

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

	<b>AS AT END OF CURRENT QUARTER 30.09.2006 RM</b>	<b>AS AT PRECEEDING FINANCIAL YEAR END 31.12.2005 RM</b>
<b>INVESTMENTS</b>		
Real estate properties	345,550,000	323,900,000
<b>OTHER ASSETS</b>		
Trade receivables	374,748	475,610
Other receivables	1,106,692	3,920,060
Deposits with licensed financial institution	1,350,000	7,835,000
Cash and bank balances	387,919	2,082,815
	<b>3,219,359</b>	<b>14,313,485</b>
<b>TOTAL ASSETS</b>	348,769,359	338,213,485
<b>LIABILITIES</b>		
Other payables	1,539,240	2,980,039
Rental deposits	9,592,171	8,074,291
Amount due to Manager	218,285	1,328,575
Borrowings	70,200,000	85,500,000
Provision for taxation	143,000	-
Provision for income distribution	4,833,606	-
<b>TOTAL LIABILITIES</b>	<b>86,526,302</b>	<b>97,882,905</b>
<b>NET ASSET VALUE</b>	<b>262,243,057</b>	<b>240,330,580</b>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUND</b>		
Unitholders' capital	246,794,752	226,029,626
Revaluation reserve	-	13,400,000
Undistributed income	15,448,305	900,954
	<b>262,243,057</b>	<b>240,330,580</b>
<b>NET ASSET VALUE PER UNIT</b>	1.066	1.054
<b>NUMBER OF UNITS IN CIRCULATION</b>	245,948,700	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 SEPTEMBER 2006 (UNAUDITED)**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 30.09.2006 RM</b>	<b>Preceding Year Corresponding Quarter 30.09.2005* RM</b>	<b>Current Year To Date 30.09.2006 RM</b>	<b>Preceding Year To Date 30.09.2005 * RM</b>
<b>TOTAL INCOME</b>				
Gross rental	7,971,056	N/A	22,771,972	N/A
Property operating expenses	(1,758,148)	N/A	(5,025,162)	N/A
<b>Net rental income</b>	6,212,908	N/A	17,746,810	N/A
Interest income	15,014	N/A	39,201	N/A
Other income	29,332	N/A	59,071	N/A
	<b>6,257,254</b>	<b>N/A</b>	<b>17,845,082</b>	<b>N/A</b>
<b>TOTAL EXPENDITURE</b>				
Manager's fees	(330,000)	N/A	(990,000)	N/A
Trustee's fee	(27,912)	N/A	(82,049)	N/A
Borrowing costs	(782,406)	N/A	(2,217,962)	N/A
Auditors' remuneration	5,000	N/A	(15,000)	N/A
Tax agent's fee	1,000	N/A	(5,000)	N/A
Administrative expenses	(91,798)	N/A	(169,111)	N/A
	<b>(1,226,116)</b>	<b>N/A</b>	<b>(3,479,122)</b>	<b>N/A</b>
Net appreciation on fair values of Investment Properties	650,000	N/A	650,000	N/A
<b>INCOME BEFORE TAXATION</b>	5,681,138	N/A	15,015,960	N/A
<b>TAXATION</b>	(43,000)	N/A	(143,000)	N/A
<b>INCOME AFTER TAXATION</b>	5,638,138	N/A	14,872,960	N/A
<b>INCOME DISTRIBUTION</b>				
- Distributed Income	-	N/A	(8,892,003)	N/A
- Provision for Distribution	(4,833,606)	N/A	(4,833,606)	N/A
	<b>804,532</b>	<b>N/A</b>	<b>1,147,351</b>	<b>N/A</b>
<b>INCOME BEFORE TAXATION IS ANALYSED AS FOLLOWS</b>				
-Realised	5,031,138	N/A	14,365,960	N/A
- Unrealised	650,000	N/A	650,000	N/A
<b>EARNINGS PER UNIT</b>				
- after managers' fees (sen)	2.43	N/A	6.49	N/A
- before managers' fees (sen)	2.58	N/A	6.92	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 SEPTEMBER 2006 (UNAUDITED)**

	<b>Attributable to Unitholders' Funds</b>			<b>Total Unitholders' Funds</b>	
	Unitholders' Capital RM	Non-Distributable Revaluation Reserve RM	Distributable Undistributed Income RM	Current Year To Date 30.09.2006 RM	Preceding Year To Date 30.09.2005 * 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
<b>Movements during the period</b>					
Creation of new units	20,999,979	-	-	20,999,979	N/A
Listing Expenses	(234,853)	-	-	(234,853)	N/A
Net income for the period	-	-	14,872,960	14,872,960	N/A
Distribution to unitholder	-	-	(13,725,609)	(13,725,609)	N/A
Balance carried forward as at 30 September	246,794,752	-	15,448,305	262,243,057	N/A

\* 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 SEPTEMBER 2006 (UNAUDITED)**

	<b>Current Year To Date 30.09.2006 RM</b>	<b>Preceding Year To Date 30.09.2005 * RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,015,960	N/A
Adjustment for:		
Listing expenses	(234,853)	N/A
Interest income	(39,201)	N/A
Interest expense	2,217,962	N/A
Gain on revaluation of investment properties	(650,000)	
Operating profit before changes in working capital	<u>16,309,868</u>	N/A
Decrease in receivables	2,914,230	N/A
Increase in payables	(1,033,209)	N/A
Net cash generated from operating activities	<u>18,190,889</u>	N/A
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Interest income	39,201	N/A
Investment in Investment Properties	(21)	N/A
Net cash generated from investing activity	<u>39,180</u>	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,217,962)	N/A
Distribution to Unitholders	(8,892,003)	N/A
Repayment of borrowings	(15,300,000)	N/A
Net cash used in financing activities	<u>(26,409,965)</u>	N/A
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,179,896)</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>9,917,815</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>1,737,919</u></b>	<b><u>N/A</u></b>
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institution	1,350,000	N/A
Cash and bank balances	387,919	N/A
	<u>1,737,919</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 SEPTEMBER 2006 (UNAUDITED)**

#### **A EXPLANATORY NOTES PURSUANT TO FRS 134**

##### **A1 BASIS OF PREPARATION**

The quarterly financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("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:

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

## **A3 QUALIFIED AUDIT REPORT**

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**

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**

17,948,700 new units was issued by the Trust on 7 September 2006 at RM1.17 per unit pursuant to the acquisition of Wisma UOA Bangsar as disclosed in section B8, Status of Corporate Proposal.

## **A8 INCOME DISTRIBUTION**

No income distribution was paid during the quarter under review but provision was made to distribute 95% of the income before tax (unaudited) for the quarter ended 30 September 2006 to be distributed before end of February 2007.

## **A9 SEGMENTAL REPORTING**

Not applicable.

## **A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The value of the investment properties brought forward from the financial statement for the year ended 31 December 2005 have not been revalued for the current quarter under review, save for the revaluation of a newly acquired Investment Property Wisma UOA Bangsar on 12 September 2006 as disclosed in section A12, Effect of Changes in the Composition of the Trust.

## **A11 MATERIAL EVENTS**

There was no material event as at the latest practicable date from the date of this report.

## **A12 EFFECT OF CHANGES IN THE COMPOSITION OF THE TRUST**

The Trust had on 7 September 2006 issued 17,948,700 additional new units at an issuance price of RM1.17 per unit as purchase consideration for acquisition of Wisma UOA Bangsar as disclosed in Item B8, Status of Corporate Proposal.

Pursuant to the acquisition, the Fund size has increased to 245,948,700 units as at 30 September 2006 while Net Asset Value (NAV) per unit registered an improvement by RM0.01 from RM1.056 as at 31 August 2006 to RM1.066 as at 30 September 2006, contributed mainly by the recognition of RM650,000 unrealised gain on revaluation.

## **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 the quarter ended 30 September 2006, the Trust registered a total rental income of RM7,971,056 with interest and other income of RM15,014 and RM29,332 respectively. Taking into consideration a 95% distribution policy, the Trust has set aside RM4,833,606 as provision for income distribution for the quarter ended 30 September 2006.

All Properties Parcels owned by the Trust continue to perform commendably with UOA Centre Parcels, UOA II Parcels and UOA Damansara Parcels recording high occupancy of 91.4%, 96.4% and 98.2% respectively. The acquisition of Wisma UOA Bangsar which is 100% occupied was completed on 12 September 2006. Compared to the previous quarter, rental revenue and realized profit before taxation have increased by 5.3% and 6.1% respectively. Improvements during the period was due to increase of rental rates whilst sustaining a high occupancy rate for all Properties Parcels and rental contribution from Wisma UOA Bangsar.

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

The results for the quarter ended 30 September 2006 registered an income before tax of RM5,681,138 which is RM941,342 or approximately 20% higher as compared with immediate preceding quarter. The variance is contributed mainly by the recognition of an unrealised gain on revaluation amounting to RM650,000 as disclosed in section A12, Effect of Changes in Composition of Trust, and the additional income contribution of RM104,820 from the newly acquired property as disclosed in section B1, Review of Performance. The balance of RM186,522 is contributed by improvements in occupancy and rental rate.

### **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:

	<b>Current Quarter</b>		<b>Year To Date</b>	
	30.09.2006	30.09.2005	30.09.2006	30.09.2005
	RM	RM	RM	RM
Taxation on current period's profit	43,000	N/A	143,000	N/A
Deferred tax relating to originating and reversal of temporary differences	-	N/A	-	N/A
Tax expense for the period	<u>43,000</u>	<u>N/A</u>	<u>143,000</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:

	<b>Current Quarter</b>		<b>Year To Date</b>	
	30.09.2006	30.09.2005	30.09.2006	30.09.2005
	RM	RM	RM	RM
Income before taxation	5,031,138	N/A	14,365,960	N/A
Taxation at Malaysian statutory tax rate of 28%	1,408,719	N/A	4,022,469	N/A
Effect of income not subject to tax	(1,353,411)	N/A	(3,843,171)	N/A
Expenses not deductible for tax purposes	(1,592)	N/A	1,206	N/A
Utilisation of capital allowances	(10,716)	N/A	(37,504)	N/A
Tax expense for the period	<u>43,000</u>	<u>N/A</u>	<u>143,000</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) Upon the approval of the unitholders by an ordinary resolution passed on 15 August 2006, the Trust had on 22 August 2006 entered into a Sale & Purchase Agreement for the acquisition of an investment property Wisma UOA Bangsar. The acquisition was completed on 12 September 2006. Pursuant to the acquisition, 17,948,700 new units has been issued at RM1.17 per unit as part of purchase consideration, while the balance consideration of RM21 was satisfied by cash.

Pursuant to the terms of the Sale and Purchase Agreement, the new units will remain unquoted until the completion of the payment of distribution in respect of the financial year ending 31 December 2006 ("Distribution") and the vendor has waived its entitlement to the distribution.

(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 30.09.2006 (RM)	Year Ended 31.12.2005 (RM)
Revolving credit - Secured	<u>70,200,000</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) \*: 2.12 sen (Tax exempt at trust level)

\* DPU is calculated based on 228,000,000 units as the entitlement of new issued units to the distribution for financial year ending 31 December 2006 has been waived by the vendor pursuant to the acquisition of Wisma UOA Bangsar as disclosed in section B8, Status of Corporate Proposal.

## B13 DISTRIBUTION PER UNIT - PROVISIONAL

	Current Quarter Ended 30.09.2006 RM	Year To Date ended 30.09.2006 RM
Provision for income distribution	4,833,606	13,725,609
Number of units issued	245,948,700	245,948,700
Basic earnings per unit (sen) *	2.43	6.49
Distribution per unit (DPU) (sen) **	2.12	6.02
Diluted earnings per unit (sen)	N/A	N/A

\* Basic earnings per units is calculated based on weighted average number of units in issue during the period as disclosed in section B14.

\*\* DPU is calculated based on 228,000,000 units as disclosed in section B12.

## 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	
	30.09.2006	30.09.2005	30.09.2006	30.09.2005
	RM	RM	RM	RM
Income after taxation	5,638,138	N/A	14,872,960	N/A
Weighted average number of units in issue	231,706,797	N/A	229,249,177	N/A
Basic earnings per unit (after managers' fee) (sen)	<u>2.43</u>	<u>N/A</u>	<u>6.49</u>	<u>N/A</u>

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  
16 November 2006