

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)

	AS AT END OF CURRENT QUARTER 31.12.2007 RM	AS AT PRECEEDING FINANCIAL YEAR END 31.12.2006 RM
INVESTMENTS		
Real estate properties	425,346,423	345,550,000
PROPERTY, PLANT & EQUIPMENT	39,586	-
OTHER ASSETS		
Trade receivables	834,530	436,686
Other receivables	2,637,098	926,934
Current tax asset	118,313	73,313
Deposits with licensed financial institution	2,550,000	1,550,000
Cash and bank balances	326,030	407,019
	6,465,971	3,393,952
TOTAL ASSETS	431,851,980	348,943,952
LIABILITIES		
Other payables	4,395,287	1,088,831
Rental deposits	11,104,012	9,679,948
Amount due to Manager	162,419	124,485
Borrowings	64,300,000	65,600,000
Provision for income distribution	10,886,403	10,488,000
TOTAL LIABILITIES	90,848,121	86,981,264
NET ASSET VALUE	341,003,859	261,962,688
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	246,791,875	246,791,875
Revaluation reserve	-	-
Undistributed income	94,211,984	15,170,813
	341,003,859	261,962,688
NET ASSET VALUE PER UNIT	1.386	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 YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2007 RM	Preceding Year Corresponding Quarter 31.12.2006 RM	Current Year To Date 31.12.2007 RM	Preceding Year To Date 31.12.2006 RM
TOTAL INCOME				
Gross rental	8,733,996	8,484,065	34,095,640	31,256,037
Property operating expenses	(1,959,088)	(1,833,248)	(7,835,966)	(6,858,410)
Net rental income	6,774,908	6,650,817	26,259,674	24,397,627
Interest income	11,140	7,550	36,985	46,751
Other income	48,256	18,194	142,844	77,265
	6,834,304	6,676,561	26,439,503	24,521,643
TOTAL EXPENDITURE				
Manager's fees	(469,020)	(360,000)	(1,609,889)	(1,350,000)
Trustee's fee	(37,452)	(29,537)	(136,292)	(111,586)
Borrowing costs	(718,946)	(758,622)	(2,918,064)	(2,976,584)
Auditors' remuneration	(20,000)	(15,000)	(35,000)	(30,000)
Tax agent's fee	(3,000)	(3,000)	(5,000)	(8,000)
Administrative expenses	(188,681)	(214,813)	(498,382)	(383,924)
	(1,437,099)	(1,380,972)	(5,202,627)	(4,860,094)
Net appreciation on fair values of Investment Properties	10,350,000	-	78,750,000	650,000
INCOME BEFORE TAXATION	15,747,205	5,295,589	99,986,876	20,311,549
TAXATION	-	81,914	-	(61,687)
INCOME AFTER TAXATION	15,747,205	5,377,503	99,986,876	20,249,862
INCOME DISTRIBUTION				
- Distributed Income	-	-	(10,059,302)	(8,892,003)
- Provision for Distribution	(5,804,119)	(5,654,394)	(10,886,403)	(10,488,000)
	9,943,086	(276,891)	79,041,171	869,859
INCOME BEFORE TAXATION IS ANALYSED AS FOLLOWS				
- Realised	5,397,205	5,295,589	21,236,876	19,599,862
- Unrealised	10,350,000	-	78,750,000	650,000
EARNINGS PER UNIT				
- after managers' fees (sen)	6.40	2.19	40.65	8.67
- before managers' fees (sen)	6.59	2.33	41.31	9.25

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 YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)**

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Undistributed Income		Current Year To Date 31.12.2007 RM	Preceding Year To Date 31.12.2006 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 year					
Creation of new units	-	-	-	-	20,999,979
Listing Expenses	-	-	-	-	(237,730)
Net income for the period	-	21,236,876	78,750,000	99,986,876	20,249,862
Distribution to unitholder	-	(20,945,705)	-	(20,945,705)	(19,380,003)
Balance carried forward as at 31 December	<u>246,791,875</u>	<u>1,411,984</u>	<u>92,800,000</u>	<u>341,003,859</u>	<u>261,962,688</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 YEAR ENDED 31 DECEMBER 2007 (UNAUDITED)

	Current Year To Date 31.12.2007 RM	Preceding Year To Date 31.12.2006 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	99,986,876	20,311,549
Adjustment for:		
Listing expenses	-	(237,730)
Interest income	(36,985)	(46,751)
Interest expense	2,918,064	2,976,584
Depreciation	2,654	-
Allowance for Doubtful Debt	172,793	86,039
Net appraisal on revaluation of investment properties	(78,750,000)	(650,000)
Operating profit before changes in working capital	24,293,402	22,439,691
Decrease/ (Increase) in receivables	(2,325,801)	3,024,290
Increase/ (Decrease) in payables	4,768,454	(1,567,920)
Cash generated from/ (used in) operating activities	26,736,055	23,896,061
Tax Paid	-	(135,000)
Net cash generated from/ (used in) operating activities	26,736,055	23,761,061
CASH FLOW FROM INVESTING ACTIVITY		
Interest income	36,985	46,751
Purchase of Property, Plant & Equipment	(42,240)	-
Investment in Investment Properties	(1,046,423)	(21)
Net cash generated from / (used in) investing activity	(1,051,678)	46,730
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,918,064)	(2,976,584)
Distribution to Unitholders	(20,547,302)	(8,892,003)
Drawdown of borrowings	18,000,000	-
Repayment of borrowings	(19,300,000)	(19,900,000)
Net cash generated from/ (used in) financing activities	(24,765,366)	(31,768,587)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	919,011	(7,960,796)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,957,019	9,917,815
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,876,030	1,957,019
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institution	2,550,000	1,550,000
Cash and bank balances	326,030	407,019
	2,876,030	1,957,019

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 YEAR ENDED 31 DECEMBER 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.

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.

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

No income distribution was declared or paid for the quarter under review but provision was made to distribute 98% of the income before tax (unaudited) for the second half year ended 31 December 2007 to be distributed by end of February 2008 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 Param & Associates, an independent professional valuer on Wisma UOA Bangsar to determine its market value pursuant to the disposal of the investment property. The property was valued at RM27 million in contrast to the actual disposal price of RM32 million, up from the book value of RM21.65 million as at 30 September 2007. A fair value adjustment of RM10.35 million was incorporated into the Income Statement according to the actual disposal price and to be remained as unrealised gain until the completion of the disposal in first quarter 2008. The fair value adjustment has increased the Net Asset Value ("NAV") and Earnings Per Unit of the Trust by approximately 4 sen.

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 31 December 2007, the Trust registered a total income of RM8,793,392 inclusive of interest income and other income of RM11,140 and RM48,256 respectively. Total expenditure for the quarter under review amount to RM3,396,187 with RM1,959,088 attributable to property operating expenses and RM1,437,099 attributable to non-property operating expenses. Income before taxation available for distribution for the quarter under review was RM5,397,205. Taking into consideration a 98% distribution, the Trust has set aside RM5,804,119 as provision for income distribution (inclusive of adjustment against provision in previous quarters due to increase in distribution ratio from 95% to 98%).

Against the corresponding quarter last year, gross rental has improved by approximately 2.95% or RM249,931, attributed mainly to the improvements in rental rate. Meanwhile, operating expenses has increased by approximately 5.66%, arising mainly from the increased maintenance costs and manager's fee. The net improvement in realised income before taxation amounts to RM101,616 or approximately 1.92%.

Earnings per unit after manager's fee was reported at approximately 2.19 sen and remained the same as per the corresponding period last year. The stagnant performance was mainly caused by the reduced occupancy rate of the investment properties resulting from space reconfiguration exercise since the third quarter with the reconfigured space duly occupied by December 2007 with better average rental rate.

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	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM	RM	RM	RM
Taxation on current period's profit	-	(81,914)	-	61,687
Deferred tax relating to originating and reversal of temporary differences	-	-	-	-
Tax expense for the period	-	(81,914)	-	61,687

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	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM	RM	RM	RM
Income before taxation	5,397,205	5,295,589	21,236,876	19,661,549
Taxation at Malaysian statutory tax rate of 27%*	1,457,246	1,482,765	5,733,957	5,505,234
Effect of income not subject to tax	(1,566,941)	(374,697)	(5,655,477)	(4,217,267)
Expenses not deductible for tax purposes	(1,525)	37,761	1,253	38,967
Utilisation of capital allowances	21,940	(1,227,743)	(15,594)	(1,265,247)
Tax Exemption **	89,280	-	(64,139)	-
Tax expense for the period	-	(81,914)	-	61,687

* For the year of 2007, corporate tax rate is 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 ratio of 98% in the current year. 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

- a) UOA Asset Management Sdn Bhd ("UOAAM"), the manager of UOA-REIT, has on 5 November 2007 received a letter of offer from UOA Holdings Sdn Bhd for the offer for sale of Wisma UOA Pantai by its' subsidiary, Magna Tiara Sdn Bhd, to UOA-REIT for a cash consideration of RM86,000,000.00. Wisma UOA Pantai is an office building with net lettable area of 157,481sq ft and 272 car park bays. The property is to be acquired free from encumbrances and subject to the terms and conditions to be stipulated in the Sale & Purchase Agreement to be executed. The offer is pending acceptance by UOAAM.
- b) UOAAM has on 7 November 2007 received and accepted an offer from Makmal Capital Sdn Bhd to purchase from UOA-REIT an office building namely Wisma UOA Bangsar for a total cash consideration of RM32,000,000.00. Wisma UOA Bangsar is an office building consisting of 43,743 sq.ft net lettable area and 33 car park bays with the a book value of RM21,650,000.00 (before fair value adjustment as disclosed in Section A10). Sale & Purchase Agreement was executed on 29 November 2007 and the transaction is expected to be completed by 1st quarter of year 2008..

B9 BORROWINGS AND DEBT SECURITIES

	Current Quarter 31.12.2007 (RM)	Year Ended 31.12.2006 (RM)
Revolving credit - Secured	<u>64,300,000</u>	<u>65,600,000</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

A provision was made to distribute RM5,804,119 as income distribution for quarter ended 31 December 2007. This translates into approximately 2.36 sen per unit for the quarter under review and includes a non-taxable portion of approximately 0.44 sen per unit (representing 18.49% of the gross distribution) deriving mainly from utilisation of capital allowance.

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 and the announced Budget 2008, the following withholding tax rates would be applicable on distribution of income which is tax exempt at Trust's level (next income distribution falls on February 2008):

- a) Non-corporate investors and local institutional investors are subject to a final withholding tax at the rate of 15% (up to year 2011).
- b) Foreign institutional investors are subject to a final withholding tax at the rate of 20% (up to year 2011).
- c) Foreign corporate investors are subject to a final withholding tax at the rate of 26% for year 2008.
- d) Local corporate investors are subject to the existing tax treatment and tax rates (corporate tax rate is 26% for year 2008).

B13 DISTRIBUTION PER UNIT - PROVISIONAL

	Current Quarter Ended 31.12.2007 RM	Year To Date ended 31.12.2007 RM	Year To Date ended 31.12.2006 RM
Provision for income distribution	5,804,119	20,945,705	19,380,003
Number of units issued	245,948,700	245,948,700	245,948,700
Basic earnings per unit (sen)	2.19	8.63	8.40*
Distribution per unit (DPU) (sen)	2.36	8.52	8.50**
Diluted earnings per unit (sen)	NA	N/A	N/A

* Basic earnings per units for the year ended 31.12.2006 is calculated based on weighted average number of units in issue during the period as disclosed in section B15.

** DPU for the year ended 31.12.2006 is calculated based on 228,000,000 units.

B14 PUBLIC SHAREHOLDING SPREAD

As at 31 December 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 least 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 31 December 2007 stood at 29.56% with 963 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 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 June 2008.

B15 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	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM	RM	RM	RM
Income after taxation	15,747,205	5,377,503	99,986,876	20,249,862
Weighted average number of units in issue	245,948,700	245,948,700	245,948,700	233,458,372
Basic earnings per unit (after manager's fee and before adjustment in fair value (sen))	<u>2.19</u>	<u>2.19</u>	<u>8.63</u>	<u>8.40</u>
Basic earnings per unit (after manager's fee and after adjustment in fair value (sen))	<u>6.40</u>	<u>2.19</u>	<u>40.65</u>	<u>8.67</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
15 January 2008