

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015 (UNAUDITED)

	As at 30.09.2015 RM	As at 31.12.2014 RM
INVESTMENTS		
Real estate properties	1,062,833,904	1,062,508,466
PLANT & EQUIPMENT	67,376	51,909
OTHER ASSETS		
Trade receivables	2,181,475	841,676
Other receivables	4,702,867	3,610,949
Deposits with licensed financial institution	2,000,000	2,350,000
Cash and bank balances	1,515,079	1,685,612
	<u>10,399,421</u>	<u>8,488,237</u>
TOTAL ASSETS	1,073,300,701	1,071,048,612
LIABILITIES		
Payables	4,444,904	3,426,641
Rental deposits	25,016,823	24,968,984
Amount due to Manager	403,601	365,878
Borrowings	391,400,000	379,300,000
Deferred tax liability	3,196,346	3,196,346
Provision for income distribution	11,363,013	24,230,553
TOTAL LIABILITIES	<u>435,824,687</u>	<u>435,488,402</u>
NET ASSET VALUE	<u>637,476,014</u>	<u>635,560,210</u>
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	476,062,161	476,062,161
Undistributed income	161,413,853	159,498,049
	<u>637,476,014</u>	<u>635,560,210</u>
NET ASSET VALUE PER UNIT	1.5075	1.5030
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 2014 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (UNAUDITED)**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2015 RM	30.09.2014 RM	30.09.2015 RM	30.09.2014 RM
TOTAL INCOME				
Gross rental	22,887,714	21,965,335	68,746,026	66,007,992
Property operating expenses	(5,573,438)	(5,678,547)	(17,025,633)	(16,181,067)
Net rental income	17,314,276	16,286,788	51,720,393	49,826,925
Interest income	8,309	5,686	30,937	21,077
Other income	38,496	34,786	92,339	155,943
	17,361,081	16,327,260	51,843,669	50,003,945
TOTAL EXPENDITURE				
Manager's fees	(1,074,555)	(1,069,606)	(3,218,500)	(3,206,887)
Trustee's fees	(48,114)	(47,893)	(144,112)	(143,592)
Borrowing costs	(4,171,381)	(4,114,726)	(12,411,086)	(11,846,928)
Auditors' remuneration	(11,750)	(11,750)	(35,250)	(35,250)
Tax agent's fees	(3,750)	(4,000)	(11,250)	(11,000)
Administrative expenses	(83,897)	(140,213)	(381,586)	(392,988)
	(5,393,447)	(5,388,188)	(16,201,784)	(15,636,645)
Net changes on financial liabilities measured at amortised cost (Note 1)	(135,651)	(140,430)	133,710	145,610
INCOME BEFORE TAX	11,831,983	10,798,642	35,775,595	34,512,910
TAX EXPENSE	-	-	-	-
INCOME AFTER TAX	11,831,983	10,798,642	35,775,595	34,512,910
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	11,831,983	10,798,642	35,775,595	34,512,910
INCOME DISTRIBUTION				
- Distributed income	-	-	(22,496,778)	(22,285,343)
- Provision for distribution	(11,363,013)	(10,363,593)	(11,363,013)	(10,363,593)
NET INCOME RETAINED	468,970	435,049	1,915,804	1,863,974
INCOME BEFORE TAX IS ANALYSED AS FOLLOWS:				
- Realised	11,967,634	10,939,072	35,641,885	34,367,300
- Unrealised	(135,651)	(140,430)	133,710	145,610
EARNINGS PER UNIT				
- After manager's fees (sen)	2.80	2.55	8.46	8.16
- Before manager's fees (sen)	3.05	2.81	9.22	8.92

The condensed statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

Note 1:

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 SEPTEMBER 2015 (UNAUDITED)

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Distributable Undistributed Income Realised RM	Unrealised RM	Current Year To Date 30.09.2015 RM	Preceding Year To Date 30.09.2014 RM
Balance at 1 January	476,062,161	20,326,557	139,171,492	635,560,210	632,959,717
Total comprehensive income for the period	-	35,641,885	133,710	35,775,595	34,512,910
Distribution to unitholders	-	(33,859,791)	-	(33,859,791)	(32,648,936)
Balance at 30 September	<u>476,062,161</u>	<u>22,108,651</u>	<u>139,305,202</u>	<u>637,476,014</u>	<u>634,823,691</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 2014 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 SEPTEMBER 2015 (UNAUDITED)

	Current Year To Date 30.09.2015 RM	Preceding Year To Date 30.09.2014 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	35,775,595	34,512,910
Adjustment for:		
Interest income	(30,937)	(21,077)
Interest expense	12,411,086	11,846,928
Depreciation	9,636	7,708
Plant and equipment written off	417	-
Net changes on financial liabilities measured at amortised cost	(133,710)	(145,610)
Bad and doubtful debts	(37,621)	133,961
Operating profit before changes in working capital	47,994,466	46,334,820
Net changes in receivables	(2,394,096)	(1,728,912)
Net changes in payables	1,173,901	(517,142)
Net cash generated from operating activities	46,774,271	44,088,766
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	30,937	21,077
Purchase of plant and equipment	(25,520)	(2,400)
Enhancements to investment properties	(325,438)	(915,217)
Net cash used in investing activities	(320,021)	(896,540)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(12,347,452)	(11,711,774)
Distribution to unitholders	(46,727,331)	(45,078,132)
Net drawdown of borrowings	12,100,000	14,200,000
Net cash used in financing activities	(46,974,783)	(42,589,906)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(520,533)	602,320
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,035,612	1,175,216
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,515,079	1,777,536
Cash and cash equivalents at end of period comprises:		
Deposits with licensed financial institution	2,000,000	-
Cash and bank balances	1,515,079	1,777,536
	3,515,079	1,777,536

The condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES TO THE QUARTERLY REPORT AS AT 30 SEPTEMBER 2015 (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 2014. 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 2014.

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 2014.

A3 QUALIFIED AUDIT REPORT

The auditors' report on the financial statements for the year ended 31 December 2014 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 August 2015, paid an interim income distribution of 5.32 sen per unit amounting to RM22,496,778 for the six (6) months ended 30 June 2015.

No income distribution was declared for the quarter under review but provision was made to distribute 95% of the distributable income for the quarter ended 30 September 2015 to be distributed by end of February 2016 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 investment properties brought forward from the financial statements for the financial year ended 31 December 2014 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 September 2015, the Trust registered a total income of RM22,934,519 inclusive of interest income and other income of RM8,309 and RM38,496 respectively. Total expenditure amounted to RM10,966,885 with RM5,573,438 attributable to property operating expenses and RM5,393,447 attributable to non-property operating expenses. Realised income before tax and distributable income was RM11,967,634. Taking into consideration a 95% distribution, the Trust has set aside RM11,363,013 as provision for distribution.

Against the nine (9) months ended 30 September 2014, gross rental has improved by 4% due to revision in rental rates and steady occupancy rates of the investment properties. Meanwhile, total expenditure has increased by 4% mainly due to increase in property operating expenses and borrowing costs.

Realised income before tax increased by 4%. Realised earnings per unit improved by 0.30 sen against the preceding year's corresponding period, from 8.13 sen to 8.43 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 will continue to gradually enhance the yields and returns of the properties in the portfolio although no major movements are expected for the remaining quarter in financial year ending 31 December 2015. The effort to seek opportunities to further acquire real estate that meets the objectives of the Trust will continue.

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 September 2015, UOA REIT's composition of investment portfolio is as follows:

	Acquisition cost RM	Fair value as at 30.09.2015 RM	Percentage of fair value to Net Asset Value %
Real estate properties			
Commercial			
- UOA Centre parcels	55,981,272	79,006,396	12.39
- UOA II parcels	194,502,300	261,969,985	41.09
- UOA Damansara parcels	72,000,000	109,003,251	17.10
- UOA Pantai	86,000,000	94,400,000	14.81
- UOA Damansara II	211,000,000	222,371,132	34.88
- Parcel B - Menara UOA Bangsar	289,000,000	296,083,140	46.45
	<u>908,483,572</u>	<u>1,062,833,904</u>	
Others			
Deposits with licensed financial institutions		<u>2,000,000</u>	0.31

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 30.09.2015 RM	As at 31.12.2014 RM
Revolving credit		
- Secured	<u>391,400,000</u>	<u>379,300,000</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 NAV, calculated on a monthly accrual basis and payable monthly in arrears.

The manager's fees for the quarter ended 30 September 2015 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 quarter ended 30 September 2015 was calculated based on 0.03% per annum of the NAV.

B12 INCOME BEFORE TAX

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

	Current Quarter 30.09.2015 RM	Preceding Corresponding Quarter 30.09.2014 RM	Current Year To Date 30.09.2015 RM	Preceding Year To Date 30.09.2014 RM
Depreciation	3,266	2,614	9,636	7,708
Bad and doubtful debts	(9,603)	17,441	(37,621)	133,961
(Gain)/loss on disposal			-	-
- quoted investments	-	-	-	-
- unquoted investments	-	-	-	-
- properties	-	-	-	-
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 TAX EXPENSE

A reconciliation between the applicable income tax expense and the effective income tax expense of the Trust is as follows:

	Current Quarter 30.09.2015 RM	Preceding Corresponding Quarter 30.09.2014 RM	Current Year To Date 30.09.2015 RM	Preceding Year To Date 30.09.2014 RM
Income before tax	11,831,983	10,798,642	35,775,595	34,512,910
Taxation at statutory rate of 25%	2,957,996	2,699,661	8,943,899	8,628,228
Tax effects arising from				
- non-deductible expenses	37,617	(28,494)	132,139	11,542
- income exempted from tax	(2,700,193)	(2,219,168)	(8,055,571)	(7,142,651)
- net changes on financial liabilities measured at amortised cost	33,912	35,107	(33,428)	(36,403)
Utilisation of capital allowances	(329,332)	(487,106)	(987,039)	(1,460,716)
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 exempted from tax.

As UOA REIT intends to distribute at least 90% of its total income to its unitholders for the year ending 31 December 2015, 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 September 2015, 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 30.09.2015 RM
Directors of the Manager:			
- Alan Charles Winduss	100,000	0.02	158,000
- Dato' Gan Boon Khuay	100,000	0.02	158,000
- Kung Beng Hong	100,000	0.02	158,000
- Kong Sze Choon	39,000	0.01	61,620
Companies related to the Manager:			
- Desa Bukit Pantai Sdn Bhd	102,261,538	24.18	161,573,230
- Wisma UOA Sdn Bhd	77,729,000	18.38	122,811,820
- Rich Accomplishment Sdn Bhd	74,661,538	17.66	117,965,230
- Damai Positif Sdn Bhd	48,000,000	11.35	75,840,000
- Dynasty Portfolio Sdn Bhd	15,464,500	3.66	24,433,910
- LTG Development Sdn Bhd	5,600,700	1.32	8,849,106
Persons related to the Manager via relationship with a Director of the Manager:			
- Kong May Chee	15,900	0.00	25,122
- Kong Ai Chee	13,500	0.00	21,330
Director of the Manager (indirect interest):			
- Kong Sze Choon*	24,000	0.01	37,920
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	511,473,296

* 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 RM1.58 as at 30 September 2015.

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") ("Public Unitholding Spread Requirement").

Bursa Securities has vide its letter dated 28 September 2015, resolved to accept UOA REIT's current level of public unitholding spread of 23.35% as compliance with the Public Unitholding Spread Requirement.

B17 INCOME DISTRIBUTION

A provision was made to distribute RM11,363,013 as income distribution for the quarter ended 30 September 2015. This translates into approximately 2.69 sen per unit and includes a non-taxable portion of approximately 0.27 sen per unit (representing 10% of the gross distribution) deriving mainly from utilisation of capital allowances.

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 30.09.2015 RM	Preceding Corresponding Quarter 30.09.2014 RM	Current Year To Date 30.09.2015 RM	Preceding Year To Date 30.09.2014 RM
Sources of income				
Gross rental	22,887,714	21,965,335	68,746,026	66,007,992
Interest income	8,309	5,686	30,937	21,077
Other income	38,496	34,786	92,339	155,943
	<u>22,934,519</u>	<u>22,005,807</u>	<u>68,869,302</u>	<u>66,185,012</u>
Expenses	<u>(10,966,885)</u>	<u>(11,066,735)</u>	<u>(33,227,417)</u>	<u>(31,817,712)</u>
Total income available for distribution	11,967,634	10,939,072	35,641,885	34,367,300
Undistributed income	(604,621)	(575,479)	(1,782,094)	(1,718,364)
Distribution to unitholders	<u>11,363,013</u>	<u>10,363,593</u>	<u>33,859,791</u>	<u>32,648,936</u>
Distribution per unit (sen)	<u>2.69</u>	<u>2.45</u>	<u>8.01</u>	<u>7.72</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 30.09.2015 RM	Preceding Corresponding Quarter 30.09.2014 RM	Current Year To Date 30.09.2015 RM	Preceding Year To Date 30.09.2014 RM
Income after tax	11,831,983	10,798,642	35,775,595	34,512,910
Weighted average number of units in issue	422,871,776	422,871,776	422,871,776	422,871,776
Basic earnings per unit (after manager's fee) (sen)	<u>2.80</u>	<u>2.55</u>	<u>8.46</u>	<u>8.16</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 September 2015 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 23 November 2015.

BY ORDER OF THE BOARD

YAP KAI WENG
Company Secretary
UOA ASSET MANAGEMENT SDN BHD (Company No. 692639-U)
(As the Manager of UOA REAL ESTATE INVESTMENT TRUST)

Kuala Lumpur
23 NOVEMBER 2015