,334,260)</u>
Net Income/(Loss) Before Taxation		3,216,903	(8,399,745)
Taxation	11	-	-
Net Income/(Loss) After Taxation And Total Comprehensive Income/(Loss) For The Financial Period		<u>3,216,903</u>	<u>(8,399,745)</u>
Net Income/(Loss) After Taxation Is Made Up Of:			
Realised gain/(loss)		4,946,897	(2,314,948)
Unrealised loss		(1,729,994)	(6,084,797)
		<u>3,216,903</u>	<u>(8,399,745)</u>

The accompanying Notes form an integral part of the Financial Statements.

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UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 March 2026

	Unitholders' capital RM	(Accumulated losses)/ Retained earnings RM	Total net asset value RM
Balance as at 1 October 2024	104,470,445	(2,183,695)	102,286,750
Amounts received from units created	5,643,767	-	5,643,767
Amounts paid for units cancelled	(8,753,407)	-	(8,753,407)
Total comprehensive loss for the financial period	-	(8,399,745)	(8,399,745)
Balance as at 31 March 2025	<u>101,360,805</u>	<u>(10,583,440)</u>	<u>90,777,365</u>
Balance as at 1 October 2025	96,598,687	1,533,763	98,132,450
Amounts received from units created	8,023,332	-	8,023,332
Amounts paid for units cancelled	(4,777,757)	-	(4,777,757)
Total comprehensive income for the financial period	-	3,216,903	3,216,903
Balance as at 31 March 2026	<u>99,844,262</u>	<u>4,750,666</u>	<u>104,594,928</u>

The accompanying Notes form an integral part of the Financial Statements.

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UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 31 March 2026

	Note	01.10.2025 to 31.03.2026 RM	01.10.2024 to 31.03.2025 RM
Cash Flows From/(Used In) Operating Activities			
Proceeds from disposal of investments		94,409,920	65,020,878
Purchase of investments		(84,386,616)	(74,686,714)
Dividend income received		1,094,231	1,137,314
Interest received		145,877	147,040
Cash capital distribution received		474,493	-
Management fee paid		(902,597)	(910,167)
Trustee's fee paid		(25,297)	(25,573)
Transaction costs paid		(497,064)	(378,496)
Payment for other fees and expenses		(80,988)	(14,127)
Net Cash From/(Used In) Operating Activities		<u>10,231,959</u>	<u>(9,709,845)</u>
Cash Flows From/(Used In) Financing Activities			
Cash proceeds from units created		8,023,332	5,675,481
Payment for cancellation of units		(4,777,757)	(7,788,484)
Net Cash From/(Used In) Financing Activities		<u>3,245,575</u>	<u>(2,113,003)</u>
Net Increase/(Decrease) In Cash And Cash Equivalents			
		13,477,534	(11,822,848)
Effects Of Foreign Currency Exchange			
		(28,467)	-
Cash And Cash Equivalents At Beginning Of Period			
		<u>3,581,239</u>	<u>15,339,222</u>
Cash And Cash Equivalents At End Of Period			
		<u>17,030,306</u>	<u>3,516,374</u>
Cash And Cash Equivalents Comprise:			
Cash at banks	6	13,981	7,730
Short-term deposits	6	17,016,325	3,508,644
		<u>17,030,306</u>	<u>3,516,374</u>

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca Dividend Income Fund ("the Fund") was established pursuant to the Trust Deed dated 20 January 2017, as modified by the First Supplemental Deed dated 29 August 2022 ("the Deeds") between Areca Capital Sdn Bhd as the Manager, Maybank Trustees Berhad as the Trustee and all the registered unitholders of the Fund.

The principal activity of the Fund is to invest in "Permitted Investments" as defined under Schedule 7 of the Deeds, which include ordinary shares and other equity-related securities such as convertible securities, preference shares, and warrants listed on the Bursa Malaysia or other public exchanges in Malaysia, securities in foreign stock exchanges which have been approved by the relevant authorities from time to time, unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer, placement of deposits with financial institution, units and shares in other collective investment schemes, derivatives such as futures contract for hedging purposes only and any form of investments arising from exercising of an entitlement accruing on the other permitted investment. The Fund was launched on 15 February 2017 and will continue its operations until terminated in accordance with the conditions provided in Part 12 of the Deeds.

The investment objective of the Fund is to provide investors with regular income while providing long term capital appreciation. Any material change to the investment objective of the Fund would require unitholders' approval.

The Manager of the Fund is Areca Capital Sdn Bhd, a company incorporated in Malaysia. It is engaged in managing, administering, marketing and distributing unit trust funds, managing and administering funds under private mandates and the regulated activities of financial planning and providing investment advice.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the relevant Securities Commission Malaysia guidelines.

Adoption of Amendments to MFRS

The Fund has applied the following relevant Amendments for the first time for the financial period beginning on 1 October 2025:

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability*

The adoption of the above did not give rise to any material effects on the financial statements of the Fund.

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New MFRS and Amendments to MFRSs in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the relevant new MFRS and Amendments to MFRSs which were in issue by the MASB but not yet effective and not early adopted by the Fund are listed below:

	Effective for annual periods beginning on or after
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The Manager of the Fund anticipates that the abovementioned new MFRS and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these new MFRS and Amendments to MFRSs is not expected to have material impact on the financial statements of the Fund in the period of initial application.

3 MATERIAL ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Fund have been prepared under the historical cost convention except for financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value-in-use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

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ARECA DIVIDEND INCOME FUND

Income Recognition

Dividend income is recognised based on the date when the right to receive the dividend has been established.

Interest income from short-term deposits is recognised on an accrual basis based on the effective yield of the asset.

Realised gain and loss on disposal of investments is arrived at based on net sales proceeds less carrying value. Any unrealised gain and loss previously charged to profit or loss in relation to the disposal of this investment will be reversed and classified as realised gain or loss during the financial period.

Unrealised gains and losses are calculated based on changes in the fair value of financial instruments at the end of the reporting period.

Transaction Costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the profit or loss.

Income Tax

Pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967, interest income derived by the Fund is exempt from tax, and pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967, gains from realisation of investments are not treated as income and is also exempt from tax.

Functional and Presentation Currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

Foreign Currency Translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing as at the date of the statement of financial position. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

Translation differences on non-monetary financial assets such as foreign quoted collective investment scheme classified as investments at fair value through profit and loss are recognised in profit or loss as part of the fair value gain or loss.

Unitholders' Capital

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments.

The units in the Fund are puttable instruments which entitle the unitholders to a pro-rata share of the net asset value of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset value of the Fund.

Creation and Cancellation of Units

The Fund issues cancellable units, which are cancelled at the unitholders' option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding units are carried at the redemption amount that is payable at the net asset value if the holder exercises the right to put the units back to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

Financial Instruments

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Financial Assets

(i) Classification

The Fund classified its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Fund can make an irrevocable election at the time of initial recognition to account for the equity investments either at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

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

Impairment of Financial Assets

The Fund assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

The Fund applies the simplified approach under MFRS 9 which requires expected lifetime loss to be recognised from initial recognition. The expected loss allowance is based on provisional matrix.

Derecognition of Financial Assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Equity Instruments

The Fund measures its equity investments at fair value with gains or losses on valuation recognised in profit or loss unless the Fund's management has made an irrevocable election to recognise the fair value gains and losses in other comprehensive income at its initial stage.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial Liabilities Measured Subsequently at Amortised Cost

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant years. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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ARECA DIVIDEND INCOME FUND

Investments

Investment in quoted equity securities are classified as FVTPL and valued at the last done market price quoted on Bursa Malaysia at the end of the reporting period.

Investments in quoted collective investment scheme are classified as FVTPL and valued at the last done market price quoted on Singapore Exchange at the end of the reporting period.

Investments in unquoted collective investment schemes are valued at FVTPL based on the Net Asset Value ("NAV") of such unquoted collective investment schemes at the end of the reporting period.

Unquoted securities in preference shares are valued at FVTPL. Where no market data is available, the Fund will value the investment based on valuation methods and techniques generally recognised as standard within the industry.

Gains or losses arising from the changes in the fair value of the investments are recognised in the profit or loss and are classified as unrealised gain or loss.

Classification of Realised and Unrealised Gains and Losses

Gains or losses arising from the disposal of financial instruments are recognised as realised gains or losses in the profit or loss.

Gain or losses arising from the changes in the valuation of financial instruments at the end of the reporting period are recognised as unrealised gains or losses in the profit or loss.

Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, where it is probable that the Fund will be required to settle that obligation and a reliable estimate can be made of the amount or timing of the obligation.

The amount recognised as a provision will be the best estimate of the amount required to settle the present obligation at the reporting date, taking into account the uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount will be the present value of those cash flows.

Statement of Cash Flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash and cash equivalents, which comprise cash and balances with banks and other financial institutions and deposit placements, are short-term, highly liquid investments with maturities of three months or less from the date of acquisition or are readily convertible to cash with insignificant risk of changes in value.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying accounting policies

In the process of applying the Fund's accounting policies, which are described in Note 3 above, the Manager is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

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ARECA DIVIDEND INCOME FUND

(ii) **Key sources of estimation uncertainty**

The Manager believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period except as disclosed below:

(a) Fair value estimation of preference shares

The preference shares are not quoted in an active market. Where no market data is available, the Fund will value the investment based on valuation methods and techniques generally recognised as standard within the industry, and are generally based on the net present value of contractual cash flows of the securities discounted using a discount rate which approximates the expected rate of return by the unitholders.

5 INVESTMENTS

	2026	2025
	RM	RM
Financial assets at FVTPL:		
Quoted equity securities - local	76,815,919	72,939,682
Quoted collective investment scheme - foreign	2,168,459	-
Unquoted collective investment schemes - local	8,283,521	11,813,777
Unquoted securities - local	-	1,000,000
	87,267,899	85,753,459
Net gain/(loss) on investments at FVTPL comprise:		
Realised gain/(loss) on disposals	5,173,041	(2,348,358)
Unrealised loss on changes in fair value	(1,729,994)	(6,084,797)
	3,443,047	(8,433,155)

Financial assets at fair value through profit or loss as at 31 March 2026 are as follows:

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
ACE Market				
Construction				
MN Holdings Bhd	739,900	1,098,679	1,280,027	1.22
		1,098,679	1,280,027	1.22
Consumer Products & Services				
A1 A.K. Koh Group Bhd	3,693,000	923,250	627,810	0.60
		923,250	627,810	0.60
Energy				
Enproserve Group Bhd	3,525,000	846,000	793,125	0.76
Northern Solar Holdings Bhd	4,315,000	2,694,516	2,632,150	2.52
		3,540,516	3,425,275	3.28

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ARECA DIVIDEND INCOME FUND

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
Main Market				
Construction				
Gamuda Bhd	322,170	1,351,146	1,201,694	1.15
IJM Corporation Bhd	1,342,000	3,128,742	2,938,980	2.81
		<u>4,479,888</u>	<u>4,140,674</u>	<u>3.96</u>
Consumer Products & Services				
Heineken Malaysia Bhd	122,800	2,823,285	2,775,280	2.65
		<u>2,823,285</u>	<u>2,775,280</u>	<u>2.65</u>
Energy				
DIALOG Group Bhd	1,201,000	2,195,963	2,630,190	2.51
Velesto Energy Bhd	17,492,000	4,491,300	5,947,280	5.69
		<u>6,687,263</u>	<u>8,577,470</u>	<u>8.20</u>
Financial Services				
AEON Credit Service (M) Bhd	559,500	3,059,242	3,026,895	2.89
AMMB Holdings Bhd	560,000	1,982,159	3,690,400	3.53
CIMB Group Holdings Bhd	791,500	6,379,022	5,975,825	5.71
Public Bank Bhd	766,000	3,426,362	3,584,880	3.43
		<u>14,846,785</u>	<u>16,278,000</u>	<u>15.56</u>
Health Care				
Sunway Healthcare Holdings Bhd	1,097,480	1,566,544	2,194,960	2.10
		<u>1,566,544</u>	<u>2,194,960</u>	<u>2.10</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	564,000	822,781	642,960	0.61
Kelington Group Bhd	380,000	1,973,588	1,881,000	1.80
Press Metal Aluminium Holdings Bhd	478,500	3,634,768	3,828,000	3.66
SAM Engineering & Equipment (M) Bhd	711,900	2,935,078	2,270,961	2.17
Sunway Bhd	554,800	2,747,483	2,663,040	2.55
		<u>12,113,698</u>	<u>11,285,961</u>	<u>10.79</u>
Plantation				
Johor Plantations Group Bhd	653,000	1,031,740	1,208,050	1.15
		<u>1,031,740</u>	<u>1,208,050</u>	<u>1.15</u>
Property				
IOI Properties Group Bhd	710,000	1,449,110	2,357,200	2.26
PTT Synergy Group Bhd	2,286,000	2,971,800	3,108,960	2.97
		<u>4,420,910</u>	<u>5,466,160</u>	<u>5.23</u>
Real Estate Investment Trust				
Pavilion Real Estate Investment Trust	2,001,000	2,441,220	3,461,730	3.31
		<u>2,441,220</u>	<u>3,461,730</u>	<u>3.31</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
Main Market				
Technology				
Malaysian Pacific Industries Bhd	63,100	1,365,467	1,816,018	1.74
Unisem (M) Bhd	211,800	656,495	552,798	0.53
ViTrox Corporation Bhd	466,000	2,042,145	1,957,200	1.87
VSTECs Bhd	694,800	2,282,421	3,175,236	3.03
		<u>6,346,528</u>	<u>7,501,252</u>	<u>7.17</u>
Utilities				
Tenaga Nasional Bhd	506,000	6,558,420	7,033,400	6.73
YTL Power International Bhd	923,000	1,551,378	1,559,870	1.49
		<u>8,109,798</u>	<u>8,593,270</u>	<u>8.22</u>
Total quoted equity securities - local		<u>70,430,104</u>	<u>76,815,919</u>	<u>73.44</u>
QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
Singapore				
Real Estate Investment Trust				
UI Boustead REIT	859,000	2,326,495	2,168,459	2.07
Total quoted collective investment scheme - foreign		<u>2,326,495</u>	<u>2,168,459</u>	<u>2.07</u>
	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
UNQUOTED COLLECTIVE INVESTMENT SCHEMES - LOCAL				
Areca Dynamic Growth Fund 10	1,429,208	1,375,594	1,181,669	1.13
Areca Dynamic Growth Fund 11	3,500,000	3,097,500	3,553,900	3.40
Areca Global Emerging Momentum Fund 2 – MYR Class	2,000,388	2,241,234	2,404,466	2.30
Areca Progressive Income Fund 4.0	1,999,800	1,928,007	1,143,486	1.09
Total unquoted collective investment schemes - local		<u>8,642,335</u>	<u>8,283,521</u>	<u>7.92</u>
Total investments		<u>81,398,934</u>	<u>87,267,899</u>	<u>83.43</u>
Unrealised gain on investments			<u>5,868,965</u>	

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Financial assets at fair value through profit or loss as at 31 March 2025 are as follows:

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
ACE Market				
Construction				
MN Holdings Bhd	980,700	887,162	1,059,156	1.17
		<u>887,162</u>	<u>1,059,156</u>	<u>1.17</u>
Industrial Products & Services				
Kawan Renergy Bhd	1,325,200	1,061,090	940,892	1.03
		<u>1,061,090</u>	<u>940,892</u>	<u>1.03</u>
Main Market				
Construction				
Gamuda Bhd	976,725	3,371,684	4,102,245	4.52
IJM Corporation Bhd	1,404,000	2,760,112	2,948,400	3.25
		<u>6,131,796</u>	<u>7,050,645</u>	<u>7.77</u>
Consumer Products & Services				
Genting Malaysia Bhd	1,586,000	3,489,920	2,632,760	2.90
		<u>3,489,920</u>	<u>2,632,760</u>	<u>2.90</u>
Energy				
DIALOG Group Bhd	1,208,000	2,247,809	1,860,320	2.05
Hibiscus Petroleum Bhd	310,000	626,846	585,900	0.65
Yinson Holdings Bhd	1,500,000	4,153,768	3,300,000	3.63
		<u>7,028,423</u>	<u>5,746,220</u>	<u>6.33</u>
Financial Services				
AMMB Holdings Bhd	1,128,500	3,438,850	6,319,600	6.96
CIMB Group Holdings Bhd	340,000	2,362,592	2,380,000	2.62
Hong Leong Bank Bhd	175,000	3,625,604	3,524,500	3.89
Public Bank Bhd	871,000	3,896,032	3,849,820	4.24
		<u>13,323,078</u>	<u>16,073,920</u>	<u>17.71</u>
Health Care				
Hartalega Holdings Bhd	909,600	2,628,860	1,719,144	1.89
IHH Healthcare Bhd	550,000	3,985,441	3,806,000	4.19
Kossan Rubber Industries Bhd	1,657,000	3,212,890	2,883,180	3.18
		<u>9,827,191</u>	<u>8,408,324</u>	<u>9.26</u>
Industrial Products & Services				
SAM Engineering & Equipment (M) Bhd	517,900	2,250,337	1,921,409	2.12
Sunway Bhd	546,200	2,242,511	2,479,748	2.73
		<u>4,492,848</u>	<u>4,401,157</u>	<u>4.85</u>
Property				
IOI Properties Group Bhd	960,000	1,959,360	1,900,800	2.09
		<u>1,959,360</u>	<u>1,900,800</u>	<u>2.09</u>

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	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES - LOCAL				
Main Market				
Real Estate Investment Trust				
Pavilion Real Estate Investment Trust	4,000,000	4,880,000	5,840,000	6.43
		<u>4,880,000</u>	<u>5,840,000</u>	<u>6.43</u>
Technology				
D & O Green Technologies Bhd	576,400	1,074,365	841,544	0.93
Inari Amertron Bhd	1,363,000	3,832,480	2,766,890	3.05
Malaysian Pacific Industries Bhd	139,100	3,155,721	2,656,810	2.92
MY E.G. Services Bhd	1,550,000	1,410,500	1,410,500	1.55
VSTECs Bhd	505,800	1,597,855	1,487,052	1.64
		<u>11,070,921</u>	<u>9,162,796</u>	<u>10.09</u>
Telecommunications & Media				
Axiata Group Bhd	987,000	1,860,002	1,766,730	1.95
Telekom Malaysia Bhd	510,000	3,445,152	3,340,500	3.68
		<u>5,305,154</u>	<u>5,107,230</u>	<u>5.63</u>
Transportation & Logistics				
MISC Bhd	227,600	1,614,729	1,631,892	1.80
		<u>1,614,729</u>	<u>1,631,892</u>	<u>1.80</u>
Utilities				
Tenaga Nasional Bhd	170,000	2,040,327	2,274,600	2.51
YTL Power International Bhd	213,000	806,366	709,290	0.78
		<u>2,846,693</u>	<u>2,983,890</u>	<u>3.29</u>
Total quoted equity securities - local		<u>73,918,365</u>	<u>72,939,682</u>	<u>80.35</u>

	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
UNQUOTED COLLECTIVE INVESTMENT SCHEMES - LOCAL				
Areca Dynamic Growth Fund 10	2,632,500	2,632,500	1,847,488	2.04
Areca Dynamic Growth Fund 11	3,500,000	3,500,000	3,605,700	3.97
Areca Global Emerging Momentum Fund 3 – MYR Class	3,150,000	3,150,000	2,348,010	2.59
Areca Progressive Income Fund	2,970,885	3,000,000	3,002,080	3.31
Areca Progressive Income Fund 4.0	1,999,800	2,000,000	1,010,499	1.11
Total unquoted collective investment schemes - local		<u>14,282,500</u>	<u>11,813,777</u>	<u>13.02</u>

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	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
UNQUOTED SECURITIES - LOCAL				
Preference Shares				
Aira Fintech Sdn Bhd	1,000,000	1,000,000	1,000,000	1.10
Total unquoted securities - local		<u>1,000,000</u>	<u>1,000,000</u>	<u>1.10</u>
Total investments		<u>89,200,865</u>	<u>85,753,459</u>	<u>94.47</u>
Unrealised loss on investments			<u>(3,447,406)</u>	

6 CASH AND CASH EQUIVALENTS

	2026 RM	2025 RM
Cash at banks	13,981	7,730
Short-term deposits	<u>17,016,325</u>	<u>3,508,644</u>
	<u>17,030,306</u>	<u>3,516,374</u>

Short-term deposits represent deposits placed with local licensed financial institutions.

The weighted average interest rate for short-term deposits is 2.81% (2025: 3.20%) per annum and the average maturity period is 4 days (2025: 2 days).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2026 RM	2025 RM
Accrued expenses:		
Management fee	160,968	135,192
Trustee's fee	4,431	3,935
Audit fee	5,285	4,999
Tax agent's fee	5,589	7,634
Other expenses	16,607	-
	<u>192,880</u>	<u>151,760</u>

8 NUMBER OF UNITS IN CIRCULATION

	2026 Units	2025 Units
At beginning of the period	68,383,456	74,106,380
Created during the period	5,453,398	4,147,462
Cancelled during the period	<u>(3,257,942)</u>	<u>(6,440,483)</u>
At end of the period	<u>70,578,912</u>	<u>71,813,359</u>

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9 MANAGEMENT FEE

The Schedule 8 of the Deeds provides that the Manager is entitled to an annual management fee of up to 2.50% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day.

The management fee provided in the financial statements is an average of 1.80% (2025: 1.76%) per annum for the financial period, net of management fee rebate on the collective investment schemes.

10 TRUSTEE'S FEE

The Schedule 9 of the Deeds provides that the Trustee is entitled to an annual Trustee's fee of up to 0.50% per annum computed daily on the net asset value of the Fund before deducting the management fee and Trustee's fee for the relevant day.

The Trustee's fee provided in the financial statements is 0.05% (2025: 0.05%) per annum for the financial period.

11 TAXATION

There is no income tax expenses for the period as interest income derived by the Fund is exempted from tax pursuant to Paragraph 35 and 35A, Schedule 6 of the Income Tax Act 1967. Gains arising from realisation of investments are not treated as income pursuant to Paragraph 61(1)(b) of the Income Tax Act 1967.

12 TOTAL EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

Total Expense Ratio (TER)

Total expense ratio for the Fund is 1.01% (2025: 0.92%) for the financial period ended 31 March 2026. The total expense ratio which includes management fee, Trustee's fee, audit fee, tax agent's fee and other expenses, is calculated as follows:

$$\text{TER} = \frac{(A + B + C + D + E)}{F} \times 100$$

- A = Management fee
- B = Trustee's fee
- C = Audit fee
- D = Tax agent's fee
- E = Other expenses
- F = Average net asset value of the Fund

The average net asset value of the Fund for the financial period is RM103,160,789 (2025: RM101,497,262).

Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 0.84 times (2025: 0.70 times) for the financial period ended 31 March 2026. The portfolio turnover ratio is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial period} + \text{total disposal for the financial period}) \div 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

Where: total acquisition for the financial period = RM83,446,024 (2025: RM74,886,217)
total disposal for the financial period = RM90,841,841 (2025: RM67,483,117)

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13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

As at end of the financial period, the total number and value of units held by the Manager and related parties are as follows:

	←----- 2026 -----→		←----- 2025 -----→	
	No. of units	RM	No. of units	RM
The Manager	-	-	29,082	36,763
Directors of the Manager (The above units are held legally and beneficially)	116,612	172,819	116,612	147,409
	<u>116,612</u>	<u>172,819</u>	<u>145,694</u>	<u>184,172</u>

The Directors of the Manager are of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with related parties have been transacted at arm's length basis.

14 TRADE WITH BROKERS/DEALERS

Details of transactions with brokers/dealers are as follows:

Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2026				
Kenanga Investment Bank Bhd	40,064,858	26.72	110,453	22.95
CGS International Securities Malaysia Sdn Bhd	37,354,690	24.91	109,312	22.72
Public Investment Bank Bhd	27,590,816	18.40	88,019	18.29
CIMB Securities Sdn Bhd	17,628,503	11.76	54,577	11.34
Maybank Investment Bank Bhd	16,058,883	10.71	95,765	19.90
JPMorgan Securities (Malaysia) Sdn Bhd	3,065,051	2.04	9,050	1.88
AmInvestment Bank Bhd	2,971,800	1.98	-	-
CLSA Securities Malaysia Sdn Bhd	2,250,825	1.50	7,430	1.54
Hong Leong Investment Bank Bhd	1,622,461	1.08	3,920	0.82
Alliance Islamic Bank Bhd	533,280	0.36	-	-
Others	815,556	0.54	2,695	0.56
	<u>149,956,723</u>	<u>100.00</u>	<u>481,221</u>	<u>100.00</u>
2025				
Public Investment Bank Bhd	41,628,384	31.53	128,659	33.24
Maybank Investment Bank Bhd	25,681,645	19.45	67,847	17.53
Kenanga Investment Bank Bhd	15,591,632	11.81	39,695	10.26
CIMB Securities Sdn Bhd	9,621,545	7.29	29,886	7.72
RHB Investment Bank Bhd	8,249,642	6.25	25,184	6.51
UOB Kay Hian Securities (M) Sdn Bhd	7,401,442	5.61	23,129	5.98
CGS International Securities Malaysia Sdn Bhd	7,088,366	5.37	22,381	5.78
CLSA Securities Malaysia Sdn Bhd	6,369,316	4.82	19,926	5.15
JPMorgan Securities (Malaysia) Sdn Bhd	5,768,699	4.37	17,890	4.62
Hong Leong Investment Bank Bhd	4,628,704	3.50	12,427	3.21
	<u>132,029,375</u>	<u>100.00</u>	<u>387,024</u>	<u>100.00</u>

15 RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to provide regular income while providing long term capital appreciation by investing principally in equities and equity related securities. In order to meet its stated investment objectives, the Fund utilises risk management for both defensive and proactive purposes. Rigorous analysis of sources of risk in the portfolio is carried out and the following policies are implemented to provide effective ways to reduce future risk and enhance future returns within the Fund's mandate.

The key risks faced by the Fund are credit risk, liquidity risk, market risk (including currency risk, interest rate risk and price risk) primarily on its investment and capital risk.

Categories of Financial Instruments

	2026	2025
	RM	RM
Financial assets		
Carried at FVTPL:		
Investments	87,267,899	85,753,459
Amortised cost:		
Cash and cash equivalents	17,030,306	3,516,374
Amount due from stockbrokers	2,359,265	2,454,180
Dividend receivables	179,926	312,548
Financial liabilities		
Amortised cost:		
Amount due to Manager	-	964,923
Amount due to stockbrokers	2,049,588	142,513
Other payables and accrued expenses	192,880	151,760

Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely repayments of interest, principal and proceeds from realisation of investments.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due nor impaired as at 31 March 2026.

The credit risk for cash at bank is considered negligible since the counterparties are reputable banks with high quality external ratings.

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The following table set out the Fund's portfolio of investments by industry:

	Short-term deposits RM	Quoted equity securities - local RM	Quoted collective investment scheme - foreign RM	Unquoted collective investment schemes - local RM	Unquoted securities - local RM
2026					
Industry					
Construction	-	5,420,701	-	-	-
Consumer Products & Services	-	3,403,090	-	-	-
Energy	-	12,002,745	-	-	-
Financial Services	17,016,325	16,278,000	-	8,283,521	-
Health Care	-	2,194,960	-	-	-
Industrial Products & Services	-	11,285,961	-	-	-
Plantation	-	1,208,050	-	-	-
Property	-	5,466,160	-	-	-
Real Estate Investment Trust	-	3,461,730	2,168,459	-	-
Technology	-	7,501,252	-	-	-
Utilities	-	8,593,270	-	-	-
	<u>17,016,325</u>	<u>76,815,919</u>	<u>2,168,459</u>	<u>8,283,521</u>	<u>-</u>

2025					
Industry					
Construction	-	8,109,801	-	-	-
Consumer Products & Services	-	2,632,760	-	-	-
Energy	-	5,746,220	-	-	-
Financial Services	3,508,644	16,073,920	-	11,813,777	-
Health Care	-	8,408,324	-	-	-
Industrial Products & Services	-	5,342,049	-	-	-
Property	-	1,900,800	-	-	-
Real Estate Investment Trust	-	5,840,000	-	-	-
Technology	-	9,162,796	-	-	1,000,000
Telecommunications & Media	-	5,107,230	-	-	-
Transportation & Logistics	-	1,631,892	-	-	-
Utilities	-	2,983,890	-	-	-
	<u>3,508,644</u>	<u>72,939,682</u>	<u>-</u>	<u>11,813,777</u>	<u>1,000,000</u>

Liquidity risk management

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able of being converted into cash with 7 days.

All financial liabilities are repayable on demand or due within 1 year from the date of the statement of financial position.

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Market risk management

This is a class of risk that inherently exists in an economy and cannot be avoided by any business or Fund. It is usually due to changes in market variables such as interest rates and market prices. This risk cannot be removed from an investment portfolio, which is solely invested within that particular market, by diversification.

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund's activities expose it primarily to the financial risks of changes in foreign currency exchange rate, interest rate and price.

Foreign Currency Risk Management

The Fund undertake transactions in foreign currencies, consequently, exposure to exchange rate fluctuations arise.

The carrying amounts of the Fund's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as disclosed in the respective notes.

Foreign Currency Sensitivity

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only major foreign currency denominated monetary items and adjusts its translation at the end of the reporting period for a 5% change in foreign currency rates.

	Denominated in SGD RM
2026	
Financial assets	
Quoted collective investment scheme - foreign	2,168,459
Cash at banks	<u>1,633</u>
Currency exposure	<u><u>2,170,092</u></u>

If the relevant foreign currencies strengthen/weaken against Ringgit Malaysia by 5%, with all other variables held constant, the Fund's net income/(loss) before taxation for the financial period will increase/(decrease) by:

	2026 RM
Singapore Dollar	<u><u>108,505/(108,505)</u></u>

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Fund's short-term deposits and cash at banks earn interest at floating rates but is not exposed to any significant interest rate risk as the floating rates, represented by overnight cash rates, do not fluctuate significantly period-on-period.

The Fund is exposed to risk of fluctuation in fair value of financial assets as a result of change in the market interest rate. The valuation for financial assets at FVTPL move inversely to the market interest rate movements. As the market interest rate rise, the fair value of financial assets at FVTPL decrease and vice versa.

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Price risk management

Price risk is the risk of unfavourable changes in the fair value of quoted equity securities, quoted collective investment scheme, unquoted collective investment schemes and unquoted securities as the result of changes in the levels of the equity indices. The price risk exposure arises from the Fund's investment in quoted equity securities, quoted collective investment scheme, unquoted collective investment schemes and preference shares. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

Price risk sensitivity

The Manager's best estimate of the effect on the income for the period due to a reasonably possible change in price, with all other variables held constant is indicated in the table below:

	Changes in price %	Effect on profit or loss Increase/(Decrease) RM
2026		
Investments	+5/-5%	<u>4,363,395/(4,363,395)</u>
2025		
Investments	+5/-5%	<u>4,287,673/(4,287,673)</u>

Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings/(accumulated losses). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions.

For quoted equity securities in general, fair values have been estimated by reference to last done market price quoted on Bursa Malaysia at the end of the reporting period.

For quoted collective investment scheme in general, fair values have been estimated by reference to last done market price quoted on Singapore Exchange at the end of the reporting period.

The fair value of the unquoted collective investment schemes are determined based on Net Assets Value ("NAV") per unit of such unquoted collective investment schemes as at the end of the reporting period.

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The fair value of preference shares which is not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The inputs into these models are primarily earning multiples and discounted cash flows. The models used to determine fair values are validated and periodically reviewed by experienced personnel, independent of the party that created them. The models used for the preference shares are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

For deposits and placements with financial institutions with maturities of less than twelve months, the carrying value is a reasonable estimate of fair value.

The carrying amounts of other financial assets and financial liabilities approximate their fair values due to short maturity of these instruments.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2026				
Financial assets at FVTPL				
Quoted equity securities - local	76,815,919	-	-	76,815,919
Quoted collective investment scheme - foreign	2,168,459	-	-	2,168,459
Unquoted collective investment schemes - local	-	8,283,521	-	8,283,521
2025				
Financial assets at FVTPL				
Quoted equity securities - local	72,939,682	-	-	72,939,682
Unquoted collective investment schemes - local	-	11,813,777	-	11,813,777
Unquoted securities - local	-	-	1,000,000	1,000,000

There is no transfer between Levels 1, 2 and 3 during the financial period.



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