

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET
AS AT 30 SEPTEMBER 2008 (UNAUDITED)

	AS AT END OF CURRENT QUARTER 30.09.2008 RM	AS AT PRECEDING FINANCIAL YEAR END 31.12.2007 RM
INVESTMENTS		
Real estate properties	479,546,126	425,346,423
PROPERTY, PLANT & EQUIPMENT		
	35,765	39,586
OTHER ASSETS		
Trade receivables	392,557	835,156
Other receivables	1,881,681	2,636,472
Current tax asset	118,313	118,313
Deposits with licensed financial institution	-	2,550,000
Cash and bank balances	789,238	326,030
	3,181,789	6,465,971
TOTAL ASSETS	482,763,680	431,851,980
LIABILITIES		
Other payables	967,281	4,395,287
Rental deposits	12,696,782	11,104,012
Amount due to Manager	166,434	162,419
Borrowings	120,900,000	64,300,000
Provision for income distribution	6,126,933	10,886,403
TOTAL LIABILITIES	140,857,430	90,848,121
NET ASSET VALUE	341,906,250	341,003,859
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	246,791,875	246,791,875
Undistributed income	95,114,375	94,211,984
	341,906,250	341,003,859
NET ASSET VALUE PER UNIT	1.3902	1.3865
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 2007 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2008 RM	Preceding Year Corresponding Quarter 30.09.2007 RM	Current Year To Date 30.09.2008 RM	Preceding Year To Date 30.09.2007 RM
TOTAL INCOME				
Gross rental	10,766,983	8,443,969	30,971,959	25,361,644
Property operating expenses	(2,418,207)	(1,933,659)	(7,205,424)	(5,876,878)
Net rental income	8,348,776	6,510,310	23,766,535	19,484,766
Interest income	5,885	6,637	42,674	25,845
Other income	22,529	37,944	116,399	94,588
	8,377,190	6,554,891	23,925,608	19,605,199
TOTAL EXPENDITURE				
Manager's fees	(481,620)	(410,869)	(1,442,997)	(1,140,869)
Trustee's fee	(38,702)	(37,242)	(116,143)	(98,840)
Borrowing costs	(1,235,607)	(714,596)	(3,419,612)	(2,199,118)
Auditors' remuneration	(10,500)	(5,000)	(28,000)	(15,000)
Tax agent's fee	(1,000)	4,000	(5,000)	(2,000)
Administrative expenses	(148,993)	(79,975)	(856,907)	(309,701)
	(1,916,422)	(1,243,682)	(5,868,659)	(3,765,528)
Net appreciation on fair values of Investment Properties	-	-	-	68,400,000
INCOME BEFORE TAXATION	6,460,768	5,311,209	18,056,949	84,239,671
TAXATION	-	-	-	-
INCOME AFTER TAXATION	6,460,768	5,311,209	18,056,949	84,239,671
INCOME DISTRIBUTION				
- Distributed Income	-	-	(11,018,502)	(10,059,302)
- Provision for Distribution	(6,126,932)	(5,082,284)	(6,126,932)	(5,082,284)
- Underprovision of final distribution in prior year	-	-	(9,124)	-
	333,836	228,925	902,391	69,098,085
INCOME BEFORE TAXATION IS ANALYSED AS FOLLOWS				
- Realised	6,460,768	5,311,209	18,056,949	15,839,671
- Unrealised	-	-	-	68,400,000
EARNINGS PER UNIT				
- after managers' fees (sen)	2.63	2.16	7.34	34.25
- before managers' fees (sen)	2.82	2.33	7.93	34.71

The condensed income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)**

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Undistributed Income Realised RM	Undistributed Income Unrealised RM	Current Year To Date 30.09.2008 RM	Preceding Year To Date 30.09.2007 RM
Balance as at 1 January	246,791,875	1,411,984	92,800,000	341,003,859	261,962,688
Movements during the period					
Realisation upon disposal of UOA Bangsar	-	11,000,000	(11,000,000)	-	-
Net income for the period	-	18,056,949	-	18,056,949	84,239,671
Distribution to unitholder	-	(17,154,558)	-	(17,154,558)	(15,141,586)
Balance carried forward as at 30 September	<u>246,791,875</u>	<u>13,314,375</u>	<u>81,800,000</u>	<u>341,906,250</u>	<u>331,060,773</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 2007 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

	Current Year To Date 30.09.2008 RM	Preceding Year To Date 30.09.2007 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,056,949	84,239,671
Adjustment for:		
Interest income	(42,674)	(25,845)
Interest expense	3,419,612	2,199,118
Depreciation	3,104	1,598
Fixed assets written off	3,117	-
Allowance for Doubtful Debts	160,110	172,793
Net appraisal on revaluation of investment properties	-	(68,400,000)
Operating profit before changes in working capital	21,600,218	18,187,335
Decrease/(Increase) in receivables	2,517,280	(872,350)
(Decrease)/Increase in payables	(1,831,221)	1,747,942
Net cash generated from operating activities	22,286,277	19,062,927
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	42,674	25,845
Purchase of Property, Plant & Equipment	(2,400)	(42,240)
Purchase of Investment Properties and subsequent expenditure	(84,479,702)	(437,073)
Proceeds from disposal of an Investment Property	28,800,000	-
Net cash used in investing activities	(55,639,428)	(453,468)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(3,419,612)	(2,199,118)
Distribution to Unitholders	(21,914,029)	(20,547,302)
Net drawdown of borrowings	56,600,000	2,900,000
Net cash generated from/(used in) financing activities	31,266,359	(19,846,420)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,086,792)	(1,236,961)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,876,030	1,957,019
CASH AND CASH EQUIVALENTS AT END OF PERIOD	789,238	720,058
Cash and cash equivalents at end of period comprise:		
Deposits with licensed financial institution	-	-
Cash and bank balances	789,238	720,058
	789,238	720,058

The condensed cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST

EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (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 2007. 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 2007.

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 2007.

Nevertheless, the FRS that will be effective in the annual financial statements for the year ending 31 December 2008 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 2007 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

The Trust had on 29 August 2008 paid an interim income distribution for the financial period ended 30 June 2008 amounting to RM11,018,502.

No income distribution was declared for the quarter under review but provision was made to distribute 95% of the income before tax (unaudited) for the quarter ended 30 September 2008 to be distributed by the end of February 2009 as described under Section B12, Income Distribution.

A9 SEGMENTAL REPORTING

Not applicable.

A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation conducted on investment properties for the quarter under review.

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 were 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 September 2008, the Trust registered a total income of RM10,795,397 inclusive of interest income and other income of RM5,885 and RM22,529 respectively. Total expenditure for the quarter under review amounted to RM4,334,629 with RM2,418,207 attributable to property operating expenses and RM1,916,422 attributable to non-property operating expenses. Income before taxation available for distribution for the quarter under review was RM6,460,768. Taking into consideration a 95% distribution, the Trust has set aside RM6,126,932 as provision for income distribution.

Against the corresponding quarter last year, gross rental has improved by approximately 27.5% or RM2,323,014, attributed mainly to the improvements in rental rates as well as contribution from the newly acquired property. Meanwhile, operating expenses have increased by approximately 36.4%, arising mainly from the maintenance costs of the new property (RM449,135), an allowance of doubtful debt amounting to RM84,080 (or approximately 0.78% of the gross rental) and increased borrowing costs (RM521,011). The net improvement in realised income before taxation amounts to RM1,149,559 or approximately 21.6%.

Earnings per unit after manager's fee has increased by 0.47 sen or approximately 21.8% against the corresponding period last year, from 2.16 sen to 2.63 sen per unit.

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

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	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM	RM	RM	RM
Income before taxation	6,460,768	5,311,209	18,056,949	15,839,671
Taxation at Malaysian statutory tax rate of 26%*	1,679,800	1,434,026	4,694,807	4,276,711
Effect of income not subject to tax	(1,185,561)	(1,372,293)	(3,591,446)	(4,088,536)
Expenses not deductible for tax purposes	28,716	726	299,356	2,679
Utilisation of capital allowances	(458,244)	(12,220)	(1,212,372)	(37,490)
Tax Exemption **	(64,711)	(50,239)	(190,345)	(153,364)
Tax expense for the period	-	-	-	-

* For the year of 2008, the corporate tax rate has been revised from 27% to 26%.

** In year 2008, 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 PROFIT 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) The Trustee had on 16 January 2008 entered into a Sale and Purchase Agreement for the acquisition of an investment property, Wisma UOA Pantai, from Magna Tiara Development Sdn Bhd for a cash consideration of RM86,000,000. The acquisition was completed on 2 April 2008.
- b) UOA Asset Management Sdn Bhd, the manager of the UOA-REIT, had 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. The Sale & Purchase Agreement was executed on 29 November 2007 and the disposal was completed on 15 May 2008.

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

B9 BORROWINGS AND DEBT SECURITIES

	Current Quarter 30.09.2008 RM	Year Ended 31.12.2007 RM
Revolving credit - Secured	120,900,000	64,300,000

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 RM6,126,932 as income distribution for quarter ended 30 September 2008. This translates into approximately 2.49 sen per unit for the quarter under review and includes a non-taxable portion of approximately 0.64 sen per unit (representing 25.70% of the gross distribution) deriving mainly from utilisation of capital allowances.

Pursuant to the amended Part X, Schedule I of the Income Tax Act, 1967 under the Finance Act 2006 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 (the next income distribution falls in February 2009):

- 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%.
- 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 30.09.2008 RM	Year To Date ended 30.09.2008 RM	Year To Date ended 30.09.2007 RM
Provision for income distribution	6,126,932	17,145,434	15,141,586
Number of units issued	245,948,700	245,948,700	245,948,700
Basic earnings per unit (sen)	2.63	7.34	6.44
Distribution per unit (DPU) (sen)	2.49	6.97	6.16
Diluted earnings per unit (sen)	N/A	N/A	N/A

B14 PUBLIC SHAREHOLDING SPREAD

As at 30 September 2008, the Trust has complied with paragraph 8.15 (1) of the Listing Requirements ("LR") of Bursa Malaysia Securities Berhad, which require 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 Public Shareholding Spread based on the latest Record of Depositors of UOA-REIT as at 30 September 2008 stood at 29.56% with 1,002 public unitholders holding not less than 100 units each.

B15 EARNINGS PER UNIT**(a) Basic**

Basic earnings per unit amount 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	
	30.09.2008 RM	30.09.2007 RM	30.09.2008 RM	30.09.2007 RM
Income after taxation	6,460,768	5,311,209	18,056,949	84,239,671
Weighted average number of units in issue	245,948,700	245,948,700	245,948,700	245,948,700
Basic earnings per unit (after manager's fee and before adjustment in fair value) (sen)	<u>2.63</u>	<u>2.16</u>	<u>7.34</u>	<u>6.44</u>
Basic earnings per unit (after manager's fee and after adjustment in fair value) (sen)	<u>2.63</u>	<u>2.16</u>	<u>7.34</u>	<u>34.25</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
30 October 2008