

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (UNAUDITED)

	AS AT END OF CURRENT QUARTER 30.09.2009 RM	AS AT PRECEDING FINANCIAL YEAR END 31.12.2008 RM
INVESTMENTS		
Real estate properties	481,148,991	481,011,461
PROPERTY, PLANT & EQUIPMENT	31,355	34,609
OTHER ASSETS		
Trade receivables	1,099,473	836,630
Other receivables	1,835,686	1,309,867
Current tax asset	114,510	118,313
Deposits with licensed financial institution	600,000	300,000
Cash and bank balances	856,769	314,753
	4,506,438	2,879,563
TOTAL ASSETS	485,686,784	483,925,633
LIABILITIES		
Other payables	1,185,633	2,377,895
Rental deposits	12,584,549	12,624,767
Amount due to Manager	164,514	162,456
Borrowings	122,200,000	113,600,000
Provision for income distribution	6,927,551	13,650,153
TOTAL LIABILITIES	143,062,247	142,415,271
NET ASSET VALUE	342,624,537	341,510,362
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	246,791,875	246,791,875
Undistributed income	95,832,662	94,718,487
	342,624,537	341,510,362
NET ASSET VALUE PER UNIT	1.3931	1.3885
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 2008 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 2009 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2009 RM	Preceding Year Corresponding Quarter 30.09.2008 RM	Current Year To Date 30.09.2009 RM	Preceding Year To Date 30.09.2008 RM
TOTAL INCOME				
Gross rental	11,095,901	10,766,983	33,747,554	30,971,959
Property operating expenses	(2,378,442)	(2,418,207)	(7,074,336)	(7,205,424)
Net rental income	8,717,459	8,348,776	26,673,218	23,766,535
Interest income	3,455	5,885	11,788	42,674
Other income	49,774	22,529	133,802	116,399
	8,770,688	8,377,190	26,818,808	23,925,608
TOTAL EXPENDITURE				
Manager's fees	(482,981)	(481,620)	(1,447,248)	(1,442,997)
Trustee's fee	(38,811)	(38,702)	(116,297)	(116,143)
Borrowing costs	(846,537)	(1,235,607)	(2,606,577)	(3,419,612)
Auditors' remuneration	(9,500)	(10,500)	(28,500)	(28,000)
Tax agent's fee	(4,500)	(1,000)	(9,500)	(5,000)
Valuation fee	(10,000)	(4,571)	(10,000)	(69,159)
Administrative expenses	(75,737)	(144,422)	(240,943)	(787,748)
	(1,468,066)	(1,916,422)	(4,459,065)	(5,868,659)
Net appreciation on fair values of Investment Properties	-	-	-	-
INCOME BEFORE TAXATION	7,302,622	6,460,768	22,359,743	18,056,949
TAXATION	-	-	(3,803)	-
INCOME AFTER TAXATION	7,302,622	6,460,768	22,355,940	18,056,949
INCOME DISTRIBUTION				
- Distributed income	-	-	(14,314,214)	(11,018,502)
- Provision for distribution	(6,927,551)	(6,126,932)	(6,927,551)	(6,126,932)
- Under provision of final distribution in prior year	-	-	-	(9,124)
	375,071	333,836	1,114,175	902,391
INCOME BEFORE TAXATION IS ANALYSED AS FOLLOWS				
- Realised	7,302,622	6,460,768	22,359,743	18,056,949
- Unrealised	-	-	-	-
EARNINGS PER UNIT				
- after managers' fees (sen)	2.97	2.63	9.09	7.34
- before managers' fees (sen)	3.17	2.82	9.68	7.93

The condensed income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009 (UNAUDITED)**

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Distributable Undistributed Income		Current Year To Date 30.09.2009 RM	Preceding Year To Date 30.09.2008 RM
		Realised RM	Unrealised RM		
Balance as at 1 January	246,791,875	12,918,487	81,800,000	341,510,362	341,003,859
Movements during the period					
Net income for the period	-	22,355,940	-	22,355,940	18,056,949
Distribution to unitholder	-	(21,241,765)	-	(21,241,765)	(17,154,558)
Balance carried forward as at 30 September	<u>246,791,875</u>	<u>14,032,662</u>	<u>81,800,000</u>	<u>342,624,537</u>	<u>341,906,250</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 2008 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 2009 (UNAUDITED)

	Current Year To Date 30.09.2009 RM	Preceding Year To Date 30.09.2008 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	22,359,743	18,056,949
Adjustment for:		
Interest income	(11,788)	(42,674)
Interest expense	2,606,577	3,419,612
Depreciation	3,254	3,104
Fixed assets written off	-	3,117
Allowance for doubtful debts	15,617	160,110
Operating profit before changes in working capital	<u>24,973,403</u>	<u>21,600,218</u>
(Increase)/Decrease in receivables	(804,279)	2,517,280
Decrease in payables	(1,132,919)	(1,831,221)
Net cash generated from operating activities	<u>23,036,205</u>	<u>22,286,277</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	11,788	42,674
Purchase of property, plant & equipment	-	(2,400)
Purchase of investment properties and subsequent expenditure	(137,530)	(84,479,702)
Proceeds from disposal of an investment property	-	28,800,000
Net cash used in investing activities	<u>(125,742)</u>	<u>(55,639,428)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2,704,080)	(3,419,612)
Distribution to Unitholders	(27,964,367)	(21,914,029)
Net drawdown of borrowings	8,600,000	56,600,000
Net cash (used in)/generated from financing activities	<u>(22,068,447)</u>	<u>31,266,359</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	842,016	(2,086,792)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	614,753	2,876,030
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,456,769</u>	<u>789,238</u>
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institution	600,000	-
Cash and bank balances	856,769	789,238
	<u>1,456,769</u>	<u>789,238</u>

The condensed cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009 (UNAUDITED)

A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A1 BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market 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 2008. 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 UOA Real Estate Investment Trust ("UOA REIT" or "Trust") since the year ended 31 December 2008.

A2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements of UOA REIT for the year ended 31 December 2008.

Nevertheless, the FRS that will be effective in the annual financial statements for the year ended 31 December 2009 may be affected by the issue of additional interpretation(s) or other changes announced by the Malaysian Accounting Standards Board subsequent to the date of issuance of this quarterly report. Therefore the policies that will be applied in UOA REIT's financial statements for the period 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 2008 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 28 August 2009 paid an interim income distribution for the financial period ended 30 June 2009 amounting to RM14,314,214.

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 2009 to be distributed by the end of February 2010 as described under Section B19, Income Distribution.

A9 SEGMENTAL REPORTING

Not applicable.

A10 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation conducted on the investment properties 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.

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 PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

For the quarter ended 30 September 2009, the Trust registered a total income of RM11,149,130 inclusive of interest income and other income of RM3,455 and RM49,774 respectively. Total expenditure for the quarter under review amounted to RM3,846,508 with RM2,378,442 attributable to property operating expenses and RM1,468,066 attributable to non-property operating expenses. Income before taxation available for distribution for the quarter under review was RM7,302,622. Taking into consideration a 95% distribution, the Trust has set aside RM6,297,551 as provision for income distribution.

Against the corresponding quarter last year, gross rental has improved by approximately 3.05% or RM328,918. The marginal improvement was mainly due to revision in rental rates and steady occupancy rates of the investment properties. Meanwhile, operating expenses have decreased by approximately 11.26%, mainly due to reduction in borrowing costs (RM389,070), allowance for doubtful debts (RM61,220) and rental commission (RM71,697). The net improvement in income before taxation amounted to RM841,854 or approximately 13.03%.

Earnings per unit after manager's fee has increased by 0.34 sen or approximately 12.93% against the corresponding quarter last year, from 2.63 sen to 2.97 sen.

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 occupancy and tenancy rates of the properties to sustain for the remaining part of the year. However, rental income may be affected due to the slowdown in economy.

The Manager will continue to adopt an active operating and capital management strategy to enhance the yields and returns of the existing Property 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 COMPOSITION OF INVESTMENT PORTFOLIO

As at 30 September 2009, UOA REIT's composition of investment portfolio is as follows:

	Acquisition cost RM	Value as at 30.09.2009 RM	Percentage of fair value to Net Asset Value %
Real estate properties			
Commercial			
• UOA Centre parcels	57,600,000	70,023,508	20.44
• UOA II parcels	180,900,000	223,744,382	65.30
• UOA Damansara parcels	72,000,000	101,378,401	29.59
• UOA Pantai	86,000,000	86,002,700	25.10
	<u>396,500,000</u>	<u>481,148,991</u>	
Others			
Deposits with licensed financial institutions		<u>600,000</u>	0.18

There was no change to the total number of properties held by the Trust since the last reporting period.

B6 UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF NEW UNITS

There were no issuance of new units during the quarter under review.

B7 SOFT COMMISSION

During the financial quarter ended 30 September 2009, the Manager did not receive any soft commission from its broker, by virtue of transactions conducted by the Trust.

B8 INCOME RECOGNITION

- Rental income is recognised on an accrual basis over the specific tenures of the respective leases.
- Interest income is recognised on a time proportion basis.

B9 MANAGER'S FEES

Pursuant to the Trust Deed constituting UOA REIT, the Manager is entitled to a management fee of up to 1.00% per annum of the Net Asset Value of the Trust, calculated based on the monthly accrual basis and payable monthly in arrears.

The manager's fees for the nine (9) months ended 30 September 2009 amounted to RM1,447,218, which approximated 0.56% (on an annualised basis) of the Net Asset Value of the Trust.

B10 TRUSTEE'S FEES

Pursuant to the Trust Deed constituting UOA REIT, the Trustee is entitled to a fee of 0.045% per annum of the Net Asset Value of the Trust, calculated based on the monthly accrual basis and payable monthly in arrears.

The trustee's fees for the nine (9) months ended 30 September 2009 amounted to RM116,297, which approximated 0.045% (on an annualised basis) of the Net Asset Value of the Trust.

B11 UNITHOLDINGS BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

As at 30 September 2009, the Manager did not hold any units in the Trust.

Direct holdings unless otherwise indicated	No. of units	Percentage of units in issue %	Market value as at 30.09.2009 RM
Directors of the Manager:			
- Chan Cecelia	141,800	0.06	184,340
- Khor Soo Beng	101,800	0.04	132,340
- Kong Chong Soon @ Chi Suim	362,000	0.15	470,600
- Alan Charles Winduss	100,000	0.04	130,000
- Dato' Gan Boon Khuay	100,000	0.04	130,000
- Kung Beng Hong	100,000	0.04	130,000
Companies related to the Manager:			
- Wisma UOA Sdn Bhd	102,000,000	41.47	132,600,000
- Damai Positif Sdn Bhd	48,000,000	19.52	62,400,000
- Dynasty Portfolio Sdn Bhd	17,864,500	7.26	23,223,850
- LTG Development Sdn Bhd	7,444,700	3.03	9,678,110
- Kumpulan Sejahtera Sdn Bhd	100,000	0.04	130,000
Related to the Manager via relationship with Manager's Director:			
- Kong May Chee	15,900	0.01	20,670
- Kong Ai Chee	13,500	0.01	17,550
- Kong Sze Choon	19,000	0.01	24,700
The Manager's Director's indirect holding unitholding in UOA REIT:			
- Kong Chong Soon @ Chi Suim*	175,409,200	71.32	228,031,960
- Tan Sri Dato' Alwi bin Jantan**	100,000	0.04	130,000

* Deemed interested through his shareholdings in United Overseas Australia Limited (the ultimate holding company of Wisma UOA Sdn Bhd, Damai Positif Sdn Bhd, Dynasty Portfolio Sdn Bhd, LTG Development Sdn Bhd and Kumpulan Sejahtera Sdn Bhd).

** Deemed interest as a beneficiary of Equity Trust (Malaysia) Berhad.

The market value of the units held by unitholders related to the Manager is determined by using the closing market value of RM1.30 as at 30 September 2009.

B12 TAXATION

The breakdown of the tax components is as follows:

	Current Quarter		Year To Date	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM	RM	RM	RM
Taxation on current period's profit	-	-	-	-
Under provision of tax expense in prior years	-	-	3,803	-
Deferred tax relating to originating and reversal of temporary differences	-	-	-	-
Tax expense for the period	-	-	3,803	-

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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM	RM	RM	RM
Income before taxation	7,302,622	6,460,768	22,359,743	18,056,949
Taxation at Malaysian statutory tax rate of 25%*	1,825,656	1,679,800	5,589,936	4,694,807
Effect of income not subject to tax	(1,437,572)	(1,185,561)	(4,440,501)	(3,591,446)
Expenses not deductible for tax purposes	14,417	28,716	58,189	299,356
Utilisation of capital allowances	(324,691)	(458,244)	(974,071)	(1,212,372)
Under provision of tax expense in prior years	-	-	3,803	-
Tax exemption **	(77,810)	(64,711)	(233,553)	(190,345)
Tax expense for the period	-	-	3,803	-

* For the year of 2009, the corporate tax rate has been revised from 26% to 25%.

** In year 2009, 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.

B13 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.

B14 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.

B15 STATUS OF CORPORATE PROPOSAL

UOA Asset Management Sdn Bhd ("UOAAM"), the manager of UOA REIT, has on 20 October 2009 received a letter of offer from Instant Yield Sdn Bhd for the offer for sale of one (1) floor of office space at UOA II, to UOA REIT, for a cash consideration of RM14,557,040. The office space consists of 16 units of office suites with net lettable area measuring approximately 23,864 square feet ("Office Suites").

The Board of Directors of UOAAM had on 2 November 2009 accepted and approved the acquisition of the Office Suites ("Proposed Acquisition"), whilst OSK Trustees Berhad (being the Trustee for UOA REIT) had given their consent to the Proposed Acquisition on 5 November 2009, subject to the terms and conditions in the Sale and Purchase Agreement ("SPA") to be executed. The Office Suites are to be acquired free from encumbrances. The Proposed Acquisition is pending the execution of the SPA.

B16 BORROWINGS AND DEBT SECURITIES

	Current Quarter 30.09.2009 RM	Year ended 31.12.2008 RM
Revolving credit - Secured	<u>122,200,000</u>	<u>113,600,000</u>

B17 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.

B18 MATERIAL LITIGATION

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

B19 INCOME DISTRIBUTION

A provision was made to distribute RM6,927,551 as income distribution for the quarter ended 30 September 2009. This translates into approximately 2.82 sen per unit for the quarter under review and includes a non-taxable portion of approximately 0.48 sen per unit (representing 17.02% of the gross distribution) deriving mainly from utilisation of capital allowances.

Pursuant to the amended Part X, Schedule 1 of the Income Tax Act, 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, 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 10% (up to year 2011).
- b) Foreign institutional investors are subject to a final withholding tax at the rate of 10% (up to year 2011).
- c) Foreign corporate investors are subject to a final withholding tax at the rate of 25% for year 2009.
- d) Local corporate investors are subject to the existing tax treatment and tax rates (corporate tax rate is 25% for year 2009).

The distribution to the unitholders is from the following sources:

	Current Quarter		Year To Date	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM	RM	RM	RM
Sources of income				
Gross rental	11,095,901	10,766,983	33,747,554	30,971,959
Interest income	3,455	5,885	11,788	42,674
Other income	49,774	22,529	133,802	116,399
	<u>11,149,130</u>	<u>10,795,397</u>	<u>33,893,144</u>	<u>31,131,032</u>
Expenses	(3,846,508)	(4,334,629)	(11,533,401)	(13,074,083)
	<u>7,302,622</u>	<u>6,460,768</u>	<u>22,359,743</u>	<u>18,056,949</u>
Undistributed income	(375,071)	(333,836)	(1,117,978)	(902,391)
	<u>6,927,551</u>	<u>6,126,932</u>	<u>21,241,765</u>	<u>17,154,558</u>
Distribution per unit ("DPU") (sen)	<u>2.82</u>	<u>2.49</u>	<u>8.64</u>	<u>6.97</u>

B20 DISTRIBUTION PER UNIT - PROVISIONAL

	Current Quarter ended 30.09.2009 RM	Year To Date ended 30.09.2009 RM	Year To Date ended 30.09.2008 RM
Provision for income distribution	6,927,551	21,241,765	17,154,558
Number of units issued	245,948,700	245,948,700	245,948,700
Basic earnings per unit (sen)	2.97	9.09	7.34
Distribution per unit (sen)	2.82	8.64	6.97
Diluted earnings per unit (sen)	N/A	N/A	N/A

B21 EARNINGS PER UNIT

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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM	RM	RM	RM
Income after taxation	7,302,622	6,460,768	22,355,940	18,056,949
Weighted average number of units in issue	245,948,700	245,948,700	245,948,700	245,948,700
Basic earnings per unit (after managers' fee) (sen)	<u>2.97</u>	<u>2.63</u>	<u>9.09</u>	<u>7.34</u>

B22 STATEMENT BY THE DIRECTORS OF THE MANAGER

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of UOA REIT as at 30 September 2009 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of Directors of the Manager on 6 November 2009.

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
6 NOVEMBER 2009