
7. Current Investments of UOA REIT

7.1 Competitive Strengths of the Properties Parcels

We are of the opinion that the Properties Parcels enjoy the following competitive strengths:-

The Properties Parcels are located in prime location

UOA Centre and UOA II are situated in the heart of Kuala Lumpur's prime business, banking and shopping district or more widely known as the "Golden Triangle" area. Located just opposite UOA Centre and UOA II are the landmark development such as Kuala Lumpur Petronas Twin Towers, Kuala Lumpur Convention Centre and the picturesque circa 50-acre Kuala Lumpur City Centre ("KLCC") Park. Within walking distance are the major shopping districts including Suria KLCC and Bintang Walk which are served by a concentration of international hotels namely Mandarin Oriental Hotel, Ritz Carlton, Westin Hotel Kuala Lumpur, Marriott Hotel, the Regent and the soon-to-be-completed Traders Hotel. The area is easily accessible by all major roads in the city and well served by public transportation including numerous bus services and rapid rail transportation terminals such as the Putra KLCC Station and the KL Monorail Raja Chulan Station.

UOA Damansara is situated in Damansara Heights, an up-market commercial hub just at the outskirts of Kuala Lumpur. It is bounded by Wisma MBSB at the northern boundary, Jalan Dungun at its western boundary, Wisma Socfin at the eastern boundary and Jalan Semantan at its southern boundary. It is located within the renowned commercial hub zone of Damansara Heights and is approximately four (4) kilometers west of the Kuala Lumpur City Centre. UOA Damansara enjoys good frontage to the busy Jalan Semantan which is connected to several major highways including the SPRINT Highway, Kerinchi Link and North Klang Valley Expressway.

Strong brand recognition of the "UOA" name

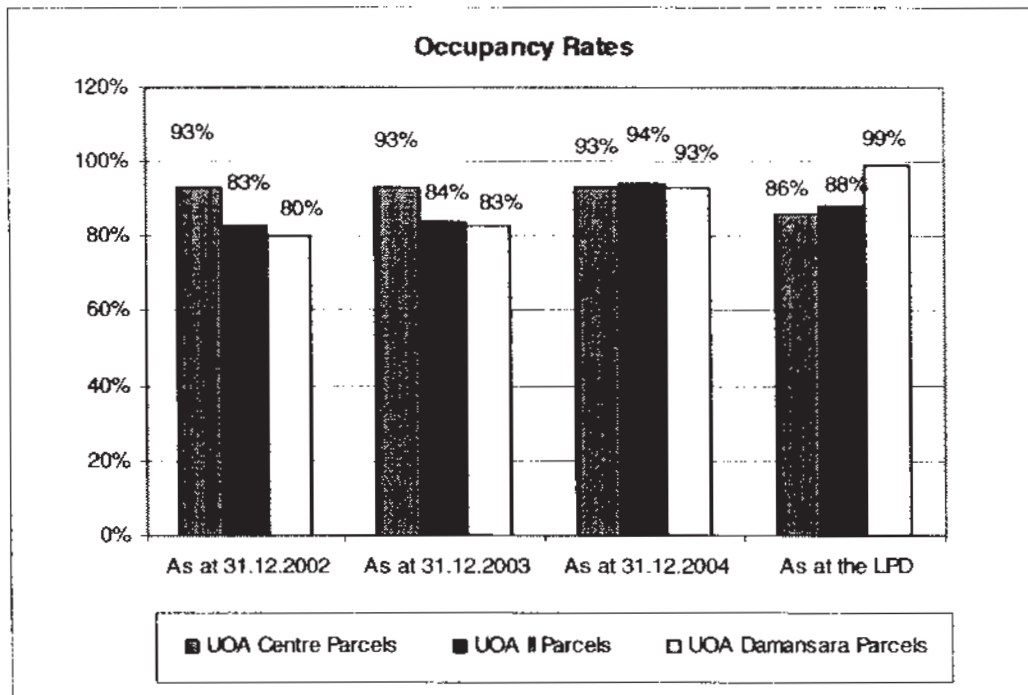
UOA Centre, UOA II and UOA Damansara are developed by companies within the UOA Holdings Group. UOA Holdings and its various subsidiary companies are involved in commercial and residential development, construction as well as property investment. The UOA Holdings Group has successfully undertaken various real estate developments in Malaysia with an estimated value in excess of RM1.5 billion. It is one of Malaysia's leading property development, property investment, property management services and construction group of companies. UOA Centre, UOA II and UOA Damansara carry the visible "UOA" logo and have always generated good demand for office spaces within the buildings.

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7. Current Investments of UOA REIT (Cont'd)

High occupancy level

The Properties Parcels have been enjoying high Occupancies as shown below:-



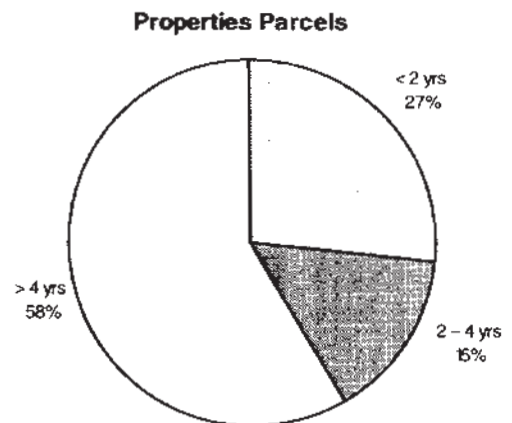
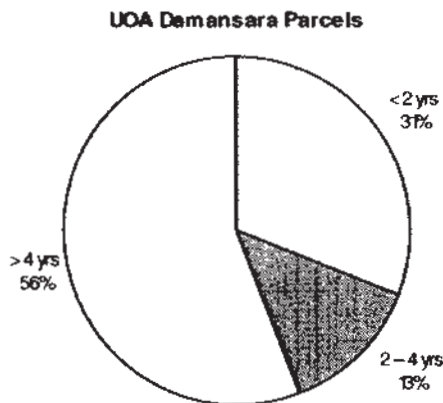
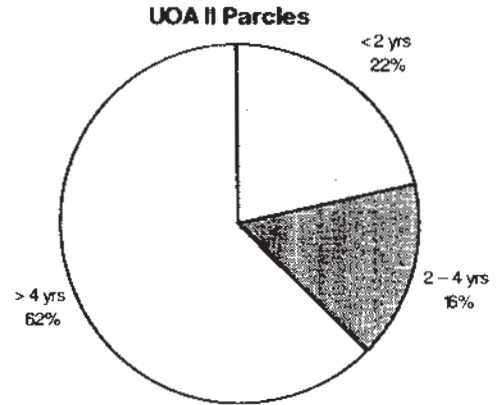
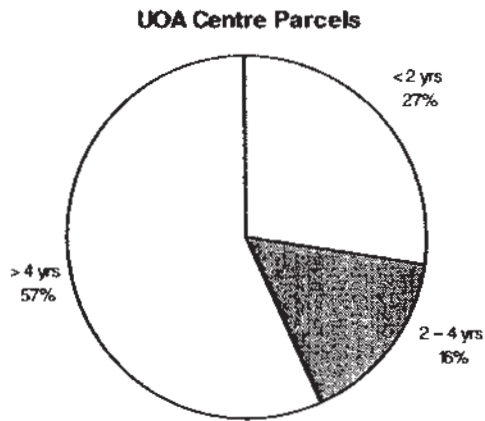
The high Occupancy Rates of the Properties Parcels above reflects the quality and demand for office space in the Properties Parcels.

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7. Current Investments of UOA REIT (Cont'd)

Long term tenants

The Properties Parcels not only enjoy high Occupancy Rates but are also able to retain long term tenants. As at the LPD, about 58% of existing tenants have been renting the Properties Parcels for more than four (4) years. The breakdown of the length of occupancy of the existing tenants for the Properties Parcels (based on the number of tenants occupying the Tenancy Net Lettable Area) as at the LPD is as follows:-



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7. Current Investments of UOA REIT (Cont'd)

Competitive rental rates

In the opinion of the Sponsor, the current rental rates of the Properties Parcels are at rates that are very competitive as compared to the neighbouring buildings. Due to the high demand for office space around the "Golden Triangle" area as well as the Damansara Heights area, and with a majority of existing tenancies expiring within the next three (3) years, we may be able to increase the rental rates of the Properties Parcels in order to improve the earnings for UOA REIT.

A general comparison of the occupancy and rental rates of the Properties Parcels with those of other buildings within the vicinity of the Properties as at November 2005 is set out below:-

Building	Approximate net lettable area (sq ft)	Approximate monthly rental (RM per sq ft)	Approximate occupancy rate (%)
UOA Centre Parcels	* 139,572	2.50 - 3.50	^ 86
UOA II Parcels	* 437,608	2.50 - 3.50	^ 88
UOA Damansara Parcels	* 190,992	2.70 - 3.50	^ 99
Menara Maxis, Jalan Ampang	528,030	6.80 - 7.50	98
Petronas Twin Towers, Jalan Ampang	3,195,651	8.50 - 13.00	83
Menara ExxonMobil, Jalan Ampang	379,942	5.50 - 6.80	100
Menara Citibank, Jalan Ampang	747,347	5.20 - 5.60	94
Wisma Denmark, Jalan Ampang	243,789	4.00 - 4.20	88
Menara HLA, Jalan Kia Peng	410,000	5.00 - 5.50	92
MNI Tower, Jalan Pinang	420,000	5.00 - 5.20	85
UBN Tower, Jalan P Ramlee	117,188	5.00 - 5.50	85
Menara TA One, Jalan P.Ramlee/ Jalan Pinang	347,008	3.20 - 3.60	90
Menara Millenium, Jalan Damalela	573,000	4.00 - 4.50	95
Wisma Cyclecarri, Jalan Raja Laut	307,414	3.00 - 3.20	85

(Source : the Sponsor and C.J.L.J)

Notes:-

- * Based on the Surveyed Net Lettable Area
- ^ Occupancy Rate as at the LPD

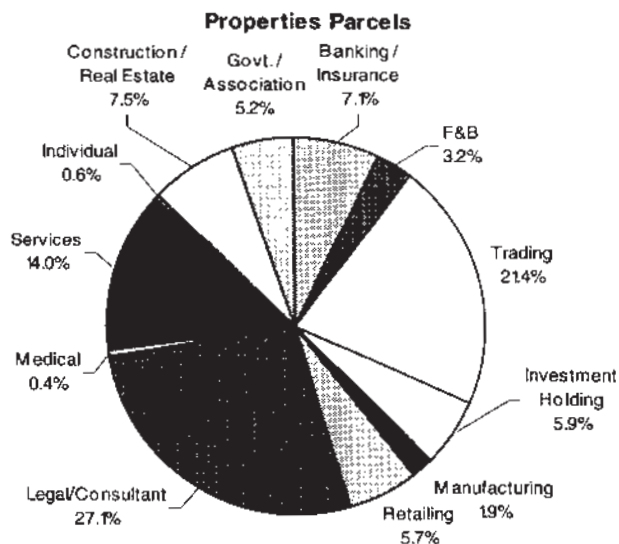
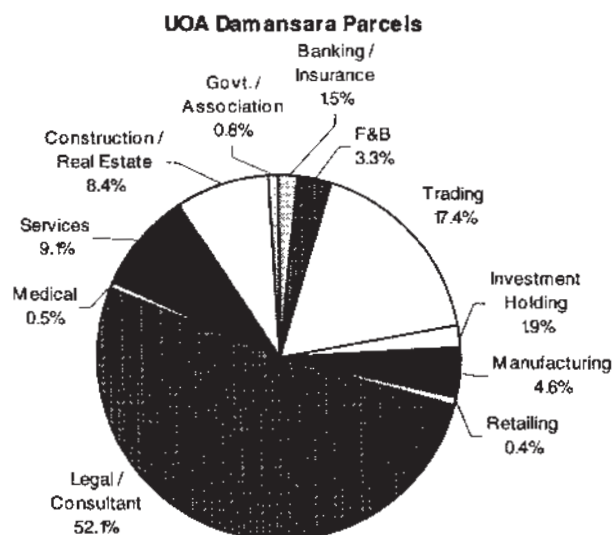
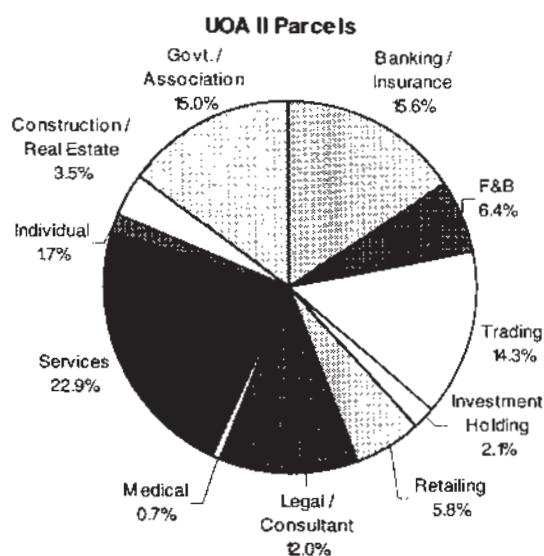
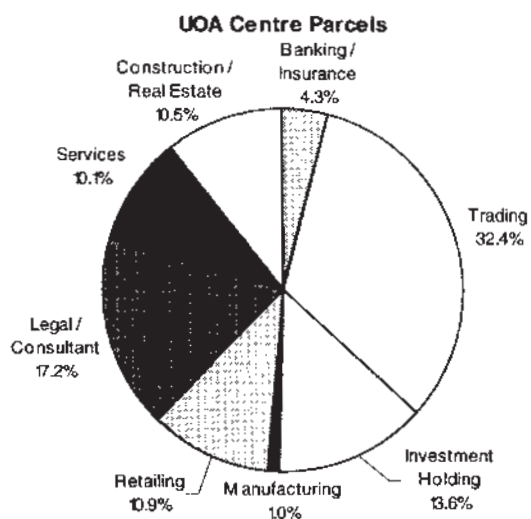
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7. Current Investments of UOA REIT (Cont'd)

Diverse and quality tenant base

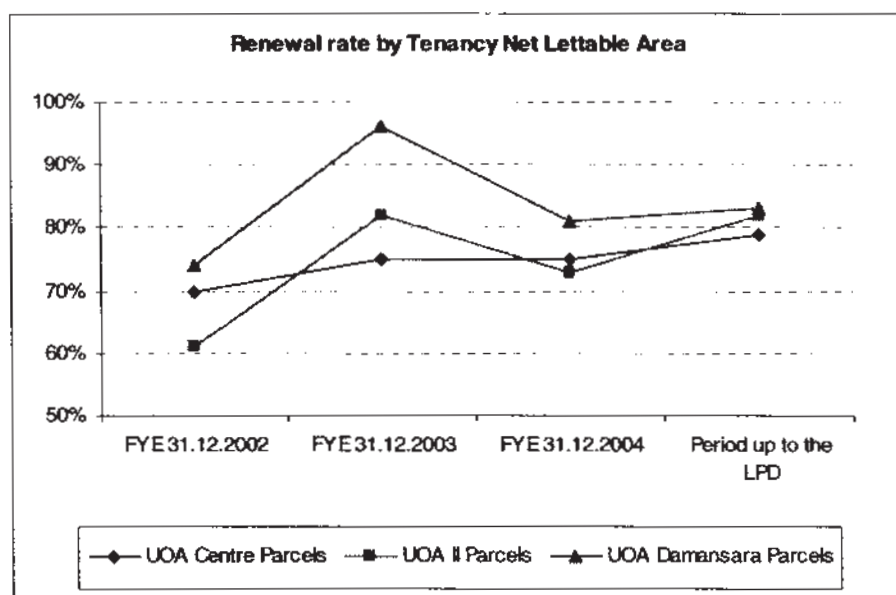
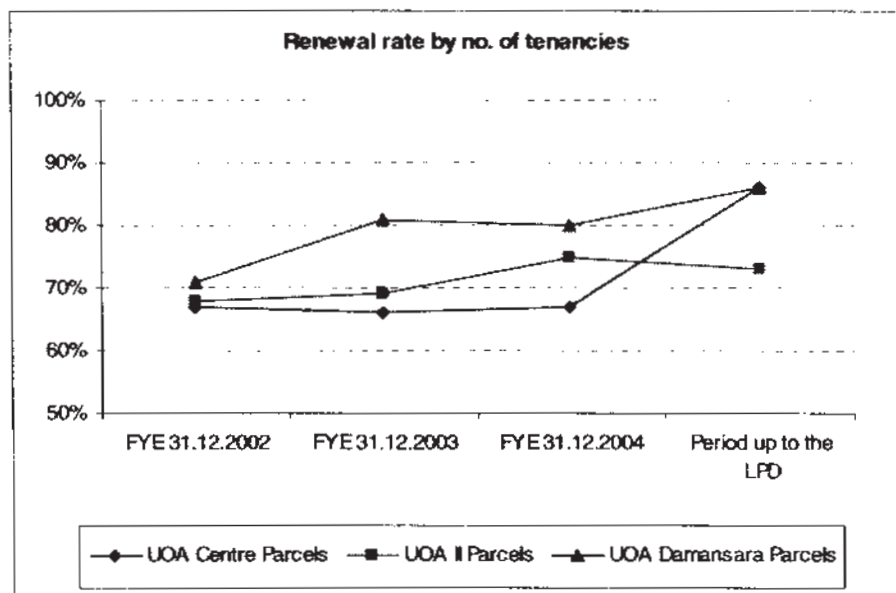
As at the LPD, the Properties Parcels are occupied by 193 tenants comprising small enterprises to large multinationals. The tenants are also from a wide range of industries which include banking, insurance, oil and gas, legal services, luxury car retailer and consultancy etc. Hence, UOA REIT is not over-dependent on any one particular industry.

The Tenant Mix of the Properties Parcels as at the LPD is as follows:-



7. Current Investments of UOA REIT (Cont'd)

The Properties Parcels' strong tenant base coupled with the selective sourcing for quality tenants have resulted in the Properties Parcels enjoying relatively high average tenancy renewal rates of more than 60% over the past three(3) FYEs 31 December 2004 and for the period up to the LPD as shown below:-



Economies of Scale

Collectively, the Properties Parcels have total Surveyed Net Lettable Area for retail and office space of 768,172 sq ft plus 1,207 car park bays. This creates a sizeable pool of assets for UOA REIT with specific focus in office and retail class of assets. We expect to leverage on our large asset pool to achieve economies of scale in terms of profitability and cost efficiency by providing a larger variety of different floor configuration to suit tenants' needs and at different locations namely Damansara Heights or the Kuala Lumpur "Golden Triangle" area. The large pool of assets will also improve cost efficiency in terms of technical infrastructure, purchasing and human resource expertise which can be shared within the Properties Parcels.

7. Current Investments of UOA REIT (Cont'd)

UOA Centre, which is integrated with UOA II at the ground floor and several car park levels, is situated in the heart of Kuala Lumpur's prime business, banking and shopping district or more widely known as the "Golden Triangle" area. UOA Centre is situated between Jalan Pinang and Jalan Perak with the building enjoying dual frontage on both roads.

UOA Centre is located just opposite the 100 acre KLCC development with the building commanding a view of the picturesque 50-acre KLCC Park. The building's western boundary enjoys direct frontage towards the main entrance of the Kuala Lumpur Convention Centre. There is also a covered walkway directly linking the building to the Mandarin Oriental Hotel, Petronas Twin Tower and KLCC Park. Other prominent office and retail buildings in the immediate area include Wisma Hong Leong, Crowne Plaza (*formerly Mutiara Hotel*), Suria KLCC, Kompleks Antarabangsa, Menara Standard Chartered and Wisma Cosway.

Access to the building is through various parts of Kuala Lumpur City Centre via Jalan Ampang, Jalan P. Ramlee and thereafter onto Jalan Pinang. Alternatively, the building is also accessible from the south and north of Kuala Lumpur via Jalan Tun Razak, Jalan Kia Peng and thereafter onto Jalan Pinang.

The building is located close to rapid rail transportation terminals such as the Putra KLCC Station and the KL Monorail Raja Chulan Station. Both are well within walking distance from UOA Centre. The area is also well serviced by numerous bus lines that service all parts of Klang Valley.

7.2.3 Particulars of Titles and Encumbrances

UOA Centre is situated on part of the a freehold land held under Geran 46212, Lot No. 1312, Section 57, Town and District of Kuala Lumpur and State of Wilayah Persekutuan measuring 72,086 sq ft (6,697 sq m).

The application for the issuance of the strata titles for UOA Centre were submitted to the Wilayah Persekutuan Land Registry on 2 June 2005 and is now awaiting approval. Please refer to Section 7.5 of this Prospectus for further information.

The sale and purchase agreement relating to the UOA Centre Parcels executed between Wisma UOA Sdn Bhd and the Trustee is assigned to AmBank as security for the loan facility to part-finance the Acquisition of UOA Centre Parcels and the Acquisition of UOA II Parcels.

Encumbrances* on the master title as at the LPD are as follows:-

- (i) Private caveat created vide Presentation No. 4503/2000 by Malayan Banking Berhad of Ground Floor, Bangunan Yayasan Selangor, Jalan Bukit Bintang, 55100 Kuala Lumpur and registered on 25 April 2000;
- (ii) Private caveat created vide Presentation No. 6189/2003 by Public Bank Berhad of No. 8 & 10, Jalan 21/12, Sea Park, 46300 Petaling Jaya and registered on 28 May 2003;
- (iii) Private caveat created vide Presentation No. 2013/2004 by Arataz Equity Sdn Bhd of No. 243-A, Taman Melaka Raya, 75000 Melaka and registered on 24 February 2004.

Note:-

* As determined from the extracts of private caveats from the Wilayah Persekutuan Land Registry.

The developer of UOA Centre, LTG Development Sdn Bhd, has vide its letter dated 8 July 2005 confirmed that the private caveats on the master title are in relation to units that do not form part of UOA Centre Parcels.

7. Current Investments of UOA REIT (Cont'd)

7.2.4 Income

The breakdown of the gross revenue for UOA Centre Parcels for the past three (3) financial years (as extracted from the audited financial statements of Wisma UOA Sdn Bhd) and the ten (10) months ended 31 October 2005 is as follows:-

Period	Gross revenue (RM)
FYE 31 December 2002	3,758,407
FYE 31 December 2003	3,979,192
FYE 31 December 2004	4,733,228
Ten (10) months ended 31 October 2005	4,196,128

7.2.5 Occupancy

The Occupancy Rate of UOA Centre Parcels remains relatively high as at 31 December 2000 to 31 December 2004 and as at the LPD, as illustrated in the table below:-

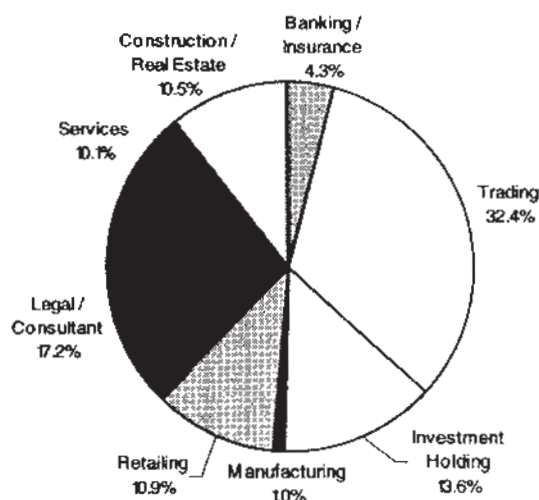
As at	Occupancy Rate
31 December 2000	90%
31 December 2001	98%
31 December 2002	93%
31 December 2003	93%
31 December 2004	93%
LPD	86%

7.2.6 Tenant Mix

UOA Centre Parcels have a diversified mix of tenants which include large corporates, multinationals, public-listed companies, reputable professional entities and other various organisations.

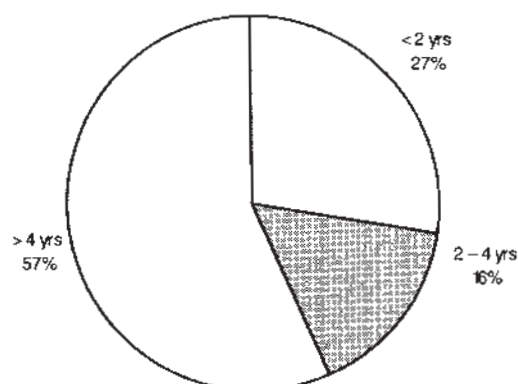
Currently, UOA Centre Parcels have 55 tenants whose businesses range from luxury-car retailing, travel services, banking, investment holding etc. Tenancies are generally for at least two (2) years with an option to renew for another one (1) year.

The Tenant Mix of UOA Centre Parcels as at the LPD is as follows:-



7. Current Investments of UOA REIT (Cont'd)

Approximately 57% of the tenants have been in UOA Centre Parcels for more than four (4) years. The breakdown of the length of occupancy of the existing tenants for UOA Centre Parcels (based on the number of tenants occupying the Tenancy Net Lettable Area) as at the LPD is as follows:-



7.2.7 Tenant Information

As at the LPD, UOA Centre Parcels have 55 tenants. The table below sets out information relating to the top ten (10) tenants based on rental income:-

Top ten (10) tenants by rental income (as at the LPD):

Tenant	Trade sub-sector	Tenancy expiry date	Percentage of total Tenancy Net Lettable Area (%)	Percentage of gross rent (%)
Dats Management Sdn Bhd*	Services (Building Manager)	31 December 2005	N/A*	18.5
UOA Holdings Sdn Bhd	Investment Holding	31 December 2005	7.2	8.4
Cartrade Sdn Bhd	Retailing	14 July 2013	4.7	7.0
Penaga Dresser Sdn Bhd	Trading	7 November 2006	6.1	4.3
EON Bank Berhad	Banking	31 March 2006	2.4	4.3
Total Oil Malaysia Sdn Bhd	Trading	14 July 2006	5.6	3.4
AX Space Galleria	Retailing	31 March 2008	2.4	3.4
Dresser Italia S.R.L (Regional Office)	Trading	31 December 2005	3.6	3.1
Arthur D. Little (M) Sdn Bhd	Consultancy	14 April 2006	3.2	2.8
Sidra Trading Sdn Bhd	Trading	31 August 2006	2.7	2.6

Note:-

* Dats Management Sdn Bhd's tenancy includes office rental measuring 3,173 sq ft and the 208 car park bays.

7. Current Investments of UOA REIT (Cont'd)

7.2.8 Expiries and Renewals

The following table sets out information on tenancies at UOA Centre Parcels that have expired and those that have been renewed by the existing tenants during the periods indicated:-

FYE	Number of tenancies expired	Tenancy Net Lettable Area of expired tenancies (sq ft)	Number of expired tenancies renewed	Total renewed Tenancy Net Lettable Area (sq ft)	Renewal rate by number of expired tenancies ⁽¹⁾ (%)	Renewal rate by expired Tenancy Net Lettable Area ⁽¹⁾ (%)
31 December 2002	30	53,420	20	37,544	67	70
31 December 2003	44	73,212	29	54,731	66	75
31 December 2004	49	71,696	33	53,423	67	75
Period up to the LPD	36	53,838	31	42,609	86	79
Total	159	252,166	113	188,307		

Note:

- (1) Notwithstanding that the renewal rate is below 100%, UOA Centre Parcels have been enjoying relatively high Occupancy Rate historically as shown in Section 7.2.5 of this Prospectus as they were able to secure new tenants upon the non-renewal of certain tenancies.

The table below sets out details of expiries in respect of tenancies which, as at the LPD, are scheduled to take place during the periods indicated:

Period	Total number of tenancies expiring	Tenancy Net Lettable Area of tenancies expiring (sq ft)	Expiring tenancies as a percentage of Tenancy Net Lettable Area ⁽¹⁾ (%)
From the LPD to FYE 31 December 2005	15	31,364	29
FYE 31 December 2006	30	48,067	44
Beyond FYE 31 December 2006	20	30,277	27
Total	65	109,708	100

Note:-

- (1) The expiring tenancies as a percentage of Tenancy Net Lettable Area is relatively high as tenancies are generally for at least two (2) years with an option to renew for another one (1) year. Notwithstanding the above, UOA Centre Parcels have been enjoying relatively high occupancy rate historically as shown in Section 7.2.5 of this Prospectus as they were able to secure new tenants and renew existing tenancies.

7. Current Investments of UOA REIT (Cont'd)

7.3 UOA II Parcels

7.3.1 Description

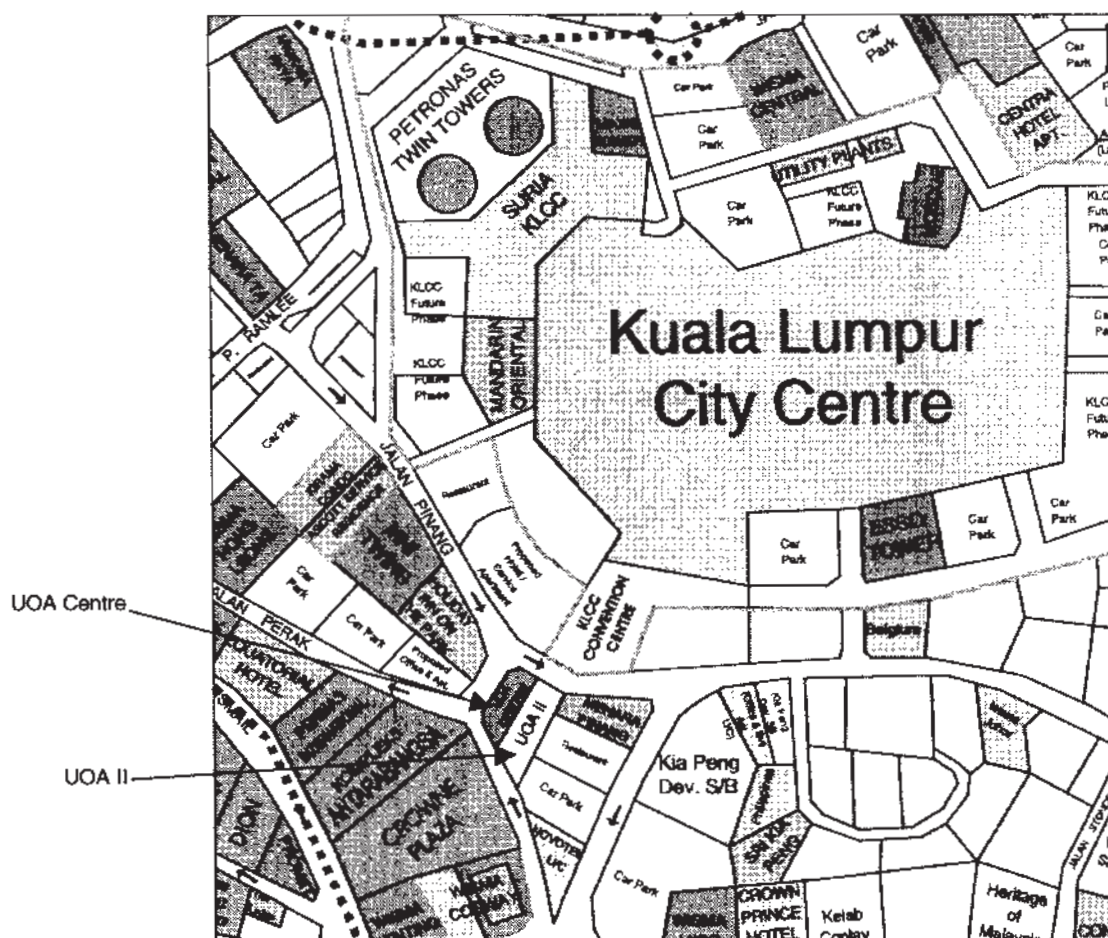
UOA II Parcels (comprising several parcels with Surveyed Net Lettable Area measuring 437,608 sq ft plus 643 car park bays, representing 69.9% of the total Parcel Area of UOA II) are within UOA II, a 39 storey integrated retail and office building integrated with 5-levels of car parking space or 643 bays (2 basement levels and 3 levels above ground). The building is serviced by high-speed lifts, differentiated by 2 different lift lobbies provisioned for lower and higher floors for the convenience of its tenants. The exterior of UOA II is contemporarily designed with substantial glass windows and aluminium composite panels which is in pristine condition. UOA II has been designed to blend harmoniously with UOA Centre.

The building which was completed in 1998 enjoys dual frontage onto the busy Jalan Pinang and Jalan Perak, and is just opposite the Kuala Lumpur Convention Centre. UOA II has a total gross built-up area and Surveyed Net Lettable Area of approximately 1,012,475 sq ft and 703,841 sq ft respectively.

The appraised value of UOA II Parcels as at 1 April 2005 by the Independent Property Valuer is RM189,100,000.

7.3.2 Location and Accessibility

The postal address of UOA II is No. 21 Jalan Pinang, 50450 Kuala Lumpur.



7. Current Investments of UOA REIT (Cont'd)

UOA II is located just adjacent to UOA Centre and as such, it also enjoys the benefits of being situated in the heart of Kuala Lumpur's prime business, banking and shopping district or more widely known as the "Golden Triangle" area. UOA II is situated between Jalan Pinang and Jalan Perak with the building enjoying dual frontage on both roads.

Given its location that is adjacent to UOA Centre, UOA II also enjoys the same accessibility through various parts of Kuala Lumpur City Centre via Jalan Ampang, Jalan P. Ramlee and thereafter onto Jalan Pinang. Alternatively, the building is also accessible from the south and north of Kuala Lumpur via Jalan Tun Razak, Jalan Kia Peng and thereafter onto Jalan Pinang. It is also easily accessible via public transportation.

7.3.3 Particulars of Titles and Encumbrances

UOA II is situated on part of the freehold land held under Geran 46212, Lot No. 1312, Section 57, Town and District of Kuala Lumpur and State of Wilayah Persekutuan measuring 72,086 sq ft (6,697 sq m).

The application for the issuance of the strata titles for UOA II were submitted to the Wilayah Persekutuan Land Registry on 2 June 2005 and is now awaiting approval. Please refer to Section 7.5 of this Prospectus for further information.

The sale and purchase agreement relating to the UOA II Parcels executed between Wisma UOA Sdn Bhd and the Trustee is assigned to AmBank as security for the loan facility to part-finance the Acquisition of UOA Centre Parcels and the Acquisition of UOA II Parcels.

Encumbrances* on the master title as at the LPD are as follows:-

- (i) Private caveat created vide Presentation No. 4503/2000 by Malayan Banking Berhad of Ground Floor, Bangunan Yayasan Selangor, Jalan Bukit Bintang, 55100 Kuala Lumpur and registered on 25 April 2000;
- (ii) Private caveat created vide Presentation No. 6189/2003 by Public Bank Berhad of No. 8 & 10, Jalan 21/12, Sea Park, 46300 Petaling Jaya and registered on 28 May 2003;
- (iii) Private caveat created vide Presentation No. 2013/2004 by Arataz Equity Sdn Bhd of No. 243-A, Taman Melaka Raya, 75000 Melaka and registered on 24 February 2004.

Note:-

* As determined from the extracts of private caveats from the Wilayah Persekutuan Land Registry.

The developer of UOA II, LTG Development Sdn Bhd, has vide its letter dated 8 July 2005 confirmed that the private caveats on the master title are in relation to units that do not form part of UOA II Parcels.

7.3.4 Income

The breakdown of the gross revenue for UOA II Parcels for the past three (3) financial years (as extracted from the audited financial statements of Julung Perdana Sdn Bhd and Wisma UOA Sdn Bhd) and the ten (10) months ended 31 October 2005 is as follows:-

Period	Gross revenue (RM)
FYE 31 December 2002	10,050,378
FYE 31 December 2003	10,520,772
FYE 31 December 2004	13,064,910
Ten (10) months ended 31 October 2005	12,029,669

7. Current Investments of UOA REIT (Cont'd)

7.3.5 Occupancy

The Occupancy Rate of UOA II Parcels remains relatively high as at 31 December 2000 to 31 December 2004 and as at the LPD, as illustrated in the table below:-

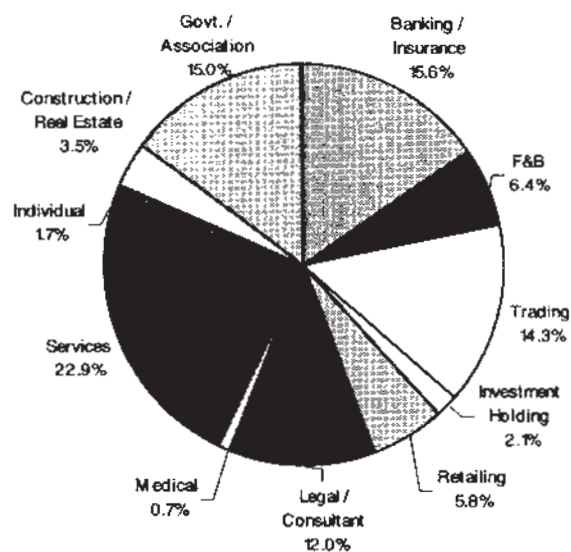
As at	Occupancy Rate
31 December 2000	89%
31 December 2001	98%
31 December 2002	83%
31 December 2003	84%
31 December 2004	94%
LPD	88%

7.3.6 Tenant Mix

UOA II Parcels have a diversified mix of tenants which include multinationals, professional bodies, public-listed companies as well as small and large corporation and bodies.

Currently, UOA II Parcels have 96 tenants whose businesses are diverse ranging from food and beverages, insurance, travel services, property management, trading and investment holding etc. Tenancies are generally for at least two (2) years with an option to renew for another one (1) year.

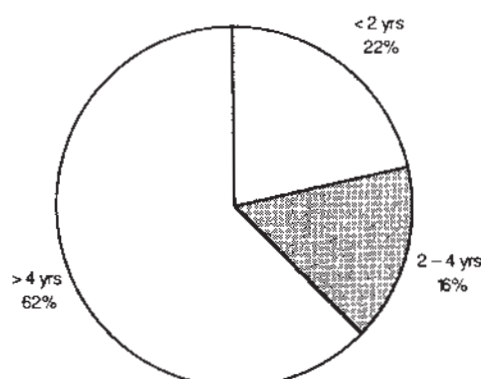
The Tenant Mix of UOA II Parcels as at the LPD is as follows:-



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7. Current Investments of UOA REIT (Cont'd)

Approximately 62% of the tenants have been in UOA II Parcels for more than four (4) years. The breakdown of the length of occupancy of the existing tenants for UOA II Parcels (based on the number of tenants occupying the Tenancy Net Lettable Area) as at the LPD is as follows:-



7.3.7 Tenant Information

As at the LPD, UOA II Parcels have 96 tenants. The table below sets out information relating to the top ten (10) tenants based on rental income.

Top ten (10) tenants by rental income (as at the LPD):

Tenant	Trade sub-sector	Tenancy expiry date	Percentage of total Tenancy Net Lettable Area (%)	Percentage of gross rent (%)
Perbadanan Usahawan Nasional Bhd	Association	28 February 2007	12.9	11.6
Allianz Life Insurance (M) Bhd	Insurance	31 December 2005 and 31 July 2007	10.8	10.4
Dats Management Sdn Bhd*	Services (Building Manager)	31 December 2005	N/A*	9.4
SRG Asia Pacific Sdn Bhd	Services	31 August 2007	5.0	5.8
Datacraft (Malaysia) Sdn Bhd	Consultancy	31 October 2007	3.6	3.8
Shiang Series Sdn Bhd	Trading	30 April 2007 and 30 June 2007	3.2	3.6
M3nergy (Malaysia) Bhd	Investment Holding	14 February 2007	3.7	3.4
Hilton Corner Foodcourt Sdn Bhd	Food & Beverages	31 December 2005	2.9	3.1
Holiday Tours & Travel Services Sdn Bhd	Services	30 April 2006, 31 October 2006 and 14 July 2007	3.1	3.0
Young Eun Sdn Bhd	Food & Beverages	31 March 2007	2.0	2.5

Note:-

* Dats Management Sdn Bhd's tenancy is for the 643 car park bays.

7. Current Investments of UOA REIT (Cont'd)

7.3.8 Expiries and Renewals

The following table sets out information on tenancies at UOA II Parcels that have expired and those that have been renewed by the existing tenants during the periods indicated:

FYE	Number of tenancies expired	Tenancy Net Lettable Area of expired tenancies (sq ft)	Number of expired tenancies renewed	Total renewed Tenancy Net Lettable Area (sq ft)	Renewal rate by number of expired tenancies ⁽¹⁾ (%)	Renewal rate by expired Tenancy Net Lettable Area ⁽¹⁾ (%)
31 December 2002	47	127,419	32	78,015	68	61
31 December 2003	62	219,641	43	179,729	69	82
31 December 2004	73	171,015	55	124,785	75	73
Period up to the LPD	70	238,718	51	195,856	73	82
Total	252	756,793	181	578,385		

Note:-

(1) Notwithstanding that the renewal rate is below 100%, UOA II Parcels have been enjoying relatively high Occupancy Rate historically as shown in Section 7.3.5 of this Prospectus as they were able to secure new tenants upon the non-renewal of certain tenancies.

The table below sets out details of expiries in respect of tenancies which, as at the LPD, are scheduled to take place during the periods indicated:

Period	Total number of tenancies expiring	Tenancy Net Lettable Area of tenancies expiring (sq ft)	Expiring tenancies as a percentage of Tenancy Net Lettable Area ⁽¹⁾ (%)
From LPD to FYE 31 December 2005	13	24,213	7
FYE 31 December 2006	55	124,075	34
Beyond FYE 31 December 2006	40	215,954	59
Total	108	364,242	100

Note:-

(1) The expiring tenancies as a percentage of Tenancy Net Lettable Area is relatively high as tenancies are generally for at least two (2) years with an option to renew for another one (1) year. Notwithstanding the above, UOA II Parcels have been enjoying relatively high occupancy rate historically as shown in Section 7.3.5 of this Prospectus as they were able to secure new tenants and renew existing tenancies.

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7. Current Investments of UOA REIT (Cont'd)

7.4 UOA Damansara Parcels

7.4.1 Description

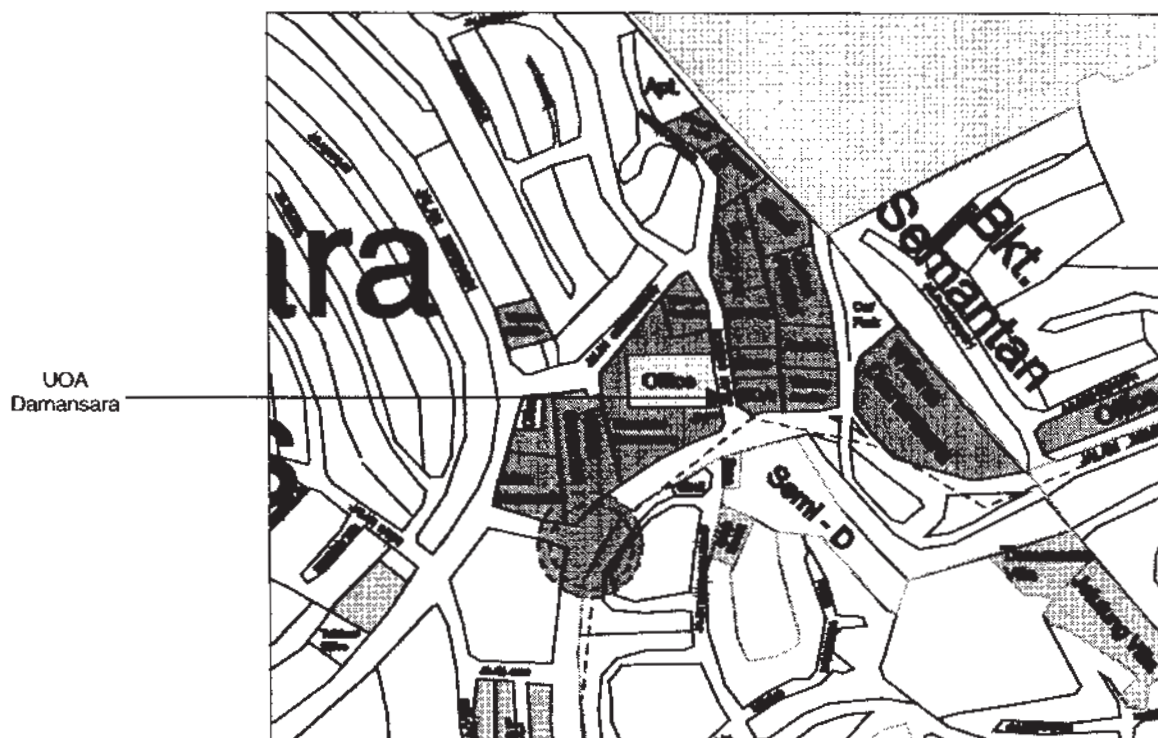
UOA Damansara Parcels (comprising several parcels with Surveyed Net Lettable Area measuring 190,992 sq ft plus 356 car park bays, representing 84.4% of the total Parcel Area of UOA Damansara) are within UOA Damansara, a contemporary styled office building with 13 storeys inclusive of 4-levels of basement car park. The exterior of the building consist of glass windows and aluminium composite panels which is in pristine condition. Its main entrance consists of ceiling high full glass panels to reflect the contemporary architecture of the building.

The building which was completed since 1997 enjoys frontage onto the busy Jalan Semantan and Jalan Dungun, and most notably adjacent to Wisma Socfin. UOA Damansara has a total gross built-up area and Surveyed Net Lettable Area of approximately 409,426 sq ft and 254,491 sq ft respectively.

The appraised value of UOA Damansara Parcels as at 1 April 2005 by the Independent Property Valuer is RM76,400,000.

7.4.2 Location and Accessibility

The postal address of UOA Damansara is 50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.



UOA Damansara is in the centre of Damansara Heights' commercial hub fronting Jalan Semantan. UOA Damansara is situated at the junction of Jalan Semantan and Jalan Dungun in Damansara Heights, an up-market commercial area in the outskirts of Kuala Lumpur. It is bounded by Wisma MBSB at the northern boundary, Jalan Dungun at its western boundary, Wisma Socfin at the eastern boundary and Jalan Semantan at its southern boundary. It is located within the renowned commercial hub zone of Damansara Heights and is approximately four (4) kilometers west of the Kuala Lumpur City Centre.

UOA Damansara is easily accessible from Kuala Lumpur via Jalan Semantan and from Bangsar via Jalan Maarof (which connects to Jalan Semantan).

7. Current Investments of UOA REIT (Cont'd)

Buildings in the immediate vicinity include Wisma MBSB, Wisma Socfin, Bangunan SPPK, Bangunan Setia I and II, Wisma UN, Bangunan Antah, Menara Millennium, Pusat Bandar Damansara and Wisma John Hancock.

7.4.3 Particulars of Titles and Encumbrances

UOA Damansara is situated on the freehold land held under HSD 110120, P.T. No. 7145 (formerly H.S.(D) 100338 and 100339, P.T. nos. 5759 and 5760 respectively), Mukim and District of Kuala Lumpur and State of Wilayah Persekutuan measuring 35,908 sq ft (3,336 sq m).

The application for the issuance of the strata titles for UOA Damansara was submitted to the Wilayah Persekutuan Land Registry on 19 September 2005 and is now awaiting approval. Please refer to Section 7.5 of this Prospectus for further information.

UOA Damansara Parcels and the title of UOA Damansara are currently free from encumbrances.

7.4.4 Income

The breakdown of the gross revenue for UOA Damansara Parcels for the past three (3) financial years (as extracted from the audited financial statements of *Gerak Perdana Sdn Bhd* and *Damai Positif Sdn Bhd*) and the ten (10) months ended 31 October 2005 is as follows:-

Period	(RM)
FYE 31 December 2002	5,870,956
FYE 31 December 2003	5,714,283
FYE 31 December 2004	6,583,612
Ten (10) months ended 31 October 2005	5,975,115

7.4.5 Occupancy

The Occupancy Rate of UOA Damansara Parcels remains relatively high as at 31 December 2000 to 31 December 2004 and as at the LPD, as illustrated in the table below:-

As at	Occupancy Rate
31 December 2000	94%
31 December 2001	97%
31 December 2002	80%
31 December 2003	83%
31 December 2004	93%
LPD	99%

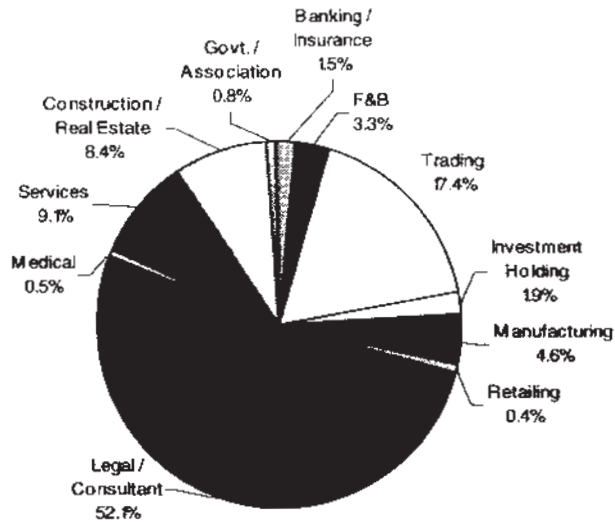
7.4.6 Tenant Mix

UOA Damansara Parcels have a diversified mix of tenants which include multinationals, public-listed companies, reputable professional entities and various organisations.

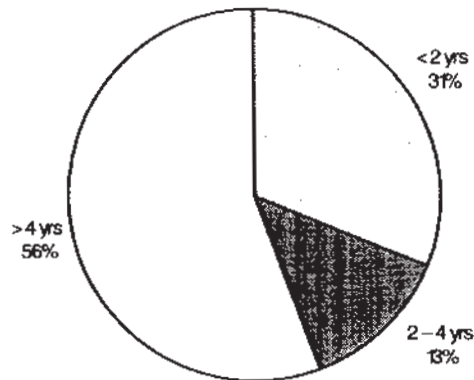
Currently, UOA Damansara Parcels have 42 tenants whose businesses range from banking, legal and accounting services, investment holding and construction. Tenancies are generally for at least two (2) years with an option to renew for another one (1) year.

7. Current Investments of UOA REIT (Cont'd)

The Tenant Mix of UOA Damansara Parcels as at the LPD is as follows:-



Approximately 56% of the tenants have been in UOA Damansara Parcels for more than four (4) years. The breakdown of the length of occupancy of the existing tenants for UOA Damansara Parcels (based on the number of tenants occupying the Tenancy Net Lettable Area) as at the LPD is as follows:-



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7. Current Investments of UOA REIT (Cont'd)

7.4.7 Tenant Information

As at the LPD, UOA Damansara Parcels have 42 tenants. The table below sets out information relating to the top ten (10) tenants based on rental income.

Top ten tenants by Rental Income (as at the LPD):				
Tenant	Trade sub-sector	Tenancy expiry date	Percentage of total Tenancy Net Lettable Area	Percentage of gross rent
			(%)	(%)
Skrine	Legal	31 December 2005	33.5	25.2
Dats Management Sdn Bhd*	Services (Building Manager)	31 December 2005	N/A*	13.1
Moccis Trading Sdn Bhd	Trading	30 April 2006	13.0	9.0
BBDO (M) Sdn Bhd	Services	31 July 2006	7.0	7.0
International Committee of Red Cross	Association	31 January 2006, March 2006 and 31 October 2007	4.4	4.0
THG Construction Sdn Bhd	Construction	31 March 2006	4.1	3.5
RHB Bank Bhd	Banking	31 August 2006	1.5	2.5
Rice Bowls Sdn Bhd	Food & Beverages	5 June 2007		
Bertitz (M) Sdn Bhd	Consultancy	31 July 2006	1.9	2.3
Polyplastics Asia Pacific Sdn Bhd	Trading	31 August 2006	2.0	2.2

Note:-

* Dats Management Sdn Bhd's tenancy includes office rental measuring 855 sq ft and the 356 car park bays.

7.4.8 Expiries and Renewals

The following table sets out information on tenancies at UOA Damansara Parcels that have expired and those that have been renewed by the existing tenants during the periods indicated:

FYE	Number of tenancies expired	Tenancy Net Lettable Area of expired tenancies (sq ft)	Number of expired tenancies renewed	Total renewed Tenancy Net Lettable Area (sq ft)	Renewal rate by number of expired tenancies ⁽¹⁾ (%)	Renewal rate by expired Tenancy Net Lettable Area ⁽¹⁾ (%)
31 December 2002	21	52,773	15	39,028	71	74
31 December 2003	27	83,599	22	80,459	81	96
31 December 2004	30	90,149	24	73,046	80	81
Period up to the LPD	28	65,683	24	54,455	86	83
Total	106	292,204	85	246,988		

Note:-

(1) Notwithstanding that the renewal rate is below 100%, UOA Damansara Parcels have been enjoying relatively high Occupancy Rate historically as shown in Section 7.4.5 of this Prospectus as they were able to secure new tenants upon the non-renewal of certain tenancies.

7. Current Investments of UOA REIT (Cont'd)

The table below sets out details of expiries in respect of tenancies which, as at the LPD, are scheduled to take place during the periods indicated:

Period	Total number of tenancies expiring	Tenancy Net Lettable Area of tenancies expiring (sq ft)	Expiring tenancies as a percentage of Tenancy Net Lettable Area of UOA Damansara Parcels ⁽¹⁾ (%)
From the LPD to FYE 31 December 2005	5	69,463	36
FYE 31 December 2006	32	96,313	52
Beyond FYE 2006	13	22,634	12
Total	50	190,410	100

Note:-

- (1) The expiring tenancies as a percentage of Tenancy Net Lettable Area is relatively high as tenancies are generally for at least two (2) years with an option to renew for another one (1) year. Notwithstanding the above, UOA Damansara Parcels have been enjoying relatively high Occupancy Rate historically as shown in Section 7.4.5 of this Prospectus as they were able to secure new tenants and renew existing tenancies.

7.5 Strata Titles on Properties Parcels not issued

The strata titles to the Properties Parcels have yet to be issued by the relevant authorities, and as such the Properties Parcels are currently not registered under the name of the Trustee for and on behalf of the Unitholders. The Properties are currently still held by the registered owners of the master titles to which the Properties Parcels relate.

The Sponsor will use its best endeavours to ensure that the strata titles to the Properties Parcels are issued as soon as practicable, and thereafter assist to register the Properties Parcels in the name of the Trustee. The application for the issuance of the strata titles for UOA Centre and UOA II were submitted to the Wilayah Persekutuan Land Registry on 2 June 2005, while the application for the issuance of the strata titles for UOA Damansara were submitted to the Wilayah Persekutuan Land Registry on 19 September 2005.

7.6 Common Properties not acquired by UOA REIT

UOA REIT acquired only the Properties Parcels and not the Properties in their entirety, The common properties at UOA Centre, UOA II and UOA Damansara have not been acquired by UOA REIT. Ownership of the common properties remains with the registered proprietors prior to subdivision and issuance of strata titles to UOA Centre, UOA II and UOA Damansara. Upon subdivision and issuance of strata titles, the common properties shall be owned by management corporations formed for UOA Centre, UOA II and UOA Damansara respectively under the STA. As a result, UOA REIT may not be able to exercise all rights and interest over the common properties of UOA Centre, UOA II and UOA Damansara.

UOA REIT would only be able to exert some form of influence or control over its interest in the common property and the subdivided buildings and effectively deal with such interests through its participation in the general meetings of the management corporations and the elected council of the management corporations.

Further, for certain key matters, the management corporations may only be able to exercise its powers to deal with the common property on the authority of the parcel proprietors' special resolution or unanimous resolution. In the case of a matter requiring unanimous resolution, this in essence means that the percentage of share units held by UOA REIT in the Properties which translates into voting rights in a general meeting of the management corporations would be easily negated in the event that even one (1) vote against a particular resolution is cast. The ensuing paragraphs provide further explanation on the resolutions and the various situations requiring their passing.

7. **Current Investments of UOA REIT (Cont'd)**

A **unanimous resolution** is one which is passed at a duly convened general meeting of a management corporation of which at least 21 days' notice specifying the proposed resolution has been given and against which no vote is cast. This means that so long as there is no vote cast against a resolution, the resolution would be passed. The requirement for unanimous resolutions is expressly provided for in the STA and are set out in the following Sections of the STA:-

- (a) Section 42 (2) imposes limitations on the exercise of a management corporation's powers as a proprietor of the common property as Section 42 (2) provides that unless specifically provided otherwise under the STA, such powers may only be exercised by the management corporation on the authority of the parcel proprietors' unanimous resolution.
- (b) Section 47 (1) where a management corporation plans to acquire land outside the lot to be used for purposes connected with the subdivided building, grant or accepting the burden of an easement imposed on the lot for the benefit of some other land or accepting the benefit of an easement imposed in favour of the lot on some other land;
- (c) Section 57 (1) where a management corporation plans to take action to terminate the subdivision of the building; and
- (d) Section 57 (4) (d) where a management corporation becomes the proprietor of the lot on termination of the subdivision, the former proprietors may by unanimous resolution direct the management corporation to transfer the lot to any one or more of the former proprietors or to any other person or body.

A **special resolution** is one which is passed at a duly convened general meeting of a management corporation of which at least 14 days' notice specifying the proposed resolution has been given by proprietors who together are entitled to not less than $\frac{1}{4}$ of the aggregate share units and together constitute not less than $\frac{1}{4}$ of the membership of a management corporation. The requirement for special resolutions is expressly provided for in the STA and are set out in the following Sections of the STA:-

- (a) Section 44 (2) where the management corporation plans to make additional by-laws which are not inconsistent with the by-laws set out in Third Schedule to the STA (*the by-laws set out in the Third Schedule cannot be amended by a management corporation*);
- (b) Section 43 (1) (d) where the proprietors directs a management corporation to insure against risks which the STA does not otherwise oblige it to insure against; and
- (c) Section 46 in relation to the determination of the amount of contribution to the management fund which should be paid into the special account. The special account is for the purposes of meeting the management corporation's actual or expected liabilities in respect of painting or repainting of any part of the common property which is a building or other structure, acquisition of any movable property for use in relation with the common property, the renewal or replacement of any fixtures or fittings and for meeting liabilities for maintenance or for settling any defaults in payment by a proprietor.

However, we are of the opinion that the performance/management of UOA REIT will not be compromised arising from the above as the situations which may arise and require either a unanimous resolution or special resolution has a relatively low probability of occurring unless there are extenuating circumstances giving rise to them. Further, there is also no reason for us to believe that the necessary resolutions (*unanimous or special*) will not be passed if it is in the interest or benefit of the parcel proprietors which include UOA REIT.

7. Current Investments of UOA REIT (Cont'd)

We envisage that most matters involving the daily operations of the Properties will require only ordinary resolutions to be passed. Although “**ordinary resolution**” is not defined in the STA, typically in general meetings, an ordinary resolution requires only a simple majority of those present and voting at a meeting and applying the same to an “ordinary resolution” required under the STA, an ordinary resolution would require more than half the number of proprietors present and voting (*if by way of show of hands*) or more than ½ of the aggregate share units of the proprietors (*if a poll is demanded*) to approve the ordinary resolution.

Further, the Properties Parcels primarily comprise commercial office space. Save for the regular maintenance and upkeep of common property attached to the respective parcels which is in the interest of that particular proprietor, we do not envisage that the common property within the Properties Parcels to require any significant upgrade over the next five (5) to ten (10) years.

Please refer to Section 6.1.3(iii) of this Prospectus for further details on the risk arising from the above.

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8. Financial Performance of UOA REIT

8.1 Proforma Consolidated Profit Record

The summary of the proforma consolidated financial data of UOA REIT comprising UOA Centre Parcels, UOA II Parcels and UOA Damansara Parcels for FYE 31 December 2000 to FYE 31 December 2004 and for the ten (10) months ended 31 October 2005 set out below are based on the information extracted from the audited financial statements and accounting records of the following companies which owned UOA Centre Parcels, UOA II Parcels and UOA Damansara Parcels at a point of time:-

Commercial Properties	Owned by	
	Prior to 31 December 2002	After 31 December 2002
UOA Centre Parcels	Wisma UOA Sdn Bhd	Wisma UOA Sdn Bhd
UOA II Parcels	Julung Perdana Sdn Bhd	Wisma UOA Sdn Bhd ^
UOA Damansara Parcels	Gerak Perdana Sdn Bhd	Damai Positif Sdn Bhd ^

Note:-

^ UOA II Parcels and UOA Damansara Parcels were transferred to Wisma UOA Sdn Bhd and Damai Positif Sdn Bhd in December 2003

The extractions are made based on the representation of the Directors of the Sponsor and opinion that the revenue, expenses and receivables stated below are directly related to the operation of the Properties Parcels.

	←-----Year ended 31 December----->					Ten(10) months ended 31.10.2005 RM
	2000 RM	2001 RM	2002 RM	2003 RM	2004 RM	
Rental revenue	18,409,352	20,204,773	19,679,741	20,214,247	24,381,750	22,200,914
Expenses:						
Maintenance fee	(3,775,978)	(3,829,239)	(3,874,890)	(3,874,890)	(3,892,629)	(3,600,913)
Depreciation *	(2,595,245)	(2,596,760)	(2,612,161)	-	-	-
Assessment and quit rent	(1,730,335)	(1,687,942)	(1,683,003)	(1,700,045)	(1,690,429)	(1,477,887)
Management fee	-	-	-	(597,503)	(731,542)	(666,078)
Fixed sewerage charges	(40,882)	(40,955)	(40,883)	(40,885)	(40,885)	(30,664)
Bad debt written off	(39,288)	(108,137)	(216,235)	(35,459)	(61,900)	(93,766)
Insurance	(69,396)	(77,577)	(60,683)	(66,513)	(71,332)	(61,393)
Rental commission	(334,398)	(68,568)	(84,014)	(82,901)	(63,170)	(95,447)
Repair and maintenance expenses	(501,077)	(385,996)	(144,787)	(154,037)	(31,396)	(149,702)
Others	(25,886)	(43,915)	(49,665)	(29,739)	(14,044)	(17,701)
Total expenses	(9,112,485)	(8,839,089)	(8,766,321)	(6,581,972)	(6,597,327)	(6,193,551)
Property Income	9,296,867	11,365,684	10,913,420	13,632,275	17,784,423	16,007,363

The extraction of expenses above consists of expenses directly related to the operations of the Properties Parcels. In view that UOA REIT was constituted in end November 2005, the Property Income does not include the expenses specifically incurred by a REIT, e.g. trustee fees and property management fees etc.

8. Financial Performance of UOA REIT (Cont'd)

Notes:-

- * From FYE 31 December 2000 to FYE 31 December 2002, the Properties Parcels were reflected as property plant and equipment. As such, the Properties Parcels were being depreciated.

The Properties Parcels were reclassified to investment properties subsequent to FYE 31 December 2002 and were recorded at revalued amount based on valuation carried out on 10 March 2004.

- ^ Management fee represents fee charged by UOA Holdings for provision of administrative services such as payroll, accounting and billings. Management fee is charged based on approximately 3% of the rental revenue of the Properties Parcels. Prior to FYE 31 December 2003, UOA Holdings did not charge any management expenses to its related companies.

Analysis of rental revenue and Occupancy Rates by Properties Parcels

	FYE 31 December 2000	FYE 31 December 2001	FYE 31 December 2002	FYE 31 December 2003	FYE 31 December 2004
<u>UOA Centre Parcels</u>					
Rental revenue	3,473,607	3,676,349	3,758,407	3,979,192	4,733,228
Occupancy Rate	(90%)	(98%)	(93%)	(93%)	(93%)
<u>UOA II Parcels</u>					
Rental revenue	6,932,566	9,900,670	10,050,378	10,520,772	13,064,910
Occupancy Rate	(89%)	(98%)	(83%)	(84%)	(94%)
<u>UOA Damansara Parcels</u>					
Rental revenue	8,003,179	6,627,754	5,870,956	5,714,283	6,583,612
Occupancy Rate	(94%)	(97%)	(80%)	(83%)	(93%)
Total	18,409,352	20,204,773	19,679,741	20,214,247	24,381,750

Analysis of the past performance of the Properties Parcels

FYE 31 December 2000

Higher rental revenue during the year (1999 : RM17,383,922) was mainly due to the significant increase in Occupancy Rate of UOA II Parcels (from 40% to 90% as UOA II was only completed in 1998). However, this was offset by the decrease in rental revenue in both UOA Centre Parcels and UOA Damansara Parcels due to the decrease in rental rates attributable to the slowdown in the overall Malaysian economy.

FYE 31 December 2001

Rental revenue of UOA Centre Parcels improved slightly due to an increase in Occupancy Rates pursuant to incentives and lower rental rates offered by the management to attract more tenants. Rental revenue of UOA II Parcels continued to increase due to the improvement in Occupancy Rate. However, there is a decrease in the rental revenue of UOA Damansara Parcels despite the increase in Occupancy Rate mainly due to management's decision to reduce rental rates under a 2-pronged strategy against a backdrop of new commercial properties in the vicinity: (a) to retain existing tenants and (b) to attract new tenants. As a result, the Occupancy Rate of UOA Damansara Parcels improved from 94% to 97%.

8. Financial Performance of UOA REIT (Cont'd)

FYE 31 December 2002

UOA Damansara Parcels' rental dropped by approximately 11% due to the termination of rental by one of its major tenants during the year. UOA Centre Parcels and UOA II Parcels, however, recorded higher rental revenue due to increase in rental rates.

FYE 31 December 2003

The increase in rental revenue for UOA Centre Parcels and UOA II Parcels was mainly due to the continued increase in the rental rates. Despite the increase in Occupancy Rates during the year, UOA Damansara Parcels recorded a decrease in rental revenue due to the reduction in rental rates to attract more tenants.

FYE 31 December 2004

The Properties Parcels recorded higher rental revenue during the year mainly due to the overall improvement in Occupancy Rates. While the management continued to raise rental rates for both UOA Centre Parcels and UOA II Parcels, a different approach was taken to maintain the competitiveness of UOA Damansara Parcels. Incentives were offered to attract new tenants to UOA Damansara Parcels such as free rental period for renovation-works and reduction in rental rates by approximately 3%.

8.1.1 Significant Accounting Policies

The following significant accounting policies will be adopted by UOA REIT.

(a) Basis of Preparation

The financial statements of the UOA REIT will be prepared under the historical cost convention except for the revaluation of investment properties.

The financial statements will comply with the provisions of the Companies Act 1965 and applicable MASB Approved Accounting Standards in Malaysia.

(b) Investment Properties

Investment properties consist of investments in land and buildings that are not substantially occupied for use by, or in the operations, of UOA REIT.

Investment properties are treated as long term investments and are stated at valuation. Revaluations are based on valuations by an independent valuer at least once every three years. Any revaluation increase is recognised in equity as a revaluation surplus; any decrease is first offset against any unutilised previously recognised revaluation surplus in respect of the same investment property and the balance is thereafter recognised as an expense. A revaluation increase is recognised as income to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense.

Upon the disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus is taken directly to retained profits.

From 1 January 2006, UOA REIT will adopt FRS 140, Investment Properties. The management has decided to adopt the fair value model under FRS 140.

8. Financial Performance of UOA REIT (Cont'd)

Under FRS 140, investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains and losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Investment properties are stated at fair value, which reflects market condition at the balance sheet date. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(c) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank net of outstanding bank overdrafts.

(d) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(e) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from rental of investment properties are recognised on an accrual basis.

8. Financial Performance of UOA REIT (Cont'd)

(f) Impairment of Assets

At each balance sheet date, UOA REIT reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(g) Financial Instruments**(i) Interest-Bearing Borrowings**

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the actual borrowing costs applicable to UOA REIT's borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of obtaining another qualifying asset. For borrowings made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing.

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8. Financial Performance of UOA REIT (Cont'd)

8.2 Profit Estimate and Forecast of UOA REIT Together with the Assumptions and the Reporting Accountants' Letter thereon



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Reporting Accountants' Report on the Profit Estimate For Year Ending 31 December 2005, and Profit Forecast For Year Ending 31 December 2006 (Prepared for inclusion in the Prospectus)

29 November 2005

The Board of Directors
UOA Asset Management Sdn. Bhd.
Office Suite 19-21-1
Level 21, UOA Centre
No. 19, Jalan Pinang
50450 Kuala Lumpur

Dear Sirs

UOA REAL ESTATE INVESTMENT TRUST ("UOA REIT") PROFIT ESTIMATE FOR YEAR ENDING 31 DECEMBER 2005 ("Estimate"), AND PROFIT FORECAST FOR YEAR ENDING 31 DECEMBER 2006 ("Forecast")

We have reviewed the estimate and forecast of earnings after taxation of UOA REIT, as set out in the accompanying Appendix named UOA REIT Profit Estimate and Forecast (which we have stamped for the purpose of identification), in accordance with the professional standard applicable to the review of estimate and forecast, AI 3400. The estimate and forecast have been prepared for inclusion in the Prospectus in connection with the proposed listing of UOA REIT on Bursa Malaysia Securities Berhad.

Our review has been undertaken to enable us to form an opinion as to whether the estimate and forecast in all material respects, are properly prepared on the basis of the assumptions made by the directors and are presented on a basis consistent with the accounting policies to be adopted by UOA REIT and complies with the Malaysian Financial Reporting Standards ("Malaysian FRS") as at the date of this report. The directors of UOA Asset Management Sdn. Bhd. are solely responsible for the preparation and presentation of the estimate and forecast and the assumptions on which the estimate and forecast are based.

Estimate and forecast, in this context, mean prospective financial information prepared on the basis of the assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which estimates and forecasts are based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the estimate and forecast since anticipated events frequently do not occur as expected and the variation could be material.



AF: 0039

**Reporting Accountants' Report on the Profit Estimate For Year Ending 31 December 2005,
and Profit Forecast For Year Ending 31 December 2006
(Prepared for inclusion in the Prospectus)**

In view of the significance of this assumption made by the directors, we wish to draw attention to the following assumptions:

(i) Fair value of the commercial properties

Under Note 2.8 of the General Assumptions of the estimate and forecast, UOA REIT have made the assumptions that the fair value of the commercial properties will not fluctuate significantly during the period under the estimate and forecast. As such, the estimate and forecast was prepared on the assumptions that no fair value adjustments would need to be made to the income statements during the period under the estimate and forecast. We do not express or imply any opinion as to the future fair value of the commercial properties under the estimate and forecast.

(ii) Borrowings and borrowing costs

Borrowing Costs detailed under Note 2.10 of the General Assumptions of the estimate and forecast which assume that UOA REIT would be able to obtain a loan facility of RM85,500,000, which is available throughout the entire estimate and forecast period at terms as indicated in the said Note 2.10. We do not express or imply any opinion as to the possibility of its achievement of this assumption made by the directors on the borrowings.

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in the accompanying Appendix named UOA REIT Profit Estimate and Forecast, do not provide a reasonable basis for the preparation of the profit estimate and forecast of UOA REIT; and
- (ii) in our opinion, the estimate and forecast of earnings after taxation, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the directors and are presented on a basis consistent with the accounting policies to be adopted and disclosed by UOA REIT and is presented in accordance with relevant presentation principles of Malaysian FRS as at the date of this report.

The accompanying estimate and forecast and this letter have been prepared solely for inclusion in the Prospectus in connection with the abovementioned Proposal. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

ERNST & YOUNG
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
29 November 2005

TAN SOO YAN
No. 1307/03/06 (J/P11)
Partner

**UOA ASSET MANAGEMENT SDN BHD** (692639-1)Office Suite 19-21-1, Level 21, UOA Centre,
No. 19, Jalan Pinang 50450 Kuala Lumpur, Malaysia.

Tel: 603-2161 9261 Fax: 603-2161 6129

UOA REIT**Profit Estimate and Forecast****1. ESTIMATE AND FORECAST FINANCIAL INFORMATION****1.1. Summarised Estimate and Forecast Consolidated Income Statements**

The Manager of UOA REIT estimate and forecast, barring unforeseen circumstances, the consolidated Income Statement of UOA REIT will be as follows:

	Estimate	Forecast
	Unaudited	
	Year Ending 31 December	
	2005	2006
	RM	RM
Gross revenue	2,255,405	29,147,879
Property operating expenses:		
- Bad and doubtful debts	(15,210)	(194,089)
- Quit rent, assessment and fixed sewerage charges	(126,564)	(1,518,772)
- Maintenance fee	(360,096)	(4,321,154)
- Insurance premium	(11,939)	(143,270)
- Repair and maintenance expenses	(2,838)	(36,328)
- Other property operating expenses	(850)	(12,200)
Net property income	<u>1,737,908</u>	<u>22,922,066</u>
Manager's management fee	(155,000)	(1,860,000)
Trust expenses	(13,339)	(160,418)
Borrowing costs	<u>(792,250)</u>	<u>(2,914,125)</u>
Earnings before taxation ⁽¹⁾	777,319	17,987,523
Taxation	-	-
Earnings after taxation	777,319	17,987,523
Distribution to Unitholders	-	<u>17,088,147</u>
Units in issue ('000)	228,000	228,000
Earnings after taxation per unit (cent) ⁽²⁾	0.34 [^]	7.89
Distribution per unit (cents) ⁽³⁾	-	<u>7.49</u>

[^] UOA REIT was established in end November 2005. Accordingly, the profit estimate for the year ending 2005 reflects UOA REIT's operation for a period of one month.

⁽¹⁾ For the period under estimate and forecast, it is assumed that the earnings before taxation is equal to the distributable income.

⁽²⁾ Earnings after taxation per unit represents the earnings after taxation divided by number of units of UOA REIT in issue.

8. Financial Performance of UOA REIT (Cont'd)

 **ERNST & YOUNG** (AF: 0039)

Chartered Accountants, Kuala Lumpur
For identification purposes only

UOA REIT

Profit Estimate and Forecast

1. ESTIMATE AND FORECAST FINANCIAL INFORMATION (CONT'D)

1.1 Summarised Estimate and Forecast Consolidated Income Statements (Cont'd)

⁽³⁾ Distribution per unit represents distribution to Unitholders divided by number of units of UOA REIT in issue.

The principal bases and assumptions upon which the estimate and forecast of consolidated income statements have been prepared are as follows:

2. GENERAL ASSUMPTIONS

2.1. Gross Revenue

Gross revenue is the aggregate of gross rental income earned from the commercial properties comprising UOA Centre Parcels, UOA II Parcels and UOA Damansara Parcels.

Gross rental income which is contracted in the Tenancy Agreements comprises rental and service charge. New Tenancy Agreements are generally committed for a period of two years as is the normal market practice in Malaysia.

Existing tenants have been assumed to renew their leases unless they have indicated otherwise.

The estimate and forecast is based on current Tenancy Agreements, taking into account the directors of the Manager's expectations of:

- Revision on rental rate;
- Tenancy retention rate;
- Potential lost of rental income from early termination of Tenancy Agreements or vacancy pursuant to expiry of Tenancy Agreements;
- Competition from similar properties in the vicinity;
- The economic condition of the country and the world;
- The inflation rate; and
- The demand for office space.

2.2. Renewal of Tenancies

Taking an occupancy rate of 86% for UOA Centre Parcels, 89% for UOA II Parcels and 99.5% for UOA Damansara Parcels, which is the occupancy rate for November 2005 as constant, all existing Tenancy Agreements are assumed renewed upon expiry for a period of one year.

2.3. Revision In Rental Rate

Given that the existing rental rate is still below those of neighbouring buildings, effective from year 2006, the rental rates are estimated and forecasted to increase by 10% upon renewal of Tenancy Agreements.

2. GENERAL ASSUMPTIONS (CONT'D.)

2.4. Property Operating Expenses

(i) Bad and Doubtful Debts

Bad and doubtful debts is provided for every year based on approximately 0.7% of rental income (a statistic of the past 3 years' actual bad and doubtful).

(ii) Quit Rent, Assessment and Fixed Sewerage Charges

It is assumed that quit rent, assessment and fixed sewerage charges for the period under estimate and forecast is consistent with year 2004.

(iii) Maintenance Fee

It is assumed that there will be no changes in maintenance fee charged by building manager, Dats Management Sdn. Bhd. for the period under estimate and forecast.

(iv) Insurance premium

Insurance premium comprises premium on fire insurance and business loss (loss on rental income).

The premium on fire insurance has been increased in year 2005 and will remain constant for the period under estimate and forecast.

Insurance on business loss (loss of rental income) will be incurred in year 2005 and assumed that the premium will remain constant for the period under estimate and forecast.

(v) Repair and Maintenance Expenses

It is assumed that there will be no major defects, repair or refurbishment work to be done on the commercial properties. Percentage of repair and maintenance expenses incurred on rental income for the period under estimate and forecast is consistent with year 2004.

(vi) Valuation Fee

It is assumed that valuation of the properties is done every 3 years. The next valuation will be done in year 2008.

(vii) Other Property Operating Expenses

Individual assessment of other property operating expenses has been made for each of the commercial properties, on the basis consistent with year 2004. There will be no significant changes in other property operating expenses for the period under estimate and forecast.

UOA REIT

Profit Estimate and Forecast

2. GENERAL ASSUMPTIONS (CONT'D.)

2.5. Taxation

The taxation of the UOA REIT is based on the statutory tax rate of 28% on the earnings before taxation of UOA REIT that is undistributed as at year end.

It is assumed that 95% of earnings before taxation of the UOA REIT will be distributed with the exception of year 2005. The directors of the Manager are of the opinion that no tax liability will arise for any remaining balance of the undistributed income as there will be sufficient Capital Allowances from the buildings to offset against the liabilities under estimate and forecast.

Hence, no taxation is forecasted.

2.6. Manager's Management Fees

Manager's Management Fees comprises the Property Manager Fee and Assets Manager Fee.

Property Manager Fee charged by Colliers, Jordan Lee & Jaffar Sdn Bhd is in accordance to the Valuers, Appraisers and Estate Agent Acts 1981 ("VAEA ACT") with permissible discount.

The Asset Manager Fee is estimated to be RM110,000 per month. The Asset Manager of UOA REIT is entitled under the Trust Deed to a management fee of up to 1% per annum of the Net Asset Value of UOA REIT and is accrued and paid in accordance with the Trust Deed.

It is assumed that there will be an increment of 3% every year for both the Property and Assets Manager Fees.

2.7. Trust Expenses

Trust expenses include recurring operating expenses such as Trustee's fee, registrar costs, annual listing fees, audit and tax advisors' fees and other miscellaneous expenses.

Trustee's fee is 0.045% per annum of Net Asset Value and is accrued and paid in accordance with the Trust Deed.

In assessing these amounts, the directors of the Manager have considered factors likely to influence the level of these fees, charges and costs including UOA REIT market capitalisation, gross assets, the likely number of investors, property values and the estimated rate of inflation.

2.8. Property Value

From 1 January 2006, Malaysian FRS 140, Investment Properties will be effective. Under the fair value model of prescribed by Malaysian FRS 140, all changes in the fair value of the commercial properties are recognised in the income statement.

UOA REIT**Profit Estimate and Forecast****2. GENERAL ASSUMPTIONS (CONT'D.)****2.8. Property Value (Cont'd.)**

The directors of the Manager have assumed that there will be no material fluctuation on the market value of the commercial properties for the period under estimate and forecast.

2.9. Accounting Standards

The following Malaysian FRS is expected to be effective for accounting period beginning on or after 1 January 2006. In the opinion of the directors of the Manager, the adoption of the following accounting standards will not have any material effect on the estimate and forecast income statements.

FRS 1	First-Time Adoption of Financial Reporting Standards
FRS 2	Share-Based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held For Sale and Presentation on Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 104	Depreciation Accounting
FRS 107	Cash Flow Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Event After Balance Sheet Date
FRS 112	Income Taxes
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 118	Revenue
FRS 121	Effect of Changes in Foreign Exchange Rates
FRS 123	Borrowing Costs
FRS 124	Related Party Disclosures
FRS 125	Accounting for Investments
FRS 127	Consolidated Financial Statements and Investments in Subsidiaries
FRS 128	Investment in Associates
FRS 131	Financial Reporting of Interests in Joint Venture
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earning Per Share
FRS 134	Interim Financial Reporting
FRS 136	Impairment of Assets
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement
FRS 140	Investment Property

8. Financial Performance of UOA REIT (Cont'd)

 **ERNST & YOUNG** (AF: 0039)

Chartered Accountants, Kuala Lumpur
For identification purposes only

UOA REIT

Profit Estimate and Forecast

2. GENERAL ASSUMPTIONS (CONT'D.)

2.10. Borrowings and Borrowing Costs

The directors of the Manager have assumed that UOA REIT would be able to obtain revolving credit of RM85,500,000 with the following terms:

Interest Rate :	1 st year	-	0.2% per annum ("p.a.") + Cost of Fund ("COF")
	2 nd year	-	0.3% p.a. + COF
	3 rd year	-	0.4% p.a. + COF
	4 th year	-	0.5% p.a. + COF

The COF is estimated to be 3.20% p.a.

Tenor	:	The facility would be subject to periodic review and repayable on demand.
Security	:	Deed of Assignment and Power of Attorney over the Sales and Purchase Agreement between UOA REIT and Wisma UOA for the purchase of units in UOA Centre parcels and UOA II parcels.

It is assumed that the following costs will be incurred in December 2005 to obtain the RM85,500,000 revolving credit facility:

Facility fee	50,000.00
Stamp duty	427,500.00
Legal fee	72,500.00


The directors of the Manager have assumed that the above facility will be available throughout the period under the estimate and forecast.

2.11. Other Assumptions

The directors of the Manager have made the following additional assumptions in preparing the financial estimate and forecast for the years:

- the UOA REIT property portfolio remains unchanged after the commercial properties are acquired;
- no further capital will be raised during the period;
- there will be no material changes in the present environmental laws and regulations, zoning laws and other legislation or governmental rules, fiscal policies, rates and bases of duties, levies and taxes which may affect the activities;
- no significant changes in the financial conditions of tenants, buyers and sellers of properties;
- all tenancy agreements are enforceable and will be performed in accordance with their terms;
- the collection period of rental will be within the stipulated credit period in tenancy agreements;
- there will be no significant changes in the current demand and in the prevailing market conditions in Malaysia and overseas which will adversely affect the performance;
- there will be no significant changes in the prevailing Malaysian and world economic conditions which may directly or indirectly have an adverse effect on the performance;

8. Financial Performance of UOA REIT (Cont'd)

 **ERNST & YOUNG** (AF: 0033)
Chartered Accountants, Kuala Lumpur
For identification purposes only

UOA REIT

Profit Estimate and Forecast

2. GENERAL ASSUMPTIONS (CONT'D.)

2.11. Other Assumptions (Cont'd.)

- that UOA REIT is capable of implementing successfully its' investment and growth strategies and to retain its' key personnel which could have material effect on financial condition and results of operations;
- there will be no significant changes in availability of debt financing and interest rates;
- there will be no environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems, which are located on contaminated properties or as to which inadequate reserves had been established;
- there will be no significant changes in energy prices;
- there will be no significant changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in the market;
- there will be no significant impact to the performance of UOA REIT in relation to the competition among property owners for tenants;
- assume that insurance coverage on the assets of UOA REIT against fire, loss of rent and other risks is sufficient;
- assume that the property manager is capable of providing or procuring the provision of adequate maintenance and other services;
- that UOA REIT is capable of varying its' investment portfolio or liquidate part of its' assets in response to changes in economic, financial, real estate market or other conditions;
- there will be sufficient cash flow for the maintenance of, and improvements to, the properties;
- there will be no significant risks and operating problems arising out of the presence of certain construction material, acts of God, uninsurable losses and others;
- there will be no significant changes in the rate of inflation; and
- there will no compulsory acquisition by the Malaysian Government pursuant to the provisions of Land Acquisition Act, 1960.

8. Financial Performance of UOA REIT (Cont'd)

8.3 Profit Projections of UOA REIT Together with the Assumptions and the Reporting Accountants' Letter thereon



AF: 0039

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50734 Kuala Lumpur, Malaysia

Reporting Accountants' Report on the Profit Projections For The Years Ending 31 December 2007 to 31 December 2008 (Prepared for inclusion in the Prospectus)

29 November 2005

The Board of Directors
UOA Asset Management Sdn. Bhd.
Office Suite 19-21-1
Level 21, UOA Centre
No. 19, Jalan Pinang
50450 Kuala Lumpur

Dear Sirs

UOA REAL ESTATE INVESTMENT TRUST ("UOA REIT") PROFIT PROJECTIONS FOR THE YEAR ENDING 31 DECEMBER 2007 TO YEAR ENDING 31 DECEMBER 2008 ("Projections")

We have reviewed the projections of earnings after taxation of UOA REIT, as set out in the accompanying Appendix named UOA REIT Profit Projections (which we have stamped for the purpose of identification), in accordance with the professional standard in Malaysia applicable to the review of projections. AI 3400. The projections have been prepared for inclusion in the Prospectus in connection with the proposed listing of UOA REIT on Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Our review has been undertaken to enable us to form an opinion as to whether the projections in all material respects, are properly prepared on the basis of the assumptions made by the directors and are presented on a basis consistent with the accounting policies to be adopted by UOA REIT and complies with the Malaysian Financial Reporting Standards ("Malaysian FRS") as at the date of this report. The directors of UOA Asset Management Sdn. Bhd. are solely responsible for the preparation and presentation of the projections and the assumptions on which the projections are based.

A projection, in this context, means prospective financial information prepared on the basis of assumptions that include hypothetical assumptions as to future events and management's actions that are not necessarily expected to occur. As such, these projections may not be appropriate for other purposes. Even if the events anticipated under the hypothetical assumptions occur, actual results are likely to be different from the projections since other anticipated events frequently do not occur as expected and the variations could be material.

In view of the significance of this assumption made by the directors, we wish to draw attention to the following assumptions:

(i) Fair value of the commercial properties

Under Note 2.8 of the General Assumptions of the projections, UOA REIT have made the assumptions that the fair value of the commercial properties will not fluctuate significantly during the period under the projections. As such, the projections were prepared on the assumptions that no fair value adjustments would need to be made to the income statements during the period under the projections. We do not express or imply any opinion as to the future fair value of the commercial properties under the estimate and forecast.



AF: 0039

**Reporting Accountants' Report on the Profit Projections
For The Year Ending 31 December 2007 to 31 December 2008
(Prepared for inclusion in the Prospectus)**

(ii) Borrowings and borrowing costs

Borrowing Costs detailed under Note 2.10 of the General Assumptions of the projections which assume that UOA REIT would be able to obtain a loan facility of RM85,500,000, which is available throughout the entire projections period at terms as indicated in the said Note 2.10. We do not express or imply any opinion as to the possibility of its achievement of this assumption made by the directors on the borrowings.

Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in the accompanying Appendix named UOA REIT Profit Projections, do not provide a reasonable basis for the preparation of the projections of UOA REIT; and
- (ii) in our opinion, the projections of earnings after taxation, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the directors and are presented on a basis consistent with the accounting policies to be adopted and disclosed by UOA REIT and is presented in accordance with relevant presentation principles of Malaysian FRS as at the date of this report.

The accompanying projections and this letter have been prepared solely for inclusion in the Prospectus in connection with the aforementioned Proposal. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

ERNST & YOUNG
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
29 November 2005

TAN SOO YAN
No. 1307/03/06 (J/P11)
Partner



UOA ASSET MANAGEMENT SDN BHD (692639-U)

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Tel: 603-2161 9261 Fax: 603-2161 6129

UOA REIT

Profit Projections

1. PROJECTIONS FINANCIAL INFORMATION

1.1. Summarised Projections Consolidated Income Statements

The Manager of UOA REIT project that, barring unforeseen circumstances, the consolidated Income Statement of UOA REIT will be as follows:

	<-----Projections----->	
	Year Ending 31 December	
	2007	2008
	RM	RM
Gross revenue	31,528,652	34,372,888
Property operating expenses:		
- Bad and doubtful debts	(209,614)	(228,645)
- Quit rent, assessment and fixed sewerage charges	(1,518,772)	(1,518,772)
- Maintenance fee	(4,321,154)	(4,321,154)
- Insurance premium	(143,270)	(143,270)
- Repair and maintenance expenses	(39,250)	(42,805)
- Valuation fee	-	(100,000)
- Other property operating expenses	(12,200)	(12,200)
Net property income	<u>25,284,392</u>	<u>28,006,042</u>
Manager's management fee	(1,915,800)	(1,973,274)
Trust expenses	(160,823)	(161,278)
Borrowing costs	<u>(2,999,625)</u>	<u>(3,085,125)</u>
Earnings before taxation ⁽¹⁾	20,208,144	22,786,365
Taxation	<u>-</u>	<u>-</u>
Earnings after taxation	20,208,144	22,786,365
Distribution to Unitholders	<u>19,197,737</u>	<u>21,647,047</u>
Units in issue ('000)	228,000	228,000
Earnings after taxation per unit (cent) ⁽²⁾	8.86	9.99
Distribution per unit (cents) ⁽³⁾	<u>8.42</u>	<u>9.49</u>

⁽¹⁾ For the period under projections, it is assumed that the earnings before taxation is equal to the distributable income.

⁽²⁾ Earnings after taxation per unit represents the earnings after taxation divided by number of units of UOA REIT in issue.

⁽³⁾ Distribution per unit represents distribution to Unitholders divided by number of units of UOA REIT in issue.

The principal bases and assumptions upon which the projections of consolidated income statements have been prepared are as follows:

2. GENERAL ASSUMPTIONS

2.1. Gross Revenue

Gross revenue is the aggregate of gross rental income earned from the commercial properties comprising UOA Centre Parcels, UOA II Parcels and UOA Damansara Parcels.

Gross rental income which is contracted in the Tenancy Agreements comprises rental and service charge. New Tenancy Agreements are generally committed for a period of two years as is the normal market practice in Malaysia.

Existing tenants have been assumed to renew their leases unless they have indicated otherwise.

The projections are based on current Tenancy Agreements, taking into account the directors of the Manager's expectations of:

- Revision on rental rate;
- Tenancy retention rate;
- Potential lost of rental income from early termination of Tenancy Agreements or vacancy pursuant to expiry of Tenancy Agreements;
- Competition from similar properties in the vicinity;
- The economic condition of the country and the world;
- The inflation rate; and
- The demand for office space.

2.2. Renewal of Tenancies

Taking an occupancy rate of 86% for UOA Centre Parcels, 89% for UOA II Parcels and 99.5% for UOA Damansara Parcels, which is the occupancy rate for November 2005 as constant, all existing Tenancy Agreements are assumed renewed upon expiry for a period of one year.

2.3. Revision In Rental Rate

Given that the existing rental rate is still below those of neighbouring buildings, effective from year 2006, the rental rates are projected to increase by 10% upon renewal of Tenancy Agreements.

2. GENERAL ASSUMPTIONS (CONT'D.)

2.4. Property Operating Expenses

(i) Bad and Doubtful Debts

Bad and doubtful debts is provided for every year based on approximately 0.7% of rental income (a statistic of the past 3 years' actual bad and doubtful).

(ii) Quit Rent, Assessment and Fixed Sewerage Charges

It is assumed that quit rent, assessment and fixed sewerage charges for the period under projections is consistent with year 2004.

(iii) Maintenance Fee

It is assumed that there will be no changes in maintenance fee charged by building manager, Dats Management Sdn. Bhd. for the period under projections.

(iv) Insurance premium

Insurance premium comprises premium on fire insurance and business loss (loss on rental income).

The premium on fire insurance has been increased in year 2005 and will remain constant for the period under estimate and forecast.

Insurance on business loss (loss of rental income) will be incurred in year 2005 and assumed that the premium will remain constant for the period under estimate and forecast.

(v) Repair and Maintenance Expenses

It is assumed that there will be no major defects, repair or refurbishment work to be done on the commercial properties. Percentage of repair and maintenance expenses incurred on rental income for the period under projections is consistent with year 2004.

(vi) Valuation Fee

It is assumed that valuation of the properties is done every 3 years. The next valuation will be done in year 2008.

(vii) Other Property Operating Expenses

Individual assessment of other property operating expenses has been made for each of the commercial properties, on the basis consistent with year 2004. There will be no significant changes in other property operating expenses for the period under projections.

2. GENERAL ASSUMPTIONS (CONT'D.)

2.5. Taxation

The taxation of the UOA REIT is based on the statutory tax rate of 28% on the earnings before taxation of UOA REIT that is undistributed as at year end.

It is assumed that 95% of earnings before taxation of the UOA REIT will be distributed with the exception of year 2005. The directors of the Manager are of the opinion that no tax liability will arise for any remaining balance of the undistributed income as there will be sufficient Capital Allowances from the buildings to offset against the liabilities under projections.

Hence, no taxation is projected.

2.6. Manager's Management Fees

Manager's Management Fees comprises the Property Manager Fee and Assets Manager Fee.

Property Manager Fee charged by Colliers, Jordan Lee & Jaffar Sdn Bhd is in accordance to the Valuers, Appraisers and Estate Agent Acts 1981 ("VAEA ACT") with permissible discount.

The Asset Manager Fee is estimated to be RM110,000 per month. The Asset Manager of UOA REIT is entitled under the Trust Deed to a management fee of up to 1% per annum of the Net Asset Value of UOA REIT and is accrued and paid in accordance with the Trust Deed.

It is assumed that there will be an increment of 3% every year for both the Property and Assets Manager Fees.

2.7. Trust Expenses

Trust expenses include recurring operating expenses such as Trustee's fee, registrar costs, annual listing fees, accounting, audit and tax advisors' fees and other miscellaneous expenses.

Trustee's fee is 0.045% per annum of Net Asset Value and is accrued and paid in accordance with the Trust Deed.

In assessing these amounts, the directors of the Manager have considered factors likely to influence the level of these fees, charges and costs including UOA REIT market capitalisation, gross assets, the likely number of investors, property values and the estimated rate of inflation.

2.8. Property Value

From 1 January 2006, Malaysian FRS 140, Investment Properties will be effective. Under the fair value model of prescribed by Malaysian FRS 140, all changes in the fair value of the commercial properties are recognised in the income statement.

2. GENERAL ASSUMPTIONS (CONT'D.)**2.8. Property Value (Cont'd.)**

The directors of the Manager have assumed that there will be no material fluctuation on the market value of the commercial properties for the period under projections.

2.9. Accounting Standards

The following Malaysian FRS is expected to be effective for accounting period beginning on or after 1 January 2006. In the opinion of the directors of the Manager, the adoption of the following accounting standards will not have any material effect on the projection income statements.

FRS 1	First-Time Adoption of Financial Reporting Standards
FRS 2	Share-Based Payment
FRS 3	Business Combinations
FRS 5	Non-Current Assets Held For Sale and Presentation on Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 104	Depreciation Accounting
FRS 107	Cash Flow Statements
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Event After Balance Sheet Date
FRS 112	Income Taxes
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 118	Revenue
FRS 121	Effect of Changes in Foreign Exchange Rates
FRS 123	Borrowing Costs
FRS 124	Related Party Disclosures
FRS 125	Accounting for Investments
FRS 127	Consolidated Financial Statements and Investments in Subsidiaries
FRS 128	Investment in Associates
FRS 131	Financial Reporting of Interests in Joint Venture
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earning Per Share
FRS 134	Interim Financial Reporting
FRS 136	Impairment of Assets
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement
FRS 140	Investment Property

UOA REIT**Profit Projections****2. GENERAL ASSUMPTIONS (CONT'D.)****2.10. Borrowings and Borrowing Costs**

The directors of the Manager have assumed that UOA REIT would be able to obtain revolving credit of RM85,500,000 with the following terms:

Interest Rate :	1 st year	-	0.2% per annum ("p.a.") + Cost of Fund ("COF")
	2 nd year	-	0.3% p.a. + COF
	3 rd year	-	0.4% p.a. + COF
	4 th year	-	0.5% p.a. + COF

The COF is estimated to be 3.20% p.a.

Tenor : The facility would be subject to periodic review and repayable on demand.

Security : Deed of Assignment and Power of Attorney over the Sales and Purchase Agreement between UOA REIT and Wisma UOA for the purchase of units in UOA Centre parcels and UOA II parcels.

It is assumed that the following costs will be incurred in December 2005 to obtain the RM85,500,000 revolving credit facility:

Facility fee	50,000.00
Stamp duty	427,500.00
Legal fee	72,500.00

The directors of the Manager assumed that the above facility will be available throughout the period under the estimate and forecast.

2.11. Other Assumptions

The directors of the Manager have made the following additional assumptions in preparing the financial projections for the years:

- the UOA REIT property portfolio remains unchanged after the commercial properties are acquired;
- no further capital will be raised during the period;
- there will be no material changes in the present environmental laws and regulations, zoning laws and other legislation or governmental rules, fiscal policies, rates and bases of duties, levies and taxes which may affect the activities;
- no significant changes in the financial conditions of tenants, buyers and sellers of properties;
- all tenancy agreements are enforceable and will be performed in accordance with their terms;

2. GENERAL ASSUMPTIONS (CONT'D.)**2.11. Other Assumptions (Cont'd.)**

- the collection period of rental will be within the stipulated credit period in tenancy agreements;
- there will be no significant changes in the current demand and in the prevailing market conditions in Malaysia and overseas which will adversely affect the performance;
- there will be no significant changes in the prevailing Malaysian and world economic conditions which may directly or indirectly have an adverse effect on the performance;
- that UOA REIT is capable of implementing successfully its' investment and growth strategies and to retain its' key personnel which could have material effect on financial condition and results of operations;
- there will be no significant changes in availability of debt financing and interest rates;
- there will be no environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems, which are located on contaminated properties or as to which inadequate reserves had been established;
- there will be no significant changes in energy prices;
- there will be no significant changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in the market;
- there will be no significant impact to the performance of UOA REIT in relation to the competition among property owners for tenants;
- assume that insurance coverage on the assets of UOA REIT against fire, loss of rent and other risks is sufficient;
- assume that the property manager is capable of providing or procuring the provision of adequate maintenance and other services;
- that UOA REIT is capable of varying its' investment portfolio or liquidate part of its' assets in response to changes in economic, financial, real estate market or other conditions;
- there will be sufficient cash flow for the maintenance of, and improvements to, the properties;
- there will be no significant risks and operating problems arising out of the presence of certain construction material, acts of God, uninsurable losses and others;
- there will be no significant changes in the rate of inflation; and
- there will no compulsory acquisition by the Malaysian Government pursuant to the provisions of Land Acquisition Act, 1960.

8. Financial Performance of UOA REIT (Cont'd)

8.4 Sensitivity Analysis

The profit estimate, forecast and projections included in this Prospectus are based on a number of assumptions that have been outlined in Sections 8.2 and 8.3 of this Prospectus. The profit estimate, forecast and projections are also subject to a number of risks as outlined in Section 6.1.3 of this Prospectus.

You should be aware that future events cannot be predicted with any certainty and that deviations from the figures estimated, forecasted or projected in this Prospectus are to be expected. Depicted below is the impact on UOA REIT's profit and distribution as a result of changes in rental income. The assumptions for rental revenue have been set out in Sections 8.2 and 8.3 of this Prospectus.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

	-5%	0%	+5%
	RM	RM	RM
FYE 31 December 2005			
Earnings before/after taxation	665,451	777,319	889,187
% change	(14.39%)	-	14.39%
Distribution to Unitholders	-	-	-
% change	-	-	-
FYE 31 December 2006			
Earnings before/after taxation	16,541,999	17,987,523	19,433,746
% change	(8.04%)	-	8.04%
Distribution to Unitholders	15,714,899	17,088,147	18,462,058
% change	(8.04%)	-	8.04%
FYE 31 December 2007			
Earnings before/after taxation	18,644,537	20,208,144	21,772,451
% change	(7.74%)	-	7.74%
Distribution to Unitholders	17,712,310	19,197,737	20,683,828
% change	(7.74%)	-	7.74%
FYE 31 December 2008			
Earnings before/after taxation	21,081,711	22,786,365	24,491,720
% change	(7.48%)	-	7.48%
Distribution to Unitholders	20,027,626	21,647,047	23,267,134
% change	(7.48%)	-	7.48%

8. Financial Performance of UOA REIT (Cont'd)

8.5 Our Directors' Comments on the Profit Estimate, Forecast and Projections

Our Directors expect UOA REIT's revenue to increase progressively for the financial years ending 31 December 2006 to 31 December 2008 due to the increase in rental rates by approximately 10% for expiring tenancies, given that the existing rental rates of the Properties Parcels are still below those of neighbouring buildings. The operating expenses of the Properties Parcels, however, are expected to increase at a smaller quantum as most of these expenses are fixed costs in nature. With the implementation of our operating strategy as detailed in Section 6.1.2 of this Prospectus and given the prime location of the Properties Parcels, on which there is a high demand for office space, our Directors also expect that the high tenancy rates of the Properties Parcels will be maintained over the next few years.

Our Board confirms that the profit estimate, forecast and projections of UOA REIT and the underlying bases and assumptions stated herein have been reviewed by our Directors after due and careful inquiries, and that our Directors, having taken into account the future prospects of the industry, the future direction of UOA REIT and its level of gearing, liquidity and working capital requirements as well as the underlying bases and assumptions used in preparing the profit estimate, forecast and projections, are of the opinion that the profit estimate, forecast and projections of UOA REIT are fair and reasonable.

Nevertheless, the underlying bases and assumptions used in preparing the profit estimate, forecast and projections cover future periods for which there are inherent risks, and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often outside our control. Therefore, certain assumptions used in the preparation of the profit estimate, forecast and projections may differ significantly from the date of this Prospectus and this may have a material impact on the profit estimate, forecast and projections.

8.6 Distribution Estimate, Forecast and Projections

Based on the profit estimate, forecast and projections of UOA REIT and the total Units in issue of 228,000,000 Units, our Directors anticipate that they will be in a position to propose a distribution of 95% of UOA REIT's net profit for FYE 31 December 2006 to FYE 31 December 2008, as follows:-

		FYE 31 December 2006	FYE 31 December 2007	FYE 31 December 2008
Distribution amount	<i>(RM)</i>	17,088,147	19,197,737	21,647,047
Distribution per Unit	<i>(sen)</i>	7.49	8.42	9.49
Distribution yield based on the Retail Price of RM1.15 per Unit	<i>(%)</i>	6.51	7.32	8.25
Distribution cover	<i>(times)</i>	1.05	1.05	1.05

The distributable income is expected to be same as the earnings before taxation over the FYE 31 December 2006 to 2008 respectively.

Please refer to Section 6.1.6 of this Prospectus for our distribution policy.

8. Financial Performance of UOA REIT (Cont'd)

8.7 Proforma Balance Sheet of UOA REIT Together with the Reporting Accountants' Letter thereon



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Level 23A, Menara Milenium
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Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

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(03) 2095-9078
www.ey.com/my

Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

Reporting Accountants' Report on Pro Forma Balance Sheet (prepared for inclusion in the Prospectus)

29 November 2005

The Board of Directors
UOA Asset Management Sdn. Bhd.
Office Suite 19-21-1
Level 21, UOA Centre
No. 19, Jalan Pinang
50450 Kuala Lumpur

Dear Sirs

UOA REAL ESTATE INVESTMENT TRUST ("UOA REIT") PRO FORMA BALANCE SHEETS AS AT DATE OF INCORPORATION,

We report on the pro forma balance sheets set out in the Appendix named UOA REIT Pro Forma Balance Sheet, which have been prepared for illustrative purposes only, to provide information about how the balance sheet of UOA REIT as at 29 November 2005 (date of incorporation) might have been affected by the following proposals had the proposals been completed on that date:

1. Acquisition of UOA Centre, UOA II and UOA Damansara by UOA REIT

(a) Acquisition of UOA Centre Parcels

OSK Trustees (*as the Trustee*) entered into the Property Sale and Purchase Agreement with Wisma UOA Sdn Bhd for the acquisition of UOA Centre Parcels from Wisma UOA Sdn Bhd for a total consideration of RM57,600,000 satisfied by:-

- (i) Issuance of 36,950,943 new Units at an issue price of RM1.00 per Unit; and
- (ii) Cash consideration of RM20,649,057 funded by bank borrowings.

The purchase consideration of RM57,600,000 for UOA Centre Parcels was arrived at on a "willing buyer willing seller" basis and is at a discount of 1.37% from the open market value of UOA Centre Parcels of RM58,400,000 based on the valuation performed by the Independent Property Valuer.

(b) Acquisition of UOA II Parcels

OSK Trustees (*as the Trustee*) entered into the Property Sale and Purchase Agreement with Wisma UOA Sdn Bhd for the acquisition of UOA II Parcels from Wisma UOA Sdn Bhd for a total consideration of RM180,900,000 satisfied by:-

- (i) Issuance of 116,049,057 new Units at an issue price of RM1.00 per Unit; and
- (ii) Cash consideration of RM64,850,943 funded by bank borrowings.

8. Financial Performance of UOA REIT (Cont'd)



AF: 0039

Reporting Accountants' Report on Pro Forma Balance Sheet (prepared for inclusion in the Prospectus)

1. Acquisition of UOA Centre, UOA II and UOA Damansara by UOA REIT (Cont'd.)

(b) Acquisition of UOA II Parcels (Cont'd.)

The purchase consideration of RM180,900,000 for UOA II Parcels was arrived at on a "willing buyer willing seller" basis and is at a discount of 4.34% from the open market value of UOA II Parcels of RM189,100,000 based on the valuation performed by the Independent Property Valuer.

(c) Acquisition of UOA Damansara

OSK Trustees (*as the Trustee*) entered into the Property Sale and Purchase Agreement with Damai Positif Sdn Bhd for the acquisition of UOA Damansara Parcels from Damai Positif Sdn Bhd for a total consideration of RM72,000,000 satisfied entirely by the issuance of 72,000,000 new Units at an issue price of RM1.00 per Unit.

The purchase consideration of RM72,000,000 for UOA Damansara Parcels was arrived at on a "willing buyer willing seller" basis and is at a discount of 5.76% from the open market value of UOA Damansara Parcels of RM76,400,000 based on the valuation performed by the Independent Property Valuer.

2. The Initial Public Issue of UOA REIT Units

The IPO comprises the following:-

(a) Public Issue

The issue of 3,000,000* IPO Units, representing approximately 1.32% of the total size of UOA REIT, to the Malaysian Public via balloting for subscription at the Retail Price under the Retail Offering.

(b) Offer For Sale

The Offerors also made the following offer for sale which has no financial impact on the pro forma balance sheets, as follows:

- (i) 7,000,000* IPO Units, representing approximately 3.07% of the total size of UOA REIT, to the Malaysian Public via balloting for subscription at the Retail Price under the Retail Offering;
- (ii) 3,000,000 IPO Units, representing approximately 1.32% of the total size of UOA REIT, to the eligible employees, Directors and business associates of UOA Holdings Group for subscription at the Retail Price under the Retail Offering; and
- (iii) 65,000,000 IPO Units, representing 28.51% of the total size of UOA REIT, to selected investors for subscription at the Institutional Price under the Institutional Offering.

* At least 30% of the Malaysian Public portion (10,000,000 IPO Units) is to be set aside strictly for Bumiputra individuals, companies, societies, co-operatives and institutions.

It is the responsibility solely of the directors of UOA Asset Management Sdn. Bhd. to prepare the pro forma consolidated balance sheets in accordance with the requirements of the Securities Commission Prospectus Guidelines in respect of Public Offerings ("the Guidelines").

8. Financial Performance of UOA REIT (Cont'd)



AF: 0039

Reporting Accountants' Report on Pro Forma Balance Sheet (prepared for inclusion in the Prospectus)

It is our responsibility to form an opinion, as required by the Guidelines, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented with their original form, considering the adjustments and discussing the pro forma balance sheets with the responsible officers of UOA Asset Management Sdn. Bhd.. Our work involved no independent examination of any of the underlying financial information.

In our opinion:

- (a) the pro forma balance sheets have been properly compiled on the bases stated; and
- (b) within the context of the assumed date of the incorporation of UOA REIT, the acquisitions of UOA Centre, UOA II and UOA Damansara and the IPO of UOA REIT:
 - (i) such bases are consistent with the accounting policies of the UOA REIT; and
 - (ii) the adjustments set out are appropriate for the purposes of the pro forma balance sheets pursuant to the Guidelines.

The accompanying pro forma balance sheets and this letter have been prepared for inclusion in the Prospectus in connection with the above proposals. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

ERNST & YOUNG
AF:0039
Chartered Accountants

TAN SOO YAN
No. 1307/03/06 (J/PII)
Partner

Kuala Lumpur, Malaysia
29 November 2005



UOA ASSET MANAGEMENT SDN BHD (692639-1)

Office Suite 19-21-1, Level 21, UOA Centre,
No. 19, Jalan Pinang 50450 Kuala Lumpur, Malaysia.
Tel: 603-2161 9261 Fax: 603-2161 6129

UOA REIT

Pro Forma Balance Sheet

PRO FORMA BALANCE SHEET

The Manager of UOA REIT prepares the pro forma balance sheet for illustrative purposes only based on the following scenarios:

Proforma 1

For Proforma 1, the pro forma balance sheet illustrates the balance sheet as at 29 November 2005 (unaudited), where UOA REIT was established with the registration of the Deed.

Proforma 2

For Proforma 2, the pro forma balance sheet illustrates the position of UOA REIT as at date of incorporation, adjusted for the impact of the Acquisitions as illustrated below:

(a) Acquisition of UOA Centre Parcels

OSK Trustees (*as the Trustee*) entered into the Property Sale and Purchase Agreement with Wisma UOA Sdn Bhd for the acquisition of UOA Centre Parcels from Wisma UOA Sdn Bhd for a total consideration of RM57,600,000 satisfied by:-

- (i) Issuance of 36,950,943 new Units at an issue price of RM1.00 per Unit; and
- (ii) Cash consideration of RM20,649,057 funded by bank borrowings.

The purchase consideration of RM57,600,000 for UOA Centre Parcels was arrived at on a "willing buyer willing seller" basis and is at a discount of 1.37% from the open market value of UOA Centre Parcels of RM58,400,000 based on the valuation performed by the Independent Property Valuer.

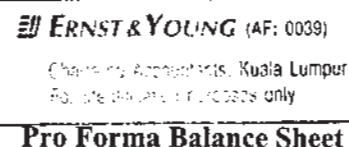
(b) Acquisition of UOA II Parcels

OSK Trustees (*as the Trustee*) entered into the Property Sale and Purchase Agreement with Wisma UOA Sdn Bhd for the acquisition of UOA II Parcels from Wisma UOA Sdn Bhd for a total consideration of RM180,900,000 satisfied by:-

- (i) Issuance of 116,049,057 new Units at an issue price of RM1.00 per Unit; and
- (ii) Cash consideration of RM64,850,943 funded by bank borrowings.

The purchase consideration of RM180,900,000 for UOA II Parcels was arrived at on a "willing buyer willing seller" basis and is at a discount of 4.34% from the open market value of UOA II Parcels of RM189,100,000 based on the valuation performed by the Independent Property Valuer.

8. Financial Performance of UOA REIT (Cont'd)



UOA REIT

Pro Forma Balance Sheet

Proforma 2 (Cont'd.)

(c) Acquisition of UOA Damansara

OSK Trustees (*as the Trustee*) entered into the Property Sale and Purchase Agreement with Damai Positif Sdn Bhd for the acquisition of UOA Damansara Parcels from Damai Positif Sdn Bhd for a total consideration of RM72,000,000 satisfied entirely by the issuance of 72,000,000 new Units at an issue price of RM1.00 per Unit.

The purchase consideration of RM72,000,000 for UOA Damansara Parcels was arrived at on a "willing buyer willing seller" basis and is at a discount of 5.76% from the open market value of UOA Damansara Parcels of RM76,400,000 based on the valuation performed by the Independent Property Valuer.

Proforma 3

For Proforma 3, the pro forma balance sheet illustrates the position of UOA REIT as at date of incorporation, adjusted for the impact of the Acquisitions (as described in Proforma 2) and the IPO.

The IPO comprises the following:-

(a) Public Issue

The issue of 3,000,000* IPO Units, representing approximately 1.32% of the total size of UOA REIT, to the Malaysian Public via balloting for subscription at the Retail Price under the Retail Offering.

(b) Offer For Sale

The Offerors also made the following offer for sale which has no financial impact on the pro forma balance sheets, as follows:-

- (i) 7,000,000* IPO Units, representing approximately 3.07% of the total size of UOA REIT, to the Malaysian Public via balloting for subscription at the Retail Price under the Retail Offering;
- (ii) 3,000,000 IPO Units, representing approximately 1.32% of the total size of UOA REIT, to the eligible employees, Directors and business associates of UOA Holdings Group for subscription at the Retail Price under the Retail Offering; and
- (iii) 65,000,000 IPO Units, representing approximately 28.51% of the total size of UOA REIT, to selected investors for subscription at the Institutional Price under the Institutional Offering.

* At least 30% of the Malaysian Public portion (10,000,000 IPO Units) is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

8. Financial Performance of UOA REIT (Cont'd)

ERNST & YOUNG (AF: 0039)

Chartered Accountants, Kuala Lumpur
For identification purposes only

UOA REIT

Pro Forma Balance Sheet

The illustration of the scenarios are as follows

	Note	Proforma 1 As at date 29 November 2005 (unaudited) RM'000	Adjustments For Proforma 2 RM'000	Proforma 2 After Proforma 1 and the Acquisitions RM'000	Adjustments For Proforma 3 RM'000	Proforma 3 After Proforma 2 and the IPO RM'000
Non-Current Assets						
Investment properties	1	-	310,500	310,500	-	310,500
Current Asset						
Cash and bank balances	2	-	-	-	980	980
Current Liability						
Other payables	3	-	(550)	(550)	550	-
Net current (liability)/assets		-		(550)		980
		-		309,950		311,480
Financed by:						
Units	4	-	225,000	225,000	1,530	226,530
Undistributed deficit	5	-	(550)	(550)	-	(550)
Unitholders' fund		-		224,450		225,980
Long Term Liability						
Bank borrowings	6	-	85,500	85,500	-	85,500
				309,950		311,480
Net asset value		-		224,450		225,980
No of units in issue		-		225,000		228,000
Net asset value per unit		-		1.00		0.99

Notes to the Pro Forma Balance Sheets

1. Investment Properties

Investment properties comprise UOA Centre Parcels, UOA II Parcels and UOA Damansara Parcels. The investment properties is recorded at the cost of acquisition.

The market value of the commercial properties are RM323,900,000 based on a valuation done on 1 April 2005 by independent valuer.

UOA Centre Parcels and UOA II Parcels are pledged for bank borrowings as disclosed in Note 6 to the financial statements.

8. Financial Performance of UOA REIT (Cont'd)

 **ERNST & YOUNG** (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

UOA REIT

Pro Forma Balance Sheet

2. Cash and Bank Balances

Cash and bank balances comprise the RM3,450,000 received from the Public Issue 3,000,000 Units of UOA REIT at a price of RM1.15 per Unit and the deduction of RM1,920,000 listing expenses (Note 4) and the RM550,000 expenses incurred for the bank borrowings.

3. Other Payables

Other payables comprise outstanding expenses incurred for the bank borrowings of RM550,000.


4. Units

	Issue Price RM per unit	Proforma 2 RM'000	Proforma 3 RM'000
Units issue for purchase consideration for the Acquisitions - 225,000,000 Units	RM1.00	225,000	225,000
Units issue for Public Issue - 3,000,000 Units	RM1.15	-	3,450
Less: Listing expenses		-	(1,920)
		<u>225,000</u>	<u>226,530</u>

The listing expenses comprise the followings:

	RM'000
Estimated listing expenses	
- Fees to authorities	90
- Professional fees	960
- Underwriting and brokerage fees	80
- Issuing house fee and disbursement	150
- Printing, advertising and other miscellaneous expenses	640
Total	<u>1,920</u>

8. Financial Performance of UOA REIT (Cont'd)

 **ERNST & YOUNG** (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

UOA REIT

Pro Forma Balance Sheet

5. Undistributed deficit

Undistributed income/deficit comprises UOA REIT's income/loss, which are not distributed. Included in undistributed deficit are expenses incurred for the bank borrowings of RM550,000.

6. Bank Borrowings

The bank borrowings comprise revolving credit facility not exceeding RM85,500,000.

The revolving is subject to annual review and the facility provider reserves the rights to demand on the repayment at anytime.

The revolving credit is secured by a first party legal charge over UOA Centre Parcels and UOA II Parcels.

The interest rates of the revolving credits are as follows:

First year	:	0.2% per annum + Cost of Fund ("COF")
Second year	:	0.3% per annum + COF
Third year	:	0.4% per annum + COF
Fourth year and thereafter	:	0.5% per annum + COF

8. Financial Performance of UOA REIT (Cont'd)

8.8 Value of the Real Estate Properties of UOA REIT

The Properties Parcels have been valued by the Independent Property Valuer on 1 April 2005. The appraised values of the Properties Parcels as at 1 April 2005 are set out in the following table:-

Properties Parcels	Net book value as at 31 December 2004	Appraised value	Percentage of aggregate appraised value of the Properties Parcels
	(RM '000)	(RM '000)	(%)
UOA Centre Parcels	53,500	58,400	18.0
UOA II Parcels	167,423	189,100	58.4
UOA Damansara Parcels	71,871	76,400	23.6
Total	292,794	323,900	100.0

The above valuations were based on Investment and Comparison Methods of Valuation. Please refer to Section 16 of this Prospectus for the valuation certificate on the Properties Parcels prepared by the Independent Property Valuer.

We intend to obtain a valuation of the Properties Parcels at least once every three (3) years from the last valuation date or such frequency as the Guidelines on REIT may stipulate. In this respect, the likely date for the next valuation would be on 1 April 2008 (*or earlier if required under the Malaysian FRS*). All valuation will be conducted on the basis and methods in accordance with the Asset Valuation Guidelines issued by the SC.

In the event that the assets of UOA REIT are divested, the proceeds from the divestment may be returned to the Unitholders or reinvested.

Past performance of the fund is not an indication of future performance.

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