

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024 (UNAUDITED)

	As at 30.09.2024 RM	As at 31.12.2023 RM
INVESTMENTS		
Real estate properties	1,729,962,510	1,718,500,000
PLANT & EQUIPMENT	3,509,944	1,341,615
OTHER ASSETS		
Trade receivables	3,953,783	5,059,904
Other receivables	17,470,784	8,517,480
Deposits with licensed financial institution	-	1,750,000
Cash and bank balances	1,989,772	2,548,772
Current tax asset	43,616	-
	23,457,955	17,876,156
TOTAL ASSETS	1,756,930,409	1,737,717,771
LIABILITIES		
Payables	7,665,237	6,239,962
Rental deposits	32,427,989	32,939,582
Amount due to Manager	559,101	600,469
Borrowings	718,500,000	684,700,000
Current tax liability	-	24,925
Deferred tax liabilities	19,640,000	19,640,000
TOTAL LIABILITIES	778,792,327	744,144,938
NET ASSET VALUE	978,138,082	993,572,833
FINANCED BY:		
UNITHOLDERS' FUND		
Unitholders' capital	750,555,165	750,555,165
Undistributed income	227,582,917	243,017,668
	978,138,082	993,572,833
NUMBER OF UNITS IN CIRCULATION	675,599,076	675,599,076
Net asset value attributable to unitholders:		
Before income distribution	978,138,082	993,572,833
After income distribution	968,206,776	967,494,709
Net asset value per unit attributable to unitholders:		
Before income distribution	1.4478	1.4707
After income distribution (Note 1)	1.4331	1.4321

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

Note 1:

After distribution income for the quarter of 1.47 sen per unit is assumed for income distribution (31.12.2023: final income distribution of 3.86 sen per unit).

UOA REAL ESTATE INVESTMENT TRUST

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2024 RM	30.9.2023 RM	30.9.2024 RM	30.9.2023 RM
TOTAL INCOME				
Gross rental	27,771,724	28,605,865	81,583,090	85,723,604
Property operating expenses	(9,111,306)	(7,265,142)	(27,961,553)	(22,233,711)
Net rental income	18,660,418	21,340,723	53,621,537	63,489,893
Interest income	109,695	27,627	175,740	72,864
Other income	118,603	139,016	394,729	412,224
	<u>18,888,716</u>	<u>21,507,366</u>	<u>54,192,006</u>	<u>63,974,981</u>
TOTAL EXPENDITURE				
Manager's fees	(1,644,825)	(1,653,400)	(4,942,853)	(4,967,033)
Trustee's fees	(73,649)	(74,033)	(221,322)	(222,405)
Borrowing costs	(5,810,481)	(5,494,839)	(17,026,969)	(16,054,657)
Auditors' remuneration	(16,470)	(13,500)	(51,130)	(43,920)
Tax agent's fees	(5,724)	(6,209)	(17,172)	(16,909)
Valuation fee	-	-	(20,408)	(800)
Impairment losses of financial assets	(735,837)	(158,585)	(461,856)	(52,643)
Administrative expenses	(123,005)	(64,104)	(398,941)	(242,688)
	<u>(8,409,991)</u>	<u>(7,464,670)</u>	<u>(23,140,651)</u>	<u>(21,601,055)</u>
Net changes on financial liabilities measured at amortised cost	-	(137,956)	(811,491)	173,381
INCOME BEFORE TAX	10,478,725	13,904,740	30,239,864	42,547,307
TAX EXPENSE	(4,226)	(18,962)	(4,226)	(73,962)
INCOME AFTER TAX	10,474,499	13,885,778	30,235,638	42,473,345
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	<u>10,474,499</u>	<u>13,885,778</u>	<u>30,235,638</u>	<u>42,473,345</u>
INCOME AFTER TAX IS ANALYSED AS FOLLOWS:				
- Realised	10,478,725	14,042,696	31,051,355	42,373,926
- Unrealised	(4,226)	(156,918)	(815,717)	99,419
EARNINGS PER UNIT				
- After manager's fees (sen)	1.55	2.06	4.48	6.29
- Before manager's fees (sen)	1.79	2.30	5.21	7.02

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	Attributable to Unitholders' Funds			Total Unitholders' Funds	
	Unitholders' Capital RM	Distributable Undistributed Income		Current Year To Date 30.9.2024 RM	Preceding Year To Date 30.9.2023 RM
	Realised RM	Unrealised RM			
Balance at 1 January	750,555,165	87,039,217	155,978,451	993,572,833	995,661,498
Total comprehensive income for the period	-	31,051,355	(815,717)	30,235,638	42,473,345
Distribution to unitholders	-	(45,670,389)	-	(45,670,389)	(55,939,602)
Balance at 30 September	<u>750,555,165</u>	<u>72,420,183</u>	<u>155,162,734</u>	<u>978,138,082</u>	<u>982,195,241</u>

The condensed consolidated statement of changes in net asset value should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

UOA REAL ESTATE INVESTMENT TRUST
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)

	Current Year	Preceding Year
	To Date	To Date
	30.9.2024	30.9.2023
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Income before tax	30,239,864	42,547,307
Adjustment for:		
Interest income	(175,740)	(72,864)
Interest expense	17,026,969	16,054,657
Depreciation	197,369	90,289
Plant and equipment written off	270	-
Net changes on financial liabilities measured at amortised cost	811,491	(173,381)
Bad and doubtful debts	513,737	60,633
Operating profit before changes in working capital	48,613,960	58,506,641
Net changes in receivables	(8,360,920)	(5,831,746)
Net changes in payables	136,591	3,076,196
Cash generated from operating activities	40,389,631	55,751,091
Tax paid	(72,767)	(65,178)
Net cash generated from operating activities	40,316,864	55,685,913
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	175,740	72,864
Purchase of plant and equipment	(2,365,968)	(263,382)
Enhancements to investment properties	(11,462,510)	(2,437,594)
Net cash used in investing activities	(13,652,738)	(2,628,112)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(17,102,737)	(16,057,307)
Distribution to unitholders	(45,670,389)	(55,939,602)
Net drawdown of borrowings	33,800,000	18,300,000
Net cash used in financing activities	(28,973,126)	(53,696,909)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,309,000)	(639,108)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,298,772	3,912,804
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,989,772	3,273,696
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	1,989,772	3,273,696

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 SEPTEMBER 2024 (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. These condensed consolidated financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. 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") since the year ended 31 December 2023.

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 2023.

A3 QUALIFIED AUDIT REPORT

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of UOA REIT 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

Save as disclosed in B7, 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 30 August 2024, paid a interim income distribution of 2.90 sen per unit amounting to RM19,592,372 for the six (6) months ended 30 June 2024.

There was no income distribution declared for the quarter under review. Distribution for the quarter under review will be declared and paid together with the distribution for the quarter ended 31 December 2024 on a semi-annual basis.

The Manager intends to distribute at least 95% of the realised income before tax (unaudited) for the second half year ending 31 December 2024, to be distributed by end of February 2025 as described under Section B17, Income Distribution.

A9 SEGMENTAL REPORTING

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

A10 VALUATION OF INVESTMENT PROPERTIES

Based on the updated market values by an independent valuer and taking into consideration current market conditions, the Directors of the Manager have undertaken to assess the fair values of the investment properties in accordance with MFRS 140 Investment Property.

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 UOA REIT

There were no changes in the composition of UOA REIT for the current quarter. The fund size stands at 675,599,076 units.

A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

A14 CAPITAL COMMITMENTS

There were no capital commitments 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 2024, UOA REIT registered a total income of RM28,000,022 inclusive of interest income and other income of RM109,695 and RM118,603 respectively. Total expenditure amounted to RM17,521,297 with RM9,111,306 attributable to property operating expenses and RM8,409,991 attributable to non-property operating expenses.

Gross rental for the current quarter decreased by approximately 3% compared to the corresponding quarter last year, primarily due to the departure of an anchor tenant in one of our properties. This vacancy is gradually being filled. The property is also undergoing upgrading works, including the replacement of chiller plants, which led to an increased contribution to the sinking fund across second and third quarters of 2024. This increase was a key factor contributing to a approximately 19% rise in total expenditure. Nonetheless, the additional sinking fund contribution concluded in July 2024.

Realised earnings per unit for the quarter under review has decreased from 2.08 sen to 1.55 sen.

B2 MATERIAL CHANGES IN INCOME BEFORE TAX 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 office market continues to face challenges such as rising business costs and influx of new office buildings which resulted in a more competitive landscape. While market dynamics appear to be stabilising and rental rates have remained largely consistent, we remain cautiously optimistic about the outlook, anticipating a gradual improvement in occupancy levels as leasing activity progresses.

The Manager will continue to manage the properties in the portfolio with a focus on prudent capital management to maximise yields for unitholders while also seeking acquisition opportunities that align with the strategic objectives of UOA REIT.

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 COMPOSITION OF INVESTMENT PORTFOLIO

As at 30 September 2024, UOA REIT's composition of investment portfolio is as follows:

	Acquisition cost RM	Fair value as at 30.09.2024 RM	Percentage of fair value to Net Asset Value %
Real estate properties			
Commercial			
- UOA Centre parcels	55,981,272	78,000,000	7.97
- UOA II parcels	194,502,300	277,000,000	28.32
- UOA Damansara parcels	72,000,000	115,142,560	11.77
- UOA Damansara II	211,000,000	228,881,856	23.40
- Parcel B - Menara UOA Bangsar	287,760,483	306,691,470	31.35
- UOA Corporate Tower	701,653,564	724,246,624	74.04
	<u>1,522,897,619</u>	<u>1,729,962,510</u>	

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

B7 BORROWINGS AND DEBT SECURITIES

	As at 30.09.2024 RM	As at 31.12.2023 RM
Revolving credit		
- Secured	<u>718,500,000</u>	<u>684,700,000</u>

The borrowings are denominated in Ringgit Malaysia.

B8 INCOME RECOGNITION

- Rental income is recognised on a straight-line basis over the specific tenure of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.
- 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 fee of up to 1.00% per annum of the Net Asset Value ("NAV") of UOA REIT, calculated on a monthly accrual basis and payable monthly in arrears.

The manager's fees for the period ended 30 September 2024 was calculated based on 0.67% per annum of the NAV.

B10 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 Net Asset Value ("NAV") of UOA REIT, calculated on a monthly accrual basis and payable monthly in arrears.

The trustee's fees for the period ended 30 September 2024 was calculated based on 0.03% per annum of the NAV.

B11 SOFT COMMISSION

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

B12 INCOME BEFORE TAX

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

	Current Quarter 30.9.2024 RM	Preceding Corresponding Quarter 30.9.2023 RM	Current Year To Date 30.9.2024 RM	Preceding Year To Date 30.9.2023 RM
Depreciation	197,369	32,223	197,369	90,289
Bad and doubtful debts	513,737	158,585	513,737	60,633
(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 UOA REIT:

- a) Gain or loss on derivatives; and
- b) 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 UOA REIT is as follows:

	Current Quarter 30.9.2024 RM	Preceding Corresponding Quarter 30.9.2023 RM	Current Year To Date 30.9.2024 RM	Preceding Year To Date 30.9.2023 RM
Income before tax	10,478,725	13,904,740	30,239,864	42,547,307
Taxation at statutory rate of 24%	2,514,894	3,337,138	7,257,567	10,211,354
Tax effects arising from				
- non-deductible expenses	(147,757)	125,389	458,705	398,898
- income exempted from tax	(2,337,606)	(3,467,422)	(7,610,753)	(10,415,304)
- net changes on financial liabilities measured at amortised cost	-	33,109	-	(41,612)
Utilisation of capital allowances/ balancing charge	(27,531)	(7,214)	(103,519)	(77,336)
Underestimated in prior years	2,226	(2,038)	2,226	(2,038)
Tax expense for the quarter/period	4,226	18,962	4,226	73,962

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967, 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.

UOA REIT is expected to enjoy the tax exemption as it intends to distribute 95% of its total income to its unitholders for the year ending 31 December 2024. Therefore, 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 2024, the Manager did not hold any units in UOA REIT.

Direct holdings unless otherwise indicated	No. of units	Percentage of units in issue %	Market value as at 30.09.2024 RM
Directors of the Manager:			
- Kong Sze Choon	79,000	0.01	75,840
- Karn Sau Meng	20,000	0.00	19,200
Companies related to the Manager:			
- Desa Bukit Pantai Sdn Bhd	102,261,538	15.14	98,171,076
- Wisma UOA Sdn Bhd	77,729,000	11.51	74,619,840
- Rich Accomplishment Sdn Bhd	74,661,538	11.05	71,675,076
- Dynasty Portfolio Sdn Bhd	63,326,600	9.37	60,793,536
- UOA Corporation Berhad	48,000,000	7.10	46,080,000
- LTG Development Sdn Bhd	5,600,700	0.83	5,376,672
Persons related to the Manager via relationship with a Director of the Manager:			
- Kong May Chee	15,900	0.00	15,264
- Kong Ai Chee	13,500	0.00	12,960
Director of the Manager (indirect interest):			
- Kong Sze Choon*	24,000	0.00	23,040
Person related to the Manager via relationship with a Director of the Manager (indirect interest):			
- Kong Chong Soon @ Chi Suim**	371,579,376	55.00	356,716,201

* 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 RM0.96 as at 30 September 2024.

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

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

B17 INCOME DISTRIBUTION

Pursuant to the amended Section 6(1)(i) of the Income Tax Act, 1967, the following withholding tax rates as stipulated in Part X, Schedule 1 of the Income Tax Act, 1967 will be deducted for distribution of income by the Trust to the following categories of unitholders:

	Withholding tax rate
Resident corporate	Nil*
Resident non-corporate	10%
Non-resident individual	10%
Non-resident corporate	24%
Non-resident institutional	10%

* No withholding tax; to tax at prevailing tax rate

The distribution to the unitholders is from the following sources:

	Current Quarter 30.9.2024 RM	Preceding Corresponding Quarter 30.9.2023 RM	Current Year To Date 30.9.2024 RM	Preceding Year To Date 30.9.2023 RM
Gross rental	27,771,724	28,605,865	81,583,090	85,723,604
Interest income	109,695	27,627	175,740	72,864
Other income	118,603	139,016	394,729	412,224
	<u>28,000,022</u>	<u>28,772,508</u>	<u>82,153,559</u>	<u>86,208,692</u>
<u>Less:</u>				
Expenses	<u>(17,521,297)</u>	<u>(14,729,812)</u>	<u>(51,102,204)</u>	<u>(43,834,766)</u>
Realised income for the period	10,478,725	14,042,696	31,051,355	42,373,926
Previous period's/year's undistributed realised income	61,941,458	62,174,120	87,039,217	89,782,492
<u>Less:</u>				
Proposed/declared income distribution	-	-	(45,670,389)	(55,939,602)
Balance undistributed realised income	<u>72,420,183</u>	<u>76,216,816</u>	<u>72,420,183</u>	<u>76,216,816</u>
Distribution per unit (sen)	<u>-</u>	<u>-</u>	<u>6.76</u>	<u>8.28</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 30.9.2024 RM	Preceding Corresponding Quarter 30.9.2023 RM	Current Year To Date 30.9.2024 RM	Preceding Year To Date 30.9.2023 RM
Income after tax	10,474,499	13,885,778	30,235,638	42,473,345
Weighted average number of units in issue	675,599,076	675,599,076	675,599,076	675,599,076
Basic earnings per unit (after manager's fee) (sen)	<u>1.55</u>	<u>2.06</u>	<u>4.48</u>	<u>6.29</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 2024 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 14 November 2024.

BY ORDER OF THE BOARD

YAP KAI WENG
Company Secretary
UOA ASSET MANAGEMENT SDN BHD (Company No. 200501015592 (692639-U))
(As the Manager of UOA REAL ESTATE INVESTMENT TRUST)

Kuala Lumpur
14 NOVEMBER 2024