

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET
FOR THE QUARTER ENDED 30 JUNE 2006 (UNAUDITED)

	AS AT END OF CURRENT QUARTER 30.06.2006 RM	AS AT PRECEEDING FINANCIAL YEAR END 31.12.2005 RM
INVESTMENTS		
Real estate properties	323,900,000	323,900,000
OTHER ASSETS		
Trade receivables	375,835	475,610
Other receivables	469,658	3,920,060
Deposits with licensed financial institution	3,600,000	7,835,000
Cash and bank balances	1,180,956	2,082,815
	5,626,449	14,313,485
TOTAL ASSETS	329,526,449	338,213,485
LIABILITIES		
Other payables	881,178	2,980,039
Rental deposits	8,811,405	8,074,291
Amount due to Manager	366,712	1,328,575
Borrowings	69,800,000	85,500,000
Provision for taxation	100,000	-
Provision for income distribution	8,892,000	-
TOTAL LIABILITIES	88,851,295	97,882,905
NET ASSET VALUE	240,675,154	240,330,580
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	226,031,378	226,029,626
Revaluation reserve	-	13,400,000
Undistributed income	14,643,776	900,954
	240,675,154	240,330,580
NET ASSET VALUE PER UNIT	1.056	1.054
NUMBER OF UNITS IN CIRCULATION	228,000,000	228,000,000

The condensed balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2006 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2006 RM	Preceding Year Corresponding Quarter 30.06.2005* RM	Current Year To Date 30.06.2006 RM	Preceding Year To Date 30.06.2005 * RM
TOTAL INCOME				
Gross rental	7,570,728	N/A	14,800,916	N/A
Property operating expenses	(1,697,531)	N/A	(3,267,014)	N/A
Net rental income	5,873,197	N/A	11,533,902	N/A
Interest income	12,411	N/A	24,187	N/A
Other income	15,139	N/A	29,739	N/A
	5,900,747	N/A	11,587,828	N/A
TOTAL EXPENDITURE				
Manager's fees	(330,000)	N/A	(660,000)	N/A
Trustee's fee	(27,088)	N/A	(54,137)	N/A
Borrowing costs	(739,068)	N/A	(1,435,556)	N/A
Auditors' remuneration	(5,000)	N/A	(10,000)	N/A
Tax agent's fee	(3,000)	N/A	(6,000)	N/A
Administrative expenses	(56,795)	N/A	(87,313)	N/A
	(1,160,951)	N/A	(2,253,006)	N/A
INCOME BEFORE TAXATION	4,739,796	N/A	9,334,822	N/A
TAXATION	(50,000)	N/A	(100,000)	N/A
INCOME AFTER TAXATION	4,689,796	N/A	9,234,822	N/A
PROVISION FOR INCOME DISTRIBUTION	(4,526,725)	N/A	(8,892,000)	N/A
	163,071	N/A	342,822	N/A
EARNINGS PER UNIT				
- after managers' fees (sen)	2.06	N/A	4.05	N/A
- before managers' fees (sen)	2.20	N/A	4.34	N/A

* The Trust was listed on 30 December 2005, hence, no comparative figures are available.

The condensed income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST

**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE QUARTER ENDED 30 JUNE 2006 (UNAUDITED)**

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Non-Distributable Revaluation Reserve RM	Distributable Undistributed Income RM	Current Year To Date 30.06.2006 RM	Preceding Year To Date 30.06.2005 * RM
Balance as at 1 January before adoption of FRS 140	226,029,626	13,400,000	900,954	240,330,580	N/A
Effect of adoption of FRS 140	-	(13,400,000)	13,400,000	-	N/A
Balance as at 1 January after adoption of FRS 140	226,029,626	-	14,300,954	240,330,580	N/A
Movements during the period					
Adjustment to listing expenses	1,752	-	-	1,752	N/A
Net income for the period	-	-	9,234,822	9,234,822	N/A
Distribution to unitholder	-	-	(8,892,000)	(8,892,000)	N/A
Balance carried forward as at 30 June	<u>226,031,378</u>	<u>-</u>	<u>14,643,776</u>	<u>240,675,154</u>	<u>N/A</u>

* The Trust was listed on 30 December 2005, hence, no comparative figures are available.

The condensed statement of changes in net asset value should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2006 (UNAUDITED)

	Current Year To Date 30.06.2006 RM	Preceding Year To Date 30.06.2005 * RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before taxation	9,334,822	N/A
Adjustment for:		
Listing expenses	1,752	N/A
Interest income	(24,187)	N/A
Interest expense	1,435,556	N/A
Operating profit before changes in working capital	10,747,943	N/A
Decrease in receivables	3,550,177	N/A
Decrease in payables	(2,323,610)	N/A
Net cash generated from operating activities	<u>11,974,510</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITY		
Interest income	24,187	N/A
Net cash generated from investing activity	<u>24,187</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,435,556)	N/A
Repayment of borrowings	(15,700,000)	N/A
Net cash used in financing activities	<u>(17,135,556)</u>	<u>N/A</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,136,859)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,917,815	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>4,780,956</u>	<u>N/A</u>
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institution	3,600,000	N/A
Cash and bank balances	1,180,956	N/A
	<u>4,780,956</u>	<u>N/A</u>

* The Trust was listed on 30 December 2005, hence, no comparative figures are available.

The condensed cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST

EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2006 (UNAUDITED)

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1 BASIS OF PREPARATION

The quarterly financial report is prepared under the historical cost convention except for the investment in real estate properties which is stated at fair value.

The quarterly financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Trust since the year ended 31 December 2005.

A2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/ revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 140	Investment Property

The adoption of the abovementioned FRSs for the financial year 2006 may be affected by the issuance of additional interpretation(s) or other changes announced by the MASB subsequent to the date of the issuance of this quarterly report. Therefore the policies that will be applied in the Trust's financial statements for the current financial year cannot be determined with certainty at the date of this report, except for the following that is effective 1 January 2006 which have been reflected in this quarterly report:

A2 CHANGES IN ACCOUNTING POLICIES (CONT'D.)

a) FRS 140: Investment Property

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuers. Gains or losses arising from changes in the fair values of investment properties are recognised in income statement in the period in which they arise. Prior to 1 January 2006, investment properties were stated at valuation. Revaluations were carried out at least once every three years and any revaluation increase is taken to equity as a revaluation surplus. The investment properties were last revalued in 2005. In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparatives as at 31 December 2005 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2006:

	As at 01.01.2006 RM
Decrease in revaluation reserve	(13,400,000)
Increase in retained earnings	<u>13,400,000</u>

A3 AUDITORS' REPORT ON PRECEEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

A4 COMMENTS ON SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Trust are not affected by material seasonal or cyclical factors.

A5 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, unitholders' funds, net income or cash flows for the quarter under review.

A6 CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

A7 DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and period-to-date.

A8 INCOME DISTRIBUTION

No income distribution was paid during the quarter under review but provision was made to distribute 95.26% of the income before tax (unaudited) for the six month period ended 30 June 2006 to be distributed before end of August 2006. This amounted to RM8,892,000.

A9 SEGMENTAL REPORTING

Not applicable.

A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The value of the investment properties have not been revalued for the current quarter under review.

A11 MATERIAL EVENTS

There was no material event as at the latest practicable date from the date of this report except for the proposed acquisition of Wisma UOA Bangsar as disclosed in Item B8, Status of Corporate Proposal .

A12 EFFECT OF CHANGES IN THE COMPOSITION OF THE TRUST

There were no changes in the composition of the Trust for the current quarter. The Fund size stands at 228,000,000 units.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

B1 REVIEW OF PERFORMANCE

For quarter ended 30th June 2006, the Trust registered a total rental income of RM7,570,728 with interest and other income of RM12,411 and RM15,139 respectively. Taking into account a minimum 95% distribution, the Trust has set aside RM4,526,725 as provision for income distribution for the quarter ended 30 June 2006.

Properties parcels owned by the Trust continued to enjoy high occupancy rates. Both UOA Centre Parcels and UOA II Parcels registered improvement from previous quarter with occupancy at 93.3% and 90% respectively. UOA Damansara Parcel's occupancy remain very strong at 99.4%. This has improved the rental revenue by 4.7% compared to the 31 March 2006 quarter that registered a rental revenue of RM7,230,188.

B2 MATERIAL CHANGES IN INCOME BEFORE TAXATION FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

There were no material changes in the income before taxation for the quarter under review.

B3 PROSPECTS

The Manager expects the Properties Parcels to continue enjoying good occupancy and improvement in rental rates for the remaining part of the year (buoyed by a positive outlook in the commercial real estate in Malaysia).

The Manager will continue to adopt an active operating and capital management strategy to enhance the yields and returns of the existing Properties Parcels. The Manager will further seek opportunities to acquire real estate that meet the objectives of the Trust.

B4 VARIANCES

This is not applicable as there was no profit forecast or profit guarantee issued for this financial quarter.

B5 TAXATION

The breakdown of the tax components is as follows:

	Current Quarter		Year To Date	
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
	RM	RM	RM	RM
Taxation on current period's profit	50,000	N/A	100,000	N/A
Deferred tax relating to originating and reversal of temporary differences	-	N/A	-	N/A
Tax expense for the period	<u>50,000</u>	<u>N/A</u>	<u>100,000</u>	<u>N/A</u>

A reconciliation of income tax expense applicable to income before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Trust is as follows:

	Current Quarter		Year To Date	
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
	RM	RM	RM	RM
Income before taxation	4,739,796	N/A	9,334,822	N/A
Taxation at Malaysian statutory tax rate of 28%	1,327,143	N/A	2,613,750	N/A
Effect of income not subject to tax	(1,267,483)	N/A	(2,489,760)	N/A
Expenses not deductible for tax purposes	3,734	N/A	2,798	N/A
Utilisation of capital allowances	(13,394)	N/A	(26,788)	N/A
Tax expense for the period	<u>50,000</u>	<u>N/A</u>	<u>100,000</u>	<u>N/A</u>

**B6 PROFITS ON SALE OF INVESTMENT IN UNQUOTED SECURITIES/
PROPERTIES**

There was no disposal of investment in unquoted securities during the current quarter and financial period-to-date.

**B7 PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED
SECURITIES**

There was no purchase or disposal of investment in quoted securities during the current quarter and financial period-to-date.

B8 STATUS OF CORPORATE PROPOSAL

- (a) On 6th April 2006, the Trust has received an offer from Dynasty Portfolio Sdn. Bhd., a related company of the Manager, to sell an 8 storey commercial building known as Wisma UOA Bangsar for a consideration of RM21,000,000. The Trust had since accepted the offer and is currently conducting the necessary due diligence and is pending the approvals of the relevant authorities/parties.
- (b) There were no proceeds raised from any corporate proposal during the current quarter and financial period-to-date.

B9 BORROWINGS AND DEBT SECURITIES

	Current Quarter 30.06.2006 (RM)	Year Ended 31.12.2005 (RM)
Revolving credit - Secured	<u>69,800,000</u>	<u>85,500,000</u>

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Trust has no financial instrument with off balance sheet risks as at the latest practicable date from the date of the issuance of this report that might materially affect the position or business of the Trust.

B11 MATERIAL LITIGATION

There was no pending material litigation as at the latest practicable date from the date of issuance of this report.

B12 INCOME DISTRIBUTION

In line with the new tax transparency regime introduced by the Government through the Finance Act 2004, income distributed to the unitholders by the trust is exempted from tax at the trust level. However, unitholders will be taxed at their respective tax rates on the income distributed. Income distributed to non-resident unitholders will be subject to withholding tax of 28%.

(a) (i) A provisional income distribution for the quarter has been provided in this quarter's result (previous corresponding quarter: Nil).

(ii) Provision:-

Distribution per unit (DPU): 3.90 sen (Tax exempt at trust level)

B13 DISTRIBUTION PER UNIT - PROVISIONAL

	Current Quarter Ended 30.06.2006 RM	Year To Date ended 30.06.2006 RM
Provision for income distribution	4,526,725	8,892,000
Number of units issue	228,000,000	228,000,000
Basic earnings per unit (sen)	2.06	4.05
Distribution per unit (DPU) (sen)	1.99	3.90
Diluted earnings per unit (sen)	N/A	N/A

B14 EARNINGS PER UNIT

(a) Basic

Basic earnings per unit amounts are calculated by dividing income for the period attributable to unitholders by the weighted average number of units in issue during the period.

	Current Quarter		Year To Date	
	30.06.2006	30.06.2005	30.06.2006	30.06.2005
	RM	RM	RM	RM
Income after taxation	4,689,796	N/A	9,234,822	N/A
Weighted average number of units in issue	228,000,000	N/A	228,000,000	N/A
Basic earnings per unit (after managers' fee) (sen)	2.06	N/A	4.05	N/A

BY ORDER OF THE BOARD

YAP KAI WENG
Company Secretary
UOA ASSET MANAGEMENT SDN BHD
(As the Manager of UOA REAL ESTATE INVESTMENT TRUST)

Kuala Lumpur
24 July 2006