

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET
FOR THE QUARTER ENDED 30 JUNE 2007 (UNAUDITED)

	AS AT END OF CURRENT QUARTER 30.06.2007 RM	AS AT PRECEEDING FINANCIAL YEAR END 31.12.2006 RM
INVESTMENTS		
Real estate properties	413,950,000	345,550,000
PROPERTY, PLANT & EQUIPMENT	2,556	-
OTHER ASSETS		
Trade receivables	1,091,924	436,686
Other receivables	938,117	926,934
Current tax asset	118,313	73,313
Deposits with licensed financial institution	800,000	1,550,000
Cash and bank balances	442,962	407,019
	3,391,316	3,393,952
TOTAL ASSETS	417,343,872	348,943,952
LIABILITIES		
Other payables	1,219,408	1,088,831
Rental deposits	10,300,746	9,679,948
Amount due to Manager	132,568	124,485
Borrowings	64,800,000	65,600,000
Provision for taxation	-	-
Provision for income distribution	10,059,302	10,488,000
TOTAL LIABILITIES	86,512,024	86,981,264
NET ASSET VALUE	330,831,848	261,962,688
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	246,791,875	246,791,875
Revaluation reserve	-	-
Undistributed income	84,039,973	15,170,813
	330,831,848	261,962,688
NET ASSET VALUE PER UNIT	1.345	1.065
NUMBER OF UNITS IN CIRCULATION	245,948,700	245,948,700

The condensed balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 2007 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2007 RM	Preceding Year Corresponding Quarter 30.06.2006 RM	Current Year To Date 30.06.2007 RM	Preceding Year To Date 30.06.2006 RM
TOTAL INCOME				
Gross rental	8,316,923	7,570,728	16,917,675	14,800,916
Property operating expenses	(2,010,020)	(1,697,531)	(3,943,219)	(3,267,014)
Net rental income	6,306,903	5,873,197	12,974,456	11,533,902
Interest income	7,296	12,411	19,208	24,187
Other income	30,396	15,139	56,644	29,739
	6,344,595	5,900,747	13,050,308	11,587,828
TOTAL EXPENDITURE				
Manager's fees	(370,000)	(330,000)	(730,000)	(660,000)
Trustee's fee	(32,094)	(27,088)	(61,598)	(54,137)
Borrowing costs	(732,486)	(739,068)	(1,484,522)	(1,435,556)
Auditors' remuneration	(5,000)	(15,000)	(10,000)	(20,000)
Tax agent's fee	(3,000)	(3,000)	(6,000)	(6,000)
Administrative expenses	(161,586)	(46,795)	(229,726)	(77,313)
	(1,304,166)	(1,160,951)	(2,521,846)	(2,253,006)
Net appreciation on fair values of Investment Properties	68,400,000	-	68,400,000	-
INCOME BEFORE TAXATION	73,440,429	4,739,796	78,928,462	9,334,822
TAXATION	-	(50,000)	-	(100,000)
INCOME AFTER TAXATION	73,440,429	4,689,796	78,928,462	9,234,822
INCOME DISTRIBUTION				
- Distributed Income	-	-	-	-
- Provision for Distribution	(4,817,641)	(4,526,725)	(10,059,302)	(8,892,000)
	68,622,788	163,071	68,869,160	342,822
INCOME BEFORE TAXATION IS ANALYSED AS FOLLOWS				
- Realised	5,040,429	4,739,796	10,528,462	9,334,822
- Unrealised	68,400,000	-	68,400,000	-
EARNINGS PER UNIT				
- after managers' fees (sen)	29.86	2.06	32.09	4.05
- before managers' fees (sen)	30.01	2.20	32.39	4.34

The condensed income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 2007 (UNAUDITED)**

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Undistributed Income		Current Year To Date 30.06.2007 RM	Preceding Year To Date 30.06.2006 RM
		Realised RM	Unrealised RM		
Balance as at 1 January	246,791,875	1,120,813	14,050,000	261,962,688	240,330,580
Movements during the period					
Creation of new units	-	-	-	-	-
Adjustment to Listing Expenses	-	-	-	-	1,752
Net income for the period	-	10,528,462	68,400,000	78,928,462	9,234,822
Distribution to unitholder	-	(10,059,302)	-	(10,059,302)	(8,892,000)
Balance carried forward as at 30 June	<u>246,791,875</u>	<u>1,589,973</u>	<u>82,450,000</u>	<u>330,831,848</u>	<u>240,675,154</u>

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 2006 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 2007 (UNAUDITED)

	Current Year To Date 30.06.2007 RM	Preceding Year To Date 30.06.2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	78,928,462	9,334,822
Adjustment for:		
Listing expenses	-	-
Interest income	(19,208)	(24,187)
Interest expense	1,484,522	1,435,556
Depreciation	134	-
Allowance for Doubtful Debt	85,780	-
Net appraisal on revaluation of investment properties	(68,400,000)	-
Operating profit before changes in working capital	12,079,690	10,746,191
Decrease/ (Increase) in receivables	(797,201)	3,550,177
Increase/ (Decrease) in payables	759,458	(2,321,858)
Net cash generated from operating activities	12,041,947	11,974,510
CASH FLOW FROM INVESTING ACTIVITY		
Interest income	19,208	24,187
Purchase of Property, Plant & Equipment	(2,690)	-
Investment in Investment Properties	-	-
Net cash generated from investing activity	16,518	24,187
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,484,522)	(1,435,556)
Distribution to Unitholders	(10,488,000)	-
Drawdown of borrowings	10,400,000	-
Repayment of borrowings	(11,200,000)	(15,700,000)
Net cash used in financing activities	(12,772,522)	(17,135,556)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(714,057)	(5,136,859)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,957,019	9,917,815
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,242,962	4,780,956
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institution	800,000	3,600,000
Cash and bank balances	442,962	1,180,956
	1,242,962	4,780,956

The condensed cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 2007 (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 2006. 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 2006.

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 2006.

Nevertheless, the FRS that will be effective in the annual financial statements for the year ended 31 December 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the MASB subsequent to the date of issuance of this quarterly report. Therefore the policies that will be applied in the UOA-REIT's financial statements for the year cannot be determined with certainty at the date of issuance of this quarterly financial report.

A3 QUALIFIED AUDIT REPORT

The auditors' report on the financial statements for the year ended 31 December 2006 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 save for the revaluation of investment properties as disclosed in Section A10, Valuation of Property, Plant & Equipment.

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

A8 INCOME DISTRIBUTION

The Trust had on 28 February 2007 paid a final income distribution for the year ended 31 December 2006 amounting to RM10,488,000.

For the quarter under review, the Trust is declaring a 95% distribution of the income before taxation for the first half year ended 30 June 2007 amounting to RM10,059,302 or 4.09 sen per unit to be distributed by end of August 2007 as described under Section B12, Income Distribution.

A9 SEGMENTAL REPORTING

Not applicable.

A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

During the quarter under review, a revaluation was conducted by PPC International Sdn Bhd, an independent professional valuer, on the investment properties of the Trust to determine their fair value in compliance with the Financial Reporting Standard ("FRS") 140. The revaluation brought a net appreciation on the fair value of the investment properties by RM68,400,000. The fair value adjustment has increased the Net Asset Value ("NAV") and Earnings Per Unit of the Trust by approximately 27.8 sen and was incorporated to the Income Statement as unrealised gain.

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

There was no changes in the composition of the Trust for the current quarter. The fund size stands at 245,948,700.

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 June 2007, the Trust registered a total income of RM8,354,615 inclusive of interest income and other income of RM7,296 and RM30,396 respectively. Total expenditure for the quarter under review amount to RM3,314,186 with RM2,010,020 attributable to property operating expenses and RM1,304,166 attributable to non-property operating expenses. Income before taxation available for distribution for the quarter under review was RM5,40,429,. Taking into consideration a 95% distribution, the Trust has set aside RM4,818,897 as provision for income distribution.

Against the six (6) months corresponding period last year, gross rental has improved by approximately 14.3% or RM2,116,759, attributed mainly to the improvements in rental rate as well as contribution from the newly acquired property (RM1,051,947). Meanwhile, operating expenses has increased by approximately 17.12%, arising mainly from the maintenance costs of the new property (RM162,746), an allowance of doubtful debt amounting to RM137,533 (or approximately 0.8% of the gross rental), a tax related professional fee (RM80,000), increased manager's fee (RM70,000) and increased borrowing costs (RM48,966) due to higher interest rate. The net improvement in realised income before taxation amounts to RM1,193,640 or approximately 12.8% while realised earnings per unit has improved by approximately 5.7% from RM4.05 to RM4.28. Meanwhile, an adjustment on fair value amounting to RM68,400,000 was recognised in Income Statement for the quarter under review as disclosed in Section A10: Valuation of Property, Plant and Equipment.

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 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 to 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	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM	RM	RM	RM
Taxation on current period's profit	-	50,000	-	100,000
Deferred tax relating to originating and reversal of temporary differences	-	-	-	-
Tax expense for the period	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>100,000</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	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM	RM	RM	RM
Income before taxation	5,040,429	4,739,796	10,528,462	9,334,822
Taxation at Malaysian statutory tax rate of 27%*	1,360,916	1,327,143	2,842,685	2,613,750
Effect of income not subject to tax	(1,561,892)	(1,273,762)	(2,716,243)	(2,496,039)
Expenses not deductible for tax purposes	(8,228)	8,707	1,953	9,077
Utilisation of capital allowances	258,223	(12,088)	(25,270)	(26,788)
Tax Exemption **	(49,019)	-	(103,125)	-
Tax expense for the period	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>100,000</u>

* For the year of 2007, corporate tax rate has been revised from 28% to 27%.

** In year 2007, Real Estate Investment Trusts (REIT) are exempted from taxes on all income provided that at least 90% of their total income is distributed to the investors. UOA REIT is expected to enjoy the tax exemption given its distribution policies of at least 95% of its total income. Therefore, no tax expense is recognised for the quarter under review.

**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

There were no corporate proposals announced but not completed at the latest practicable date.

B9 BORROWINGS AND DEBT SECURITIES

	Current Quarter 30.06.2007 (RM)	Year Ended 30.06.2006 (RM)
Revolving credit - Secured	64,800,000	65,600,000

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

A provision was made to distribute RM4,817,641 as income distribution for 2nd Quarter ended 30 June 2007. This translates into approximately 1.96 sen per unit for the quarter under review and includes a non-taxable portion of approximately 0.36 sen per unit (representing 18.47% of the gross distribution) deriving mainly from utilisation of capital allowance.

Total declared income distribution for the six (6) months period ended 30 June 2007 amounts to RM10,059,302, equivalent to 4.09 sen per unit and includes a non-taxable portion of approximately 0.76 sen (representing 18.58% of gross distribution). The income distribution for the six (6) months period ended 30 June 2007 is 4.87% higher than corresponding period last year (3.9 sen per unit)

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, the following withholding tax rates would be applicable on distribution of income which is tax exempt at Trust's level:

- a) Non-corporate investors and local institutional investors are subject to a final withholding tax at the rate of 15% from year 2007 to 2011.
- b) Foreign institutional investors are subject to a final withholding tax at the rate of 20% from year 2007 to 2011.
- c) Foreign corporate investors are subject to a final withholding tax at the rate of 27%.
- d) Local corporate investors are subject to the existing tax treatment and tax rates (corporate tax rate is 27% for year 2007).

B13 DISTRIBUTION PER UNIT - PROVISIONAL

	Current Quarter Ended 30.06.2007 RM	Year To Date ended 30.06.2007 RM	Year To Date ended 30.06.2006 RM
Provision for income distribution	4,817,641	10,059,302	8,892,000
Number of units issued	245,948,700	245,948,700	228,000,000
Basic earnings per unit (sen)	2.05	4.28	4.05
Distribution per unit (DPU) (sen)	1.96	4.09	3.90
Diluted earnings per unit (sen)	NA	N/A	N/A

PUBLIC SHAREHOLDING SPREAD

As at 30 June 2007, the Trust is not in compliance with paragraph 8.15 (1) of the Listing Requirement ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), which requires at 25% of the total units of UOA REIT to be held by at least 1,000 public unitholders holding not less than 100 units each ("Public Shareholding Spread"). The non-compliance is mainly attributed to the reduction in the number of retail investors.

The Public Shareholding Spread based on the latest Records of Depositors of UOA-REIT as at 29 June 2007 stood at 29.54% with 914 public unitholders holding not less than 100 units.

The Trust is formulating and evaluating plans to rectify the Public Shareholding Spread via more investor relation activities in particularly to retail investor. The Trust has not formulated timeline in respect of the rectification plan at the date of this report. A six (6) month extension of time for compliance has been granted by Bursa Securities to expire on 12 December 2007.

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	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM	RM	RM	RM
Income after taxation	73,440,429	4,689,796	78,928,462	9,234,822
Weighted average number of units in issue	245,948,700	228,000,000	245,948,700	228,000,000
Basic earnings per unit (after manager's fee and before adjustment in fair value (sen))	<u>2.05</u>	<u>2.06</u>	<u>4.28</u>	<u>4.05</u>
Basic earnings per unit (after manager's fee and after adjustment in fair value (sen))	<u>29.86</u>	<u>2.06</u>	<u>32.09</u>	<u>4.05</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
9 JULY 2007