

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013 (UNAUDITED)

	As at 30.06.2013 RM	As at 31.12.2012 RM
INVESTMENTS		
Real estate properties	1,059,779,717	1,058,900,000
PROPERTY, PLANT & EQUIPMENT	61,571	59,638
OTHER ASSETS		
Trade receivables	1,313,968	1,266,057
Other receivables	3,229,985	3,300,670
Deposits with licensed financial institution	-	1,100,000
Cash and bank balances	1,174,631	564,884
	5,718,584	6,231,611
TOTAL ASSETS	1,065,559,872	1,065,191,249
LIABILITIES		
Payables	2,896,925	2,548,495
Rental deposits	23,343,851	24,311,943
Amount due to Manager	358,135	358,598
Borrowings	378,200,000	380,500,000
Deferred tax liability	3,234,483	3,234,483
Provision for income distribution	22,327,630	20,932,153
TOTAL LIABILITIES	430,361,024	431,885,672
NET ASSET VALUE	635,198,848	633,305,577
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	476,062,161	476,062,161
Undistributed income	159,136,687	157,243,416
	635,198,848	633,305,577
NET ASSET VALUE PER UNIT	1.5021	1.4976
NUMBER OF UNITS IN CIRCULATION	422,871,776	422,871,776

The condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2013 RM	30.06.2012 RM	30.06.2013 RM	30.06.2012 RM
TOTAL INCOME				
Gross rental	21,170,418	20,787,477	43,047,476	41,861,213
Property operating expenses	(4,910,676)	(4,815,588)	(9,607,936)	(9,669,746)
Net rental income	16,259,742	15,971,889	33,439,540	32,191,467
Interest income	5,547	7,475	12,789	19,033
Other income	49,801	3,614,348	126,994	3,670,091
	16,315,090	19,593,712	33,579,323	35,880,591
TOTAL EXPENDITURE				
Manager's fees	(1,070,410)	(850,247)	(2,139,477)	(1,698,271)
Trustee's fees	(47,929)	(68,323)	(95,797)	(136,468)
Borrowing costs	(3,851,202)	(3,916,467)	(7,647,926)	(7,879,940)
Auditors' remuneration	(11,750)	(11,400)	(23,500)	(21,400)
Tax agent's fees	(3,500)	(5,000)	(7,000)	(7,500)
Valuation fees (Note 1)	-	(2,170)	20,000	(2,170)
Administrative expenses	(89,232)	(63,537)	(190,772)	(166,355)
	(5,074,023)	(4,917,144)	(10,084,472)	(9,912,104)
Net changes on financial liabilities measured at amortised cost (Note 2)	(128,390)	(93,973)	726,050	(187,945)
INCOME BEFORE TAXATION	11,112,677	14,582,595	24,220,901	25,780,542
TAXATION	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,112,677	14,582,595	24,220,901	25,780,542
INCOME DISTRIBUTION				
- Distributed income	-	-	-	-
- Provision for distribution	(10,686,536)	(12,657,486)	(22,327,630)	(23,384,809)
NET INCOME RETAINED	426,141	1,925,109	1,893,271	2,395,733
INCOME BEFORE TAXATION IS ANALYSED AS FOLLOWS				
- Realised	11,241,067	14,676,568	23,494,851	25,968,487
- Unrealised	(128,390)	(93,973)	726,050	(187,945)
EARNINGS PER UNIT				
- After manager's fees (sen)	2.63	3.45	5.73	6.10
- Before manager's fees (sen)	2.88	3.65	6.23	6.50

The condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

Note 1:

The amount of RM20,000 represents overaccrual for valuation fees in relation to the revaluation exercise on the investment properties of UOA REIT. The revaluation exercise was undertaken during the financial year ended 31 December 2012 pursuant to the Securities Commission's Guidelines on Real Estate Investment Trusts.

Note 2:

This represents changes on financial liabilities measured at amortised cost pursuant to MFRS 139 Financial Instruments: Recognition and Measurement.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Distributable Undistributed Income Realised RM	Unrealised RM	Current Year To Date 30.06.2013 RM	Preceding Year To Date 30.06.2012 RM
Balance as at 1 January	476,062,161	18,518,402	138,725,014	633,305,577	601,500,843
Movements during the year					
Total comprehensive income for the period	-	23,494,851	726,050	24,220,901	25,780,542
Distribution to unitholders	-	(22,327,630)	-	(22,327,630)	(23,384,809)
Balance carried forward as at 30 June	<u>476,062,161</u>	<u>19,685,623</u>	<u>139,451,064</u>	<u>635,198,848</u>	<u>603,896,576</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

	Current Year To Date 30.06.2013 RM	Preceding Year To Date 30.06.2012 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	24,220,901	25,780,542
Adjustment for:		
Interest income	(12,789)	(19,033)
Interest expense	7,647,926	7,879,940
Depreciation	4,951	3,930
Property, plant and equipment written off	657	-
Net changes on financial liabilities measured at amortised cost	(726,050)	187,945
Gain on disposal of investment property	-	(3,539,896)
Bad and doubtful debts	122,641	104,231
Operating profit before changes in working capital	<u>31,258,237</u>	<u>30,397,659</u>
Net changes in receivables	(99,867)	841,078
Net changes in payables	111,779	(957,505)
Net cash generated from operating activities	<u>31,270,149</u>	<u>30,281,232</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	12,789	19,033
Purchase of property, plant and equipment	(7,541)	-
Additions to investment properties	(879,717)	(177,278)
Proceeds from disposal of investment property	-	6,144,600
Net cash (used in)/generated from investing activities	<u>(874,469)</u>	<u>5,986,355</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(7,653,780)	(7,994,612)
Distribution to unitholders	(20,932,153)	(20,889,866)
Net repayment of borrowings	(2,300,000)	(7,450,000)
Net cash used in financing activities	<u>(30,885,933)</u>	<u>(36,334,478)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(490,253)	(66,891)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,664,884	828,157
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,174,631</u>	<u>761,266</u>

The condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST

EXPLANATORY NOTES TO THE QUARTERLY REPORT AS AT 30 JUNE 2013 (UNAUDITED)

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 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 2012. 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 the "Trust") since the year ended 31 December 2012.

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 2012.

A3 QUALIFIED AUDIT REPORT

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.

A4 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 to be disclosed 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.

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 2013, paid a final income distribution of 4.95 sen per unit amounting to RM20,932,153 for the year ended 31 December 2012.

For the quarter under review, the Trust is declaring a 95% distribution of the income before taxation (unaudited) for the first half year ended 30 June 2013 amounting to RM22,327,630 to be distributed by end of August 2013 as described under Section B17, Income Distribution.

A9 SEGMENTAL REPORTING

No segmental information was prepared as the Trust's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A10 VALUATION OF INVESTMENT PROPERTIES

The value of the investment properties brought forward from the financial statements for the financial year ended 31 December 2012 have not been revalued 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 422,871,776 units.

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 June 2013, the Trust registered a total income of RM21,225,766 inclusive of interest income and other income of RM5,547 and RM49,801 respectively. Total expenditure for the quarter under review amounted to RM9,984,699 with RM4,910,676 attributable to property operating expenses and RM5,074,023 attributable to non-property operating expenses. Income before taxation available for distribution for the quarter under review was RM11,241,067. Taking into consideration a 95% distribution, the Trust has set aside RM10,679,014 as provision for distribution.

Against the six (6) months period ended 30 June 2012, gross rental has improved by approximately 3%. The marginal improvement was mainly due to revision in rental rates and steady occupancy rates of the investment properties.

The realised income before taxation for the six (6) months period ended 30 June 2012 includes the gain on disposal of a business suite in UOA Centre amounting to RM3,539,896, hence the lower realised income before taxation for the six (6) months period ended 30 June 2013. Realised earnings per unit has reduced by 0.58 sen or approximately 9% against the corresponding period last year, from 6.14 sen to 5.56 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

There were minimal changes in the occupancy rates for all properties with rental rates continued to remain stable during the quarter under review. Barring unforeseen circumstances, the Manager does not anticipate major fluctuations in both the occupancy and the rental rates for the remaining part of financial year 2013.

The Manager will continue to adopt an active operating and capital management strategy to enhance the yields and returns of the existing properties while continuing to seek opportunities to further acquire real estate that meets 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 UTILISATION OF PROCEEDS RAISED FROM ISSUANCE OF NEW UNITS

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

B6 SOFT COMMISSION

During the quarter under review, the Manager did not receive any soft commission from its broker, by virtue of transactions conducted by the Trust.

B7 COMPOSITION OF INVESTMENT PORTFOLIO

As at 30 June 2013, UOA REIT's composition of investment portfolio is as follows:

	Acquisition cost RM	Fair value as at 30.06.2013 RM	Percentage of fair value to Net Asset Value %
Real estate properties			
Commercial			
- UOA Centre parcels	55,981,272	79,000,276	12.44
- UOA II parcels	194,502,300	261,759,076	41.21
- UOA Damansara parcels	72,000,000	108,009,200	17.00
- UOA Pantai	86,000,000	94,400,000	14.86
- UOA Damansara II	211,000,000	220,611,165	34.73
- Parcel B - Menara UOA Bangsar	289,000,000	296,000,000	46.60
	<u>908,483,572</u>	<u>1,059,779,717</u>	

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

B8 BORROWINGS AND DEBT SECURITIES

	As at 30.06.2013 RM	As at 31.12.2012 RM
Revolving credit		
- Secured	<u>378,200,000</u>	<u>380,500,000</u>

B9 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.

B10 MANAGER'S FEES

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

The manager's fees for the six (6) months ended 30 June 2013 was calculated based on 0.67% per annum of the NAV.

B11 TRUSTEE'S FEES

Pursuant to the Trust Deed constituting UOA REIT, the Trustee is entitled to a fee of up to 0.05% per annum of the NAV, calculated on a monthly accrual basis and payable monthly in arrears.

The trustee's fees for the six (6) months ended 30 June 2013 was calculated based on 0.03% per annum of the NAV.

B12 INCOME BEFORE TAXATION

Income before taxation is stated after charging/(crediting):

	Current Quarter 30.06.2013 RM	Preceding Corresponding Quarter 30.06.2012 RM	Current Year To Date 30.06.2013 RM	Preceding Year To Date 30.06.2012 RM
Depreciation	2,485	1,965	4,951	3,930
Bad and doubtful debts	94,295	33,772	122,641	104,231
(Gain)/loss on disposal	-	-	-	-
- quoted investments	-	-	-	-
- unquoted investments	-	-	-	-
- properties	-	(3,539,896)	-	(3,539,896)
Impairment of assets	-	-	-	-
Foreign exchange (gain)/loss	-	-	-	-
Exceptional items	-	-	-	-

The following items are not applicable to the Trust:

- Gain or loss on derivatives; and
- Provision for and write off of inventories.

B13 TAXATION

A reconciliation of income tax expense applicable to realised 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 30.06.2013 RM	Preceding Corresponding Quarter 30.06.2012 RM	Current Year To Date 30.06.2013 RM	Preceding Year To Date 30.06.2012 RM
Realised income before taxation	11,241,067	14,676,568	23,494,851	25,968,487
Taxation at statutory rate of 25%	2,810,267	3,669,142	5,873,713	6,492,122
Tax effects arising from				
- non-deductible expenses	72,274	58,286	91,951	94,686
- non-taxable income	-	(884,974)	-	(884,974)
- income exempted from tax*	(2,377,861)	(2,312,817)	(4,957,410)	(4,642,435)
Utilisation of capital allowances	(504,680)	(529,637)	(1,008,254)	(1,059,399)
Tax expense for the quarter/period	-	-	-	-

* Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act, 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the trust is distributed to its unitholders, the total income of the trust for that year of assessment shall be exempt from tax.

As UOA REIT intends to distribute at least 90% of its total income to its unitholders for the financial year ending 31 December 2013, no provision for income tax has been made for the current quarter.

B14 UNITHOLDINGS BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

As at 30 June 2013, 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 30.06.2013 RM
Directors of the Manager:			
- Alan Charles Winduss	100,000	0.02	153,000
- Dato' Gan Boon Khuay	100,000	0.02	153,000
- Kung Beng Hong	100,000	0.02	153,000
- Kong Sze Choon	29,000	0.01	44,370
Companies related to the Manager:			
- Desa Bukit Pantai Sdn Bhd	102,261,538	24.18	156,460,153
- Wisma UOA Sdn Bhd	77,729,000	18.38	118,925,370
- Rich Accomplishment Sdn Bhd	74,661,538	17.66	114,232,153
- Damai Positif Sdn Bhd	48,000,000	11.35	73,440,000
- Dynasty Portfolio Sdn Bhd	15,464,500	3.66	23,660,685
- LTG Development Sdn Bhd	5,600,700	1.32	8,569,071
Persons related to the Manager via relationship with a Director of the Manager:			
- Kong Chong Soon @ Chi Suim	362,000	0.09	553,860
- Kong May Chee	15,900	0.00	24,327
- Kong Ai Chee	13,500	0.00	20,655
Director of the Manager (indirect interest):			
- Kong Sze Choon*	24,000	0.01	36,720
Person related to the Manager via relationship with a Director of the Manager (indirect interest):			
- Kong Chong Soon @ Chi Suim**	323,717,276	76.55	495,287,432

* Deemed interest through his shareholding in Global Transact Sdn Bhd.

** Deemed interest through his shareholdings in United Overseas Australia Limited (the ultimate holding company of Desa Bukit Pantai Sdn Bhd, Wisma UOA Sdn Bhd, Rich Accomplishment Sdn Bhd, Damai Positif Sdn Bhd, Dynasty Portfolio Sdn Bhd and LTG Development Sdn Bhd).

The market value of the units held by unitholders related to the Manager is determined by using the closing market value of RM1.53 as at 30 June 2013.

B15 MATERIAL LITIGATION

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

B16 STATUS OF CORPORATE PROPOSAL

Following the issuance and listing of consideration units in relation to the acquisition of Parcel B - Menara UOA Bangsar and Wisma UOA Damansara II on 22 February 2011, UOA REIT was not able to comply with the public unitholding spread requirement pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Bursa Securities via its letter dated 29 March 2013 has granted UOA REIT a further extension of time until 22 August 2013 to comply with the required public unitholding spread. In the same letter, it is also mentioned that UOA REIT is to ensure that items 3.4(a) and 3.4(b) of Practice Note 19/2006 are fully complied with.

B17 INCOME DISTRIBUTION

The Trust is declaring an income distribution for the six (6) months ended 30 June 2013 amounting to RM22,327,630, equivalent to 5.28 sen per unit and includes a non-taxable portion of approximately 0.83 sen (representing 16% of the gross distribution).

Pursuant to the amendment to Section 6(1)(i) of the Income Tax Act, 1967 under the Finance Act, 2012 which was gazetted on 9 February 2012, the following withholding tax rates as stipulated in Part X, Schedule 1 of the Income Tax Act, 1967 would be applicable in respect of distribution of income by the Trust to its unitholders:

Resident unitholder:

- Resident company	No withholding tax, tax at prevailing corporate rate
- Unitholder other than a resident company	Withholding tax at 10%

Non-resident unitholder:

- Non - resident company	Withholding tax at 25%
- Non - resident institutional investor	Withholding tax at 10%
- Non - resident other than company and institutional investor	Withholding tax at 10%

The distribution to the unitholders is from the following sources:

	Current Quarter 30.06.2013 RM	Preceding Corresponding Quarter 30.06.2012 RM	Current Year To Date 30.06.2013 RM	Preceding Year To Date 30.06.2012 RM
Sources of income				
Gross rental	21,170,418	20,787,477	43,047,476	41,861,213
Interest income	5,547	7,475	12,789	19,033
Other income	49,801	3,614,348	126,994	3,670,091
	<u>21,225,766</u>	<u>24,409,300</u>	<u>43,187,259</u>	<u>45,550,337</u>
Expenses	<u>(9,984,699)</u>	<u>(9,732,732)</u>	<u>(19,692,408)</u>	<u>(19,581,850)</u>
Total income available for distribution	11,241,067	14,676,568	23,494,851	25,968,487
Undistributed income	(554,531)	(2,019,082)	(1,167,221)	(2,583,678)
Distribution to unitholders	<u>10,686,536</u>	<u>12,657,486</u>	<u>22,327,630</u>	<u>23,384,809</u>
Distribution per unit (sen)	<u>2.53</u>	<u>2.99</u>	<u>5.28</u>	<u>5.53</u>

B18 EARNINGS PER UNIT

Basic earnings per unit are calculated by dividing income for the quarter/period attributable to unitholders by the weighted average number of units in issue during the quarter/period.

	Current Quarter 30.06.2013 RM	Preceding Corresponding Quarter 30.06.2012 RM	Current Year To Date 30.06.2013 RM	Preceding Year To Date 30.06.2012 RM
Income after taxation	11,112,677	14,582,595	24,220,901	25,780,542
Weighted average number of units in issue	422,871,776	422,871,776	422,871,776	422,871,776
Basic earnings per unit (after managers' fee) (sen)	<u>2.63</u>	<u>3.45</u>	<u>5.73</u>	<u>6.10</u>

B19 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 MFRS 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 June 2013 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 16 July 2013.

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 JULY 2013