

Semi-Annual Report December 2025

For the Period Ended 31 December 2025

*Areca equity*TRUST Fund

Management Company



200601021087(740840-D)

SEMI-ANNUAL REPORT DECEMBER 2025

✦ ARECA equityTRUST 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)
 Edward Iskandar Toh Bin Abdullah
 (Non-Independent Executive/Chief Investment Officer)
 (Resigned with effect from 16 April 2025)

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)
 Level 22, Tower 1, Etiqa Twins
 No. 11 Jalan Pinang
 50450 Kuala Lumpur
 Tel: 603-2177 5960, 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

IPOH BRANCH

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

MALACCA BRANCH

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

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

JOHOR BRANCH

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

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 equityTRUST FUND

FUND INFORMATION

Name of the Fund	Areca equityTRUST Fund
Fund Category/ Type	Equity/Growth
Objective of the Fund	The investment objective of the Fund is to provide investors with medium to long term capital growth. To achieve this objective, the Fund will invest principally in equities and equity-related securities.
Performance Benchmark	1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category
Distribution Policy of the Fund	Incidental.
Rebates & Soft Commissions	<p>The Manager will retain soft commissions received from brokers or dealers, provided that:</p> <ul style="list-style-type: none">(a) the soft commissions bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and the Manager or fund manager shall not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions. <p>The soft commissions may be in the form of goods and services such as data and quotation services, computer software incidental to the management of the Fund and investment related publications. Cash rebates, if any, will be directed to the account of the Fund. During the period under review, the Manager had not received any soft commissions.</p>
Inception Date	23 April 2007
Financial Year End	30 June

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ARECA equityTRUST FUND

FUND PERFORMANCE

	2025	2024	2023
NET ASSET VALUE ("NAV")			
Net Asset Value (RM million)	326.69	380.82	257.21
Units in circulation (million units)	586.34	575.16	451.42
NAV per unit (RM)	0.5572	0.6621	0.5698

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)	0.5859	0.7084	0.5774
Lowest NAV per unit (RM)	0.5327	0.6166	0.5419

ASSET ALLOCATION % of NAV			
Quoted equity securities			
Construction	10.43	10.62	5.18
Consumer Products & Services	6.49	12.00	-
Energy	5.01	8.73	7.60
Financial Services	4.52	11.32	7.37
Health Care	2.15	6.86	1.51
Industrial Products & Services	20.65	10.30	20.15
Plantation	4.23	4.13	-
Property	-	6.67	6.90
Real Estate Investment Trusts	-	-	1.20
Technology	11.31	11.05	20.07
Telecommunications & Media	1.28	-	3.02
Transportation & Logistics	-	1.73	2.15
Utilities	11.71	3.37	13.36
Collective investment schemes	11.16	9.62	5.40
Liquid assets and other net current assets	11.06	3.60	6.09

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) (%)	0.95	0.95	0.98
<i>Please refer to Note 2 for further information</i>			
Portfolio turnover ratio (PTR) (times)	1.12	0.61	0.34
<i>Please refer to Note 3 for further information</i>			

	30.06.2025 to 31.12.2025	30.06.2024 to 31.12.2024	30.06.2023 to 31.12.2023
TOTAL RETURN			
<i>Please refer to Note 4 for further information</i>			
Total Return (%)	3.40	(0.12)	4.47
- Capital growth (%)	3.40	(0.12)	4.47
- Income distribution (%)	-	-	-

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ARECA equity TRUST FUND

FUND PERFORMANCE

	2025	2024	2023	2022	2021
Annual Total Return (%)	6.85*	(0.24)*	9.07*	2.88*	13.78*
Performance Benchmark (%): 1-year Average Returns of the funds under "Equity Malaysia" Non-Islamic category	18.80*	4.71*	15.49*	7.18*	9.23*
* Annualised for comparison purpose only					

	1-yr	3-yrs	5-yrs
Average Total Return per annum (%)	(12.72)	4.92	0.61

NOTES:

Note 1: Selling of units by the Management Company (i.e. when you purchase units and invests 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" Non-Islamic category, is calculated assuming investment in the index. The total return and the 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.

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ARECA equity TRUST FUND

FUND REVIEW

During the period under review, the Fund underperformed its benchmark with a total return of 3.40% compared to the benchmark (1-year Average Returns of the funds under "Equity Malaysia" Islamic category of the Malaysia Lipper Fund table, "peers benchmarking") total return of 8.99%.

Since the Fund's inception on 23rd April 2007, it has registered a total return of 529.54%, outperforming its benchmark return of 182.71%. Hence, the Fund has achieved its objective over the long term.

The Fund overweight the industrial, technology and construction sector, positioning in the future-ready themes including Artificial Intelligence, semiconductors, and data centres. Meanwhile, we maintain a decent exposure in utilities, financials and domestic focused consumer names to cushion market volatilities.

Investment Policy and Strategy

The Fund will invest between 70% - 98% of its NAV in equities and equity-related securities and a minimum of 2% of its NAV in Liquid Assets. Equity-related securities includes but is not limited to different classes of listed shares, warrants, options and convertible securities. The Fund will normally invest in securities issued by companies that exhibit a good management track record, a sound history of Long-Term profitability and earnings resilience, a strong balance sheet, and/or have a good competitive position in their respective industries.

NAV per unit as at 31 December 2025

RM0.5572

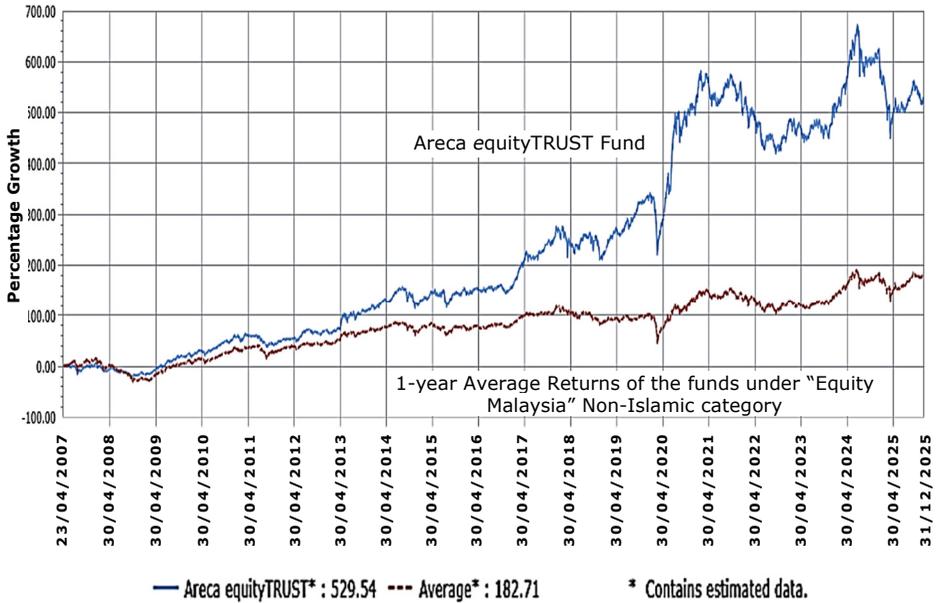
Asset Allocation/Portfolio Composition

	2025	2024	2023
Quoted equity securities	77.78%	86.78%	88.51%
Collective investment schemes	11.16%	9.62%	5.40%
Liquid assets and other net current assets	11.06%	3.60%	6.09%

FUND REVIEW

Performance of Areca equityTRUST Fund
for the period since inception to 31 December 2025

Total Return of Areca equityTRUST Fund vs Benchmark



Source Lipper

MALAYSIAN EQUITY MARKET REVIEW

During the financial period under review, the FTSE Bursa Malaysia KLCI Index ("FBMKLCI") gained 9.60% to close at 1,680 points, while the FTSE Bursa Malaysia EMAS Index ("FBMEMAS") gained 7.50% to 12,304 points. In contrast, the FTSE Bursa Malaysia Small Cap Index ("FBMSCAP") gained 3.10% to 15,772 points, underperforming the broader market.

Foreign investors were net sellers in five out of six months, resulting in substantial foreign outflows of MYR10.4 billion for the second half of 2025 ("2H 2025"). In contrast, domestic institutions provided a strong offset, recording net inflows of MYR11.9 billion, while domestic retail investors were also net sellers, with net outflows of MYR1.5 billion.

As 2025 progressed, domestic equity markets faced sustained selling pressure amid a weaker-than-expected earnings season and heightened external headwinds. Key challenges included uncertainty surrounding United States ("US") tariff policies and a sharp correction in Artificial Intelligence ("AI") and data centre-related stocks. The sell-off intensified following tighter US export curbs on AI chips and the emergence of China's DeepSeek AI chatbot, which heightened competitive concerns across the sector. Market sentiment deteriorated further after President Trump's April 2 announcement of reciprocal tariffs triggered a broad-based sell-off, before markets staged a swift V-shaped rebound when implementation was paused for 90 days, allowing room for negotiations.

Despite the rebound, investor caution remained elevated, reflecting ongoing tariff uncertainty, global monetary policy risks, geopolitical tensions, and concerns over the expansion of the Sales & Service Tax ("SST"). While foreign investors continued to reduce exposure to Malaysian equities, local indices trended higher, supported by a more constructive policy backdrop. Key positives included a reduction in US tariffs on Malaysian exports from 25.00% to 19.00%, the signing of a US-Malaysia reciprocal trade agreement, the tabling of Budget 2026, a series of US Federal Reserve ("Fed") rate cuts in September, October, and December, and a one-year extension of the US-China trade agreement. Toward year-end, the FBMKLCI recorded strong gains, underpinned by window-dressing activities and a firmer Ringgit.

Key developments included the US-Malaysia reciprocal trade agreement, which improved market access for exporters, and approved investments of RM285.2 billion in the first nine months of 2025 (+13.20% year-over-year ("Y/Y")). In the technology space, Malaysia's partnership with Arm Holdings to acquire chip design blueprints marked progress up the semiconductor value chain. The formalisation of the Johor-Singapore Special Economic Zone ("JS-SEZ") and the unveiling of the RM430 billion 13th Malaysia Plan (2026 - 2030) further reinforced Malaysia's push towards a high-tech, high value-added economy.

In commodities, Brent crude plunged 8.50% to \$60.9/barrel, driven by global trade tensions, weakening demand expectations, and Organisation of Petroleum Exporting Countries Plus ("OPEC+") plans to increase output. Meanwhile, crude palm oil ("CPO") prices appreciated 1.60% to RM4,050/tonne. Meanwhile, the Dollar index appreciated by 1.50% to 98.28 for the period while the Ringgit appreciated 3.80% against the US Dollar ("USD"), reaching 4.06.

Sector-wise, plantation (+15.00%), financials (+15.00%), and industrial (+14.00%) led gains, while healthcare (-10.00%), telecommunications (-2.00%), and utilities (+1.00%) lagged. Top FBMKLCI gainers included 99 Speed Mart (+84.00%), Nestle (+51.00%), and Press Metal (+38.00%), while laggards were QL Resources (-17.00%), Celcom Digi (-17.00%), and YTL Power (-16.00%).

MALYSIAN EQUITY MARKET OUTLOOK

Malaysia's equity market performed well in December 2025, with the FBMKLCI closing at 1,680 (+2.30%) year-on-year ("YoY") performance, a level not seen since September 2024. Nonetheless, year-to-date ("YTD") performance still lagged behind global peers. Despite the relatively lacklustre equity performance in the year, the Malaysian Ringgit stood out as one of the strongest currencies in 2025, appreciating against most major currencies, in some cases by more than 10.00% on a YTD basis. Against the USD, the Ringgit strengthened by 10.20%, the strongest performance among Asian currencies. The strong performance of the FBMKLCI in the final trading month of 2025 was likely supported by emerging market carry trades. As discussed earlier, the US monetary easing cycle has helped reignite risk appetite for emerging market assets, including Malaysia.

Looking ahead to 2026, we are more optimistic. We believe that value in small- and mid-cap stocks is beginning to emerge. Our optimism for 2026 is based on five main factors: 1) Prudent and disciplined fiscal policy direction by the Malaysian government. The MADANI Budget under the Rancangan Malaysia Ketiga Belas ("RMK-13") framework balances fiscal consolidation, strategic investment, and subsidy reform. Priority sectors include semiconductors, renewable energy, and manufacturing supporting sustainable growth without excessive leverage. 2) Malaysia benefits from global supply chain restructuring and AI investment acceleration. Opportunities are evident in semiconductors, data infrastructure, energy, and construction. Amid US-China tensions, Malaysia's strategic neutrality positions it as a bridge, attracting investment and supply-chain relocation. 3) Global liquidity conditions remain accommodative. Inflation expected to moderate later in 2026, the Fed may cut rates, but only gradually in 2026. The US Fed has already cut rates three times in 2025 and is expected to continue easing, improving risk appetite for emerging markets, including Malaysia. 4) Foreign equity ownership is at historical lows, and this creates significant room for foreign inflows to return and a re-rating of our stock and bond market. 5) Valuations have more attractive with the FBMKLCI trading at about 15.5 times Price Earnings ("PE"), one standard deviation below its 10-year average making Malaysia one of the more attractive markets in Southeast Asia for patient investors. That said, risks remain especially with the current US-China trade truce only guaranteed for one year till November 2026 being a key geopolitical milestone.

Our portfolios remain anchored in domestic recovery sectors such as consumer, construction, and utilities, alongside growth sectors in future-ready themes including AI, semiconductors, and data centres.

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 equityTRUST Fund ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 December 2025 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
23 February 2026

STATEMENT BY MANAGER

To the Unitholders of Areca equityTRUST 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 December 2025 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
23 February 2026

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ARECA equity TRUST FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

	Note	31.12.2025	31.12.2024
		RM	RM
Assets			
Investments	5	290,549,828	367,125,893
Cash and cash equivalents	6	33,569,189	8,430,559
Amount due from stockbrokers		3,341,728	6,246,168
Dividend receivables		469,825	193,283
Total Assets		327,930,570	381,995,903
Unitholders' Fund And Liabilities			
Liabilities			
Amount due to Manager		157,819	575,498
Amount due to stockbrokers		545,460	-
Other payables and accrued expenses	7	542,221	602,721
Total Liabilities		1,245,500	1,178,219
Unitholders' Fund			
Unitholders' capital		313,201,823	307,420,815
Retained earnings		13,483,247	73,396,869
Net Asset Value Attributable To Unitholders		326,685,070	380,817,684
Total Unitholders' Fund And Liabilities		327,930,570	381,995,903
Number Of Units In Circulation	8	586,339,342	575,161,244
Net Asset Value Per Unit (RM)		0.5572	0.6621

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

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ARECA equity TRUST FUND

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Period Ended 31 December 2025

	Note	01.07.2025 to 31.12.2025 RM	01.07.2024 to 31.12.2024 RM
Investments Income			
Dividend income		3,130,017	3,590,037
Interest income		387,204	572,703
Net gain/(loss) on investments at fair value through profit or loss ("FVTPL")	5	<u>11,717,261</u>	<u>(146,767)</u>
Total Investments Income		<u>15,234,482</u>	<u>4,015,973</u>
Expenditure			
Management fee	9	(2,833,348)	(3,339,692)
Trustee's fee	10	(131,117)	(148,784)
Audit fee		(6,000)	(6,251)
Tax agent's fee		(1,999)	(1,999)
Transaction costs		(1,673,255)	(1,933,164)
Other expenses		<u>(126,796)</u>	<u>(16,426)</u>
Total Expenditure		<u>(4,772,515)</u>	<u>(5,446,316)</u>
Net Income/(Loss) Before Taxation		10,461,967	(1,430,343)
Taxation	11	<u>-</u>	<u>-</u>
Net Income/(Loss) After Taxation And Total Comprehensive Income/(Loss) For The Financial Period		<u>10,461,967</u>	<u>(1,430,343)</u>
Net Income/(Loss) After Taxation Is Made Up Of:			
Realised (loss)/gain		(3,591,027)	18,111,104
Unrealised gain/(loss)		<u>14,052,994</u>	<u>(19,541,447)</u>
		<u>10,461,967</u>	<u>(1,430,343)</u>

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

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ARECA equity TRUST FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE

For The Financial Period Ended 31 December 2025

	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
Balance as at 1 July 2024	258,338,526	74,827,212	333,165,738
Amounts received from units created	68,572,766	-	68,572,766
Amounts paid for units cancelled	(19,490,477)	-	(19,490,477)
Total comprehensive loss for the financial period	-	(1,430,343)	(1,430,343)
Balance as at 31 December 2024	<u>307,420,815</u>	<u>73,396,869</u>	<u>380,817,684</u>
Balance as at 1 July 2025	313,646,274	3,021,280	316,667,554
Amounts received from units created	18,887,242	-	18,887,242
Amounts paid for units cancelled	(19,331,693)	-	(19,331,693)
Total comprehensive income for the financial period	-	10,461,967	10,461,967
Balance as at 31 December 2025	<u>313,201,823</u>	<u>13,483,247</u>	<u>326,685,070</u>

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

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ARECA equity TRUST FUND

UNAUDITED STATEMENT OF CASH FLOWS

For The Financial Period Ended 31 December 2025

	Note	01.07.2025 to 31.12.2025	01.07.2024 to 31.12.2024
		RM	RM
Cash Flows From/(Used In) Operating Activities			
Proceeds from disposal of investments		355,132,534	185,952,158
Purchase of investments		(375,038,950)	(260,224,000)
Dividend income received		2,981,331	3,411,095
Interest received		387,204	572,703
Management fee paid		(2,815,234)	(3,237,498)
Trustee's fee paid		(129,886)	(143,496)
Transaction costs paid		(1,702,603)	(1,941,022)
Payment for other fees and expenses		(99,520)	(24,379)
Net Cash Used In Operating Activities		<u>(21,285,124)</u>	<u>(75,634,439)</u>
Cash Flows From/(Used In) Financing Activities			
Cash proceeds from units created		18,938,375	77,747,430
Payment for cancellation of units		(19,173,724)	(18,810,388)
Net Cash (Used In)/From Financing Activities		<u>(235,349)</u>	<u>58,937,042</u>
Net Decrease In Cash And Cash Equivalents		(21,520,473)	(16,697,397)
Cash And Cash Equivalents At Beginning Of Period		<u>55,089,662</u>	<u>25,127,956</u>
Cash And Cash Equivalents At End Of Period		<u>33,569,189</u>	<u>8,430,559</u>
Cash And Cash Equivalents Comprise:			
Cash at banks	6	8,571	5,069
Short-term deposits	6	33,560,618	8,425,490
		<u>33,569,189</u>	<u>8,430,559</u>

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Areca equityTRUST Fund ("the Fund") was established pursuant to the Trust Deed dated 12 March 2007, as modified by the First Supplemental Deed dated 27 June 2007, Second Supplemental Deed dated 14 April 2008, Third Supplemental Deed dated 21 October 2008, Fourth Supplemental Master Deed dated 10 April 2009, Fifth Supplemental Master Deed dated 12 March 2013, Sixth Supplemental Master Deed dated 6 September 2013 and Seventh Supplemental Master 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, warrants listed on the Bursa Malaysia or other public exchanges in Malaysia, securities in foreign stock exchange which has been approved by the relevant authorities from time to time, liquid assets, unlisted fixed income securities and commercial papers traded in money market, units and share in other collective investment schemes, derivatives such as future contracts for hedging purposes only and any other form of investments as may be approved by the relevant authorities from time to time. The Fund was launched on 23 April 2007 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 medium to long term capital growth by investing in equities and equity-related securities. Any material changes to the investment objective 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 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.

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.

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.

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.

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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 investment 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.

Investments

Investments 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 collective investment schemes are valued at FVTPL based on the Net Asset Value of such collective investment schemes at the end of the reporting period.

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.

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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.

(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.

5 INVESTMENTS

	2025	2024
	RM	RM
Financial assets at FVTPL:		
Quoted equity securities	254,078,363	330,494,529
Collective investment schemes	36,471,465	36,631,364
	<u>290,549,828</u>	<u>367,125,893</u>
Net gain/(loss) on investments at FVTPL comprise:		
Realised (loss)/gain on disposals	(2,335,733)	19,394,680
Unrealised gain/(loss) on changes in fair value	14,052,994	(19,541,447)
	<u>11,717,261</u>	<u>(146,767)</u>

Financial assets at fair value through profit or loss as at 31 December 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				
ACE Market				
Consumer Products & Services				
A1 A.K. Koh Group Bhd	39,587,800	9,626,190	9,699,011	2.97
		<u>9,626,190</u>	<u>9,699,011</u>	<u>2.97</u>
Energy				
Enproserve Group Bhd	17,863,000	4,287,120	3,929,860	1.20
Northern Solar Holdings Bhd	9,614,000	6,503,999	6,104,890	1.87
		<u>10,791,119</u>	<u>10,034,750</u>	<u>3.07</u>
Industrial Products & Services				
PMW International Bhd	5,440,000	1,849,600	1,740,800	0.53
		<u>1,849,600</u>	<u>1,740,800</u>	<u>0.53</u>
Telecommunications & Media				
Foodie Media Bhd	8,708,000	2,612,400	4,179,840	1.28
		<u>2,612,400</u>	<u>4,179,840</u>	<u>1.28</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				
Main Market				
Construction				
Gamuda Bhd	3,145,758	14,105,077	15,665,875	4.79
IJM Corporation Bhd	8,113,600	21,412,675	18,417,872	5.64
		<u>35,517,752</u>	<u>34,083,747</u>	<u>10.43</u>
Consumer Products & Services				
Carlsberg Brewery Malaysia Bhd	441,000	7,382,107	7,364,700	2.25
HI Mobility Bhd	1,502,900	3,617,631	4,132,975	1.27
		<u>10,999,738</u>	<u>11,497,675</u>	<u>3.52</u>
Energy				
Lianson Fleet Group Bhd	3,039,000	4,832,010	6,321,120	1.94
		<u>4,832,010</u>	<u>6,321,120</u>	<u>1.94</u>
Financial Services				
AEON Credit Service (M) Bhd	1,407,300	7,863,051	8,077,902	2.47
CIMB Group Holdings Bhd	810,000	6,486,642	6,682,500	2.05
		<u>14,349,693</u>	<u>14,760,402</u>	<u>4.52</u>
Health Care				
Hartalega Holdings Bhd	2,960,300	3,773,389	2,930,697	0.90
Kossan Rubber Industries Bhd	3,750,200	4,731,883	4,087,718	1.25
		<u>8,505,272</u>	<u>7,018,415</u>	<u>2.15</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	8,331,000	11,927,872	12,079,950	3.70
Pantech Global Bhd	9,833,000	6,500,674	4,326,520	1.32
Press Metal Aluminium Holdings Bhd	2,074,800	11,034,732	14,772,576	4.52
SAM Engineering & Equipment (M) Bhd	1,884,000	7,762,482	7,027,320	2.15
Sunway Bhd	3,334,000	13,337,978	18,737,080	5.74
TMK Chemical Bhd	6,403,500	7,516,905	8,772,795	2.69
		<u>58,080,643</u>	<u>65,716,241</u>	<u>20.12</u>
Plantation				
Johor Plantations Group Bhd	8,700,000	11,325,460	13,833,000	4.23
		<u>11,325,460</u>	<u>13,833,000</u>	<u>4.23</u>
Technology				
Malaysian Pacific Industries Bhd	394,300	8,727,736	12,712,232	3.89
Unisem (M) Bhd	4,412,000	14,330,528	13,544,840	4.15
ViTrox Corporation Bhd	2,682,500	11,822,562	10,676,350	3.27
		<u>34,880,826</u>	<u>36,933,422</u>	<u>11.31</u>
Utilities				
Mega First Corporation Bhd	1,630,000	4,082,503	5,493,100	1.68
Tenaga Nasional Bhd	2,147,000	29,175,429	29,456,840	9.02
YTL Power International Bhd	1,000,000	3,260,000	3,310,000	1.01
		<u>36,517,932</u>	<u>38,259,940</u>	<u>11.71</u>
Total quoted equity securities		<u>239,888,635</u>	<u>254,078,363</u>	<u>77.78</u>

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	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
COLLECTIVE INVESTMENT SCHEMES				
Areca Flexi fixedINCOME Fund	1,115,609	1,491,570	1,490,008	0.45
Areca Progressive Income Fund	3,191,453	3,222,729	3,226,240	0.99
Areca Progressive Income Fund 7.0	5,821,224	7,003,682	7,251,498	2.22
Areca Steady fixedINCOME Fund	16,906,639	21,230,893	22,025,969	6.74
Areca Strategic Income Fund 15	2,500,000	2,500,000	2,477,750	0.76
Total collective investment schemes		<u>35,448,874</u>	<u>36,471,465</u>	<u>11.16</u>
Total investments		<u>275,337,509</u>	<u>290,549,828</u>	<u>88.94</u>
Unrealised gain on investments			<u>15,212,319</u>	

Financial assets at fair value through profit or loss as at 31 December 2024 are as follows:

	No. of Shares Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
QUOTED EQUITY SECURITIES				
ACE Market				
Industrial Products & Services				
Topmix Bhd	6,000,000	2,588,400	2,910,000	0.76
		<u>2,588,400</u>	<u>2,910,000</u>	<u>0.76</u>
Technology				
Edelteq Holdings Bhd	5,317,600	2,591,552	1,807,984	0.48
Infomina Bhd	3,583,400	2,969,078	4,945,092	1.30
LGMS Bhd	1,818,600	2,610,222	2,273,250	0.60
Ramssol Group Bhd	5,211,000	3,288,150	3,777,975	0.99
SFP Tech Holdings Bhd	3,810,400	2,694,441	2,781,592	0.73
SMRT Holdings Bhd	6,206,100	4,588,861	8,005,869	2.10
		<u>18,742,304</u>	<u>23,591,762</u>	<u>6.20</u>
Main Market				
Construction				
Gamuda Bhd	4,785,676	12,973,525	22,684,104	5.96
IJM Corporation Bhd	3,179,600	7,107,012	9,665,984	2.54
WCT Holdings Bhd	8,510,200	8,851,651	8,084,690	2.12
		<u>28,932,188</u>	<u>40,434,778</u>	<u>10.62</u>
Consumer Products & Services				
99 Speed Mart Retail Holdings Bhd	9,600,000	18,657,295	23,712,000	6.23
AirAsia X Bhd	3,000,000	6,077,900	6,000,000	1.57
Capital A Bhd	16,000,000	14,247,100	16,000,000	4.20
		<u>38,982,295</u>	<u>45,712,000</u>	<u>12.00</u>
Energy				
Bm Greentech Bhd	1,914,000	3,488,671	3,330,360	0.87
Bm Greentech Bhd - Warrants 2024/2027	308,000	-	155,540	0.04
Dayang Enterprise Holdings Bhd	3,134,800	5,678,064	6,551,732	1.72
DIALOG Group Bhd	5,700,000	12,229,660	10,545,000	2.77

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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				
Main Market				
Energy				
Hibiscus Petroleum Bhd	2,887,600	6,544,433	5,659,696	1.49
Yinson Holdings Bhd	2,646,700	6,808,588	6,987,288	1.84
		<u>34,749,416</u>	<u>33,229,616</u>	<u>8.73</u>
Financial Services				
AEON Credit Service (M) Bhd	1,332,800	9,581,767	8,343,328	2.19
AMMB Holdings Bhd	1,500,000	7,732,050	8,220,000	2.16
CIMB Group Holdings Bhd	1,857,400	12,051,020	15,230,680	4.00
Hong Leong Bank Bhd	550,000	11,547,050	11,308,000	2.97
		<u>40,911,887</u>	<u>43,102,008</u>	<u>11.32</u>
Health Care				
IHH Healthcare Bhd	1,850,000	13,382,425	13,505,000	3.55
KPJ Healthcare Bhd	3,000,000	7,479,500	7,290,000	1.91
Supermax Corporation Bhd	4,000,000	3,941,600	5,320,000	1.40
		<u>24,803,525</u>	<u>26,115,000</u>	<u>6.86</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	2,400,000	3,424,080	2,880,000	0.76
CPE Technology Bhd	4,221,600	4,280,108	3,947,196	1.04
Hume Cement Industries Bhd	2,349,000	7,563,780	7,493,310	1.97
L&P Global Bhd	9,137,500	5,114,068	2,330,063	0.61
Press Metal Aluminium Holdings Bhd	700,000	3,487,065	3,430,000	0.90
SAM Engineering & Equipment (M) Bhd	1,096,800	4,607,312	4,782,048	1.25
Sunway Bhd	2,365,800	4,120,729	11,332,182	2.97
V.S. Industry Bhd - Warrants 2024/2026	660,530	-	138,711	0.04
		<u>32,597,142</u>	<u>36,333,510</u>	<u>9.54</u>
Plantation				
Johor Plantations Group Bhd	6,100,000	8,164,500	8,235,000	2.16
United Plantations Bhd	241,700	6,521,817	7,512,036	1.97
		<u>14,686,317</u>	<u>15,747,036</u>	<u>4.13</u>
Property				
Eco World Development Group Bhd	3,122,000	5,109,226	6,524,980	1.71
Mah Sing Group Bhd	3,195,000	5,833,853	5,751,000	1.51
Naim Holdings Bhd	3,996,200	4,443,060	4,275,934	1.12
S P Setia Bhd - Islamic Redeemable Convertible Preference Shares (RCPS-I)	128,520	128,520	123,379	0.03
Sime Darby Property Bhd	5,169,100	7,961,088	8,735,779	2.30
		<u>23,475,747</u>	<u>25,411,072</u>	<u>6.67</u>
Technology				
Inari Amertron Bhd	3,170,000	9,241,752	9,700,200	2.55
Notion VTec Bhd	6,605,900	10,695,777	8,785,847	2.30
		<u>19,937,529</u>	<u>18,486,047</u>	<u>4.85</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				
Main Market				
Transportation & Logistics				
E.A. Technique (M) Bhd	22,000,000	7,040,000	6,600,000	1.73
		<u>7,040,000</u>	<u>6,600,000</u>	<u>1.73</u>
Utilities				
Mega First Corporation Bhd	1,630,000	4,082,503	7,481,700	1.97
YTL Corporation Bhd	2,000,000	5,151,400	5,340,000	1.40
		<u>9,233,903</u>	<u>12,821,700</u>	<u>3.37</u>
Total quoted equity securities		<u>296,680,653</u>	<u>330,494,529</u>	<u>86.78</u>

	Quantity Units	Aggregate Cost RM	Fair Value RM	Fair Value as a % of Net Asset Value %
COLLECTIVE INVESTMENT SCHEMES				
Areca Progressive Income Fund	3,763,121	3,800,000	3,801,129	1.00
Areca Progressive Income Fund 7.0	5,821,224	7,003,682	7,407,507	1.94
Areca Steady fixedINCOME Fund	20,385,476	25,041,436	25,422,728	6.68
Total collective investment schemes		<u>35,845,118</u>	<u>36,631,364</u>	<u>9.62</u>
Total investments		<u>332,525,771</u>	<u>367,125,893</u>	<u>96.40</u>
Unrealised gain on investments			<u>34,600,122</u>	

6 CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Cash at banks	8,571	5,069
Short-term deposits	<u>33,560,618</u>	<u>8,425,490</u>
	<u>33,569,189</u>	<u>8,430,559</u>

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

The weighted average interest rate for short-term deposits is 2.79% (2024: 3.00%) per annum and the average maturity period is 3 days (2024: 2 days).

7 OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RM	2024 RM
Accrued expenses:		
Management fee	468,908	564,866
Trustee's fee	22,038	25,605
Audit fee	6,000	6,251
Tax agent's fee	5,999	5,999
Other Expenses	<u>39,276</u>	<u>-</u>
	<u>542,221</u>	<u>602,721</u>

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8 NUMBER OF UNITS IN CIRCULATION

	2025	2024
	Units	Units
At beginning of the period	587,615,740	502,622,660
Created during the period	33,341,035	101,948,160
Cancelled during the period	<u>(34,617,433)</u>	<u>(29,409,576)</u>
At end of the period	<u>586,339,342</u>	<u>575,161,244</u>

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 1.73% (2024: 1.80%) 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 (excluding foreign custodian fees and charges, if any) before deducting the management fee and Trustee's fee for the relevant day.

The Trustee's fee provided in the financial statements is 0.08% (2024: 0.08%) per annum for the financial period.

11 TAXATION

There is no income tax expense for the period as interest income derived by the Fund is exempted income 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 0.95% (2024: 0.95%) for the financial period ended 31 December 2025. 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 RM325,103,297 (2024: RM368,909,811).

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Portfolio Turnover Ratio (PTR)

The portfolio turnover ratio for the Fund is 1.12 times (2024: 0.61 times) for the financial period ended 31 December 2025. The portfolio turnover is derived from the following calculation:

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

Where: total acquisition for the financial period = RM370,631,955 (2024: RM258,244,268)
total disposal for the financial period = RM356,396,081 (2024: RM192,200,869)

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 related parties are as follows:

	←-----2025-----→		←-----2024-----→	
	No. of units	RM	No. of units	RM
Directors of the Manager (The above units are held legally and beneficially)	3,465,534	1,930,995	3,865,222	2,559,163
	3,465,534	1,930,995	3,865,222	2,559,163

There are no units held by the Manager for the financial period under review.

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 %
2025				
CIMB Securities Sdn Bhd	167,473,530	24.84	417,907	24.98
Kenanga Investment Bank Bhd	137,083,114	20.33	296,083	17.69
Public Investment Bank Bhd	109,999,180	16.32	278,893	16.67
CGS International Securities Malaysia Sdn Bhd	89,568,023	13.28	213,633	12.77
Maybank Investment Bank Bhd	65,373,115	9.70	183,448	10.96
CLSA Securities Malaysia Sdn Bhd	41,156,857	6.10	101,081	6.04
UOB Kay Hian Securities (M) Sdn Bhd	40,271,744	5.97	97,425	5.82
KAF Investment Bank Bhd	6,136,720	0.91	19,976	1.19
JPMorgan Securities (Malaysia) Sdn Bhd	4,785,191	0.71	13,673	0.82
Hong Leong Investment Bank Bhd	4,269,615	0.63	10,019	0.60
Others	8,128,100	1.21	41,117	2.46
	674,245,189	100.00	1,673,255	100.00

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Brokers/Dealers	Value of Trades RM	% of Total Trades %	Fees RM	% of Total Brokerage Fee %
2024				
CIMB Securities Sdn Bhd	77,306,042	18.40	394,568	20.41
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS CIMB Securities Sdn Bhd)	50,074,876	11.92	236,826	12.25
RHB Investment Bank Bhd	42,717,131	10.16	171,678	8.88
Public Investment Bank Bhd	40,750,484	9.70	195,115	10.09
Phillip Capital Sdn Bhd	38,487,872	9.16	184,305	9.53
Kenanga Investment Bank Bhd	38,208,015	9.09	177,268	9.17
AmInvestment Bank Bhd	35,106,003	8.35	142,630	7.38
CLSA Securities Malaysia Sdn Bhd	30,261,877	7.20	110,855	5.74
Maybank Investment Bank Bhd	28,618,007	6.81	134,039	6.93
UOB Kay Hian Securities (M) Sdn Bhd	22,000,178	5.24	106,516	5.51
Others	16,704,334	3.97	79,364	4.11
	<u>420,234,819</u>	<u>100.00</u>	<u>1,933,164</u>	<u>100.00</u>

15 RISK MANAGEMENT POLICIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund seeks to preserve capital as well as to provide investors with medium to long-term capital growth by investing in securities that have potential for capital growth. 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 interest rate risk and price risk) primarily on its investments and capital risk.

Categories of Financial Instruments

	2025 RM	2024 RM
Financial assets		
Carried at FVTPL:		
Investments	<u>290,549,828</u>	<u>367,125,893</u>
Amortised cost:		
Cash and cash equivalents	33,569,189	8,430,559
Amount due from stockbrokers	3,341,728	6,246,168
Dividend receivables	<u>469,825</u>	<u>193,283</u>
Financial liabilities		
Amortised cost:		
Amount due to Manager	157,819	575,498
Amount due to stockbrokers	545,460	-
Other payables and accrued expenses	<u>542,221</u>	<u>602,721</u>

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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 December 2025.

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

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

	Short-term deposits RM	Quoted equity securities RM	Collective investment schemes RM
2025			
Industry			
Construction	-	34,083,747	-
Consumer Products & Services	-	21,196,686	-
Energy	-	16,355,870	-
Financial Services	33,560,618	14,760,402	36,471,465
Health Care	-	7,018,415	-
Industrial Products & Services	-	67,457,041	-
Plantation	-	13,833,000	-
Technology	-	36,933,422	-
Telecommunications & Media	-	4,179,840	-
Utilities	-	38,259,940	-
	<u>33,560,618</u>	<u>254,078,363</u>	<u>36,471,465</u>
2024			
Industry			
Construction	-	40,434,778	-
Consumer Products & Services	-	45,712,000	-
Energy	-	33,229,616	-
Financial Services	8,425,490	43,102,008	36,631,364
Health Care	-	26,115,000	-
Industrial Products & Services	-	39,243,510	-
Plantation	-	15,747,036	-
Property	-	25,411,072	-
Technology	-	42,077,809	-
Transportation & Logistics	-	6,600,000	-
Utilities	-	12,821,700	-
	<u>8,425,490</u>	<u>330,494,529</u>	<u>36,631,364</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.

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.

During the financial period, as the Fund invests in Malaysian listed quoted equity securities and collective investment schemes, the performance of the Fund might go up or down in accordance with the prevailing market risk in Malaysia.

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.

Price risk management

Price risk is the risk of unfavourable changes in the fair value of quoted equity securities and collective investment schemes 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 and collective investment schemes. The Manager manages the 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
2025		
Investments	+5/-5%	<u>14,527,491/(14,527,491)</u>
2024		
Investments	+5/-5%	<u>18,356,295/(18,356,295)</u>

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Capital risk management

The capital of the Fund is represented by equity consisting of unitholders' capital and retained earnings. 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 end of the reporting period.

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

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
2025				
Financial assets at FVTPL				
Quoted equity securities	254,078,363	-	-	254,078,363
Collective investment schemes	-	36,471,465	-	36,471,465
2024				
Financial assets at FVTPL				
Quoted equity securities	330,494,529	-	-	330,494,529
Collective investment schemes	-	36,631,364	-	36,631,364

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



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