



REAL ESTATE INVESTMENT TRUST

ANNUAL REPORT 2023




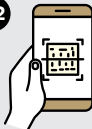



Cover Rationale

The illustration on the cover features a stylised skyline with varied columns, textures and patterns that highlight the diversity of UOA REIT’s properties in form and function.

FEATURE IN THIS ANNUAL REPORT

01  Download the “QR Code Reader” on App Store or Google Play

02  Get access to the soft copy of our reports and contact information

03  Run the QR Code Reader app and point your camera to the QR Code

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Notice of Annual General Meeting

Enclosed

Proxy Form



The digital version of UOA REIT Annual Report 2023 is available on our website.

Go to <https://www.uoareit.com.my/> or scan the QR code with your smartphone.



Further information can also be found on our website:

<https://www.uoareit.com.my/>

GLOSSARY



UOA Centre Parcels & UOA II Parcels

Manager

UOA Asset Management Sdn Bhd
200501015592 (692639-U)

Parcel B - Menara UOA Bangsar

Consisting of a tower block, namely Tower B comprising 15 levels of office space, 3 levels of retail podium, 6 levels of elevated car park and 4 levels of basement car park (which form part of a development known as Menara UOA Bangsar)

Properties

Wisma UOA Damansara II, UOA Corporate Tower, Parcel B - Menara UOA Bangsar and the parcels within UOA Centre, UOA II and UOA Damansara

Property Manager

Jordan Lee & Jaafar Sdn Bhd
198001006117 (59901-U)

Trustee

RHB Trustees Berhad
200201005356 (573019-U)

Unitholders

Unitholders of UOA REIT

UOA Ltd Group

United Overseas Australia Ltd
(ACN009245890) and its subsidiaries

UOA Holdings Group

UOA Holdings Sdn Bhd
198901012937 (190246-V) and its subsidiaries

UOA REIT/The Trust

UOA Real Estate Investment Trust

CORPORATE INFORMATION

MANAGER

UOA Asset Management Sdn Bhd
200501015592 (692639-U)

PRINCIPAL PLACE OF BUSINESS OF THE MANAGER

Suite G-1, Vertical Corporate Tower B
Avenue 10, The Vertical
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Telephone : +603 2245 9188
Facsimile : +603 2241 4862

REGISTERED ADDRESS OF THE MANAGER

No. 9, Jalan Indah 16
Taman Cheras Indah
56100 Kuala Lumpur, Malaysia
Telephone : +603 9287 1000
Facsimile : +603 9287 2000

BOARD OF DIRECTORS OF THE MANAGER

Terence Teo Chee Seng (Chairman)
Kong Sze Choon (Chief Executive Officer)
Dato Sri Ar. Steve Low Shu Nyok
Karn Sau Meng
Yap Kang Beng

AUDIT AND RISK MANAGEMENT COMMITTEE

Karn Sau Meng (Chairwoman)
Dato Sri Ar. Steve Low Shu Nyok
Yap Kang Beng

COMPANY SECRETARIES OF THE MANAGER

Yap Kai Weng (MAICSA No.: 74580)
Wong Yoke Leng (MAICSA No.: 7032314)

MANAGEMENT TEAM OF THE MANAGER

Kong Sze Choon (Chief Executive Officer / Executive Director)
Liao Wan Xin (Accountant)
Fam Chai Hing (Compliance Officer)

TRUSTEE

RHB Trustees Berhad
200201005356 (573019-U)
Level 11, Tower Three
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Telephone : +603 9280 8799
Email : rhbt.reits@rhbgroup.com

PROPERTY MANAGER

Jordan Lee & Jaafar Sdn Bhd
198001006117 (59901-U)
Suite 1.1, Level 1, Block C
Plaza Damansara
45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur, Malaysia
Telephone : +603 2095 5811
Facsimile : +603 2095 5843

REGISTRAR OF THE TRUST IN CHARGE OF THE REGISTER OF UNITHOLDERS

Tricor Investor & Issuing House Services Sdn Bhd
198401005881 (118401-V)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Telephone : +603 2783 9299
Facsimile : +603 2783 9222

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Telephone : +603 2692 4022
Facsimile : +603 2732 5119

BANKERS

CIMB Bank Berhad
AmBank Islamic Berhad
United Overseas Bank (Malaysia) Berhad
HSBC Bank Malaysia Berhad
HSBC Amanah Malaysia Berhad
Hong Leong Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock Code: UOA REIT 5110

WEBSITE

www.uoareit.com.my

INVESTOR RELATIONS

Email : uoacare@uoa.com.my
Telephone : 1 300 88 6668 (Malaysia)
+603 2245 9192 (International)

PROFILE OF DIRECTORS OF THE MANAGER

TERENCE TEO CHEE SENG

Independent Non-Executive Chairman

Terence Teo Chee Seng, Singaporean, male, aged 69, was appointed an Independent Non-Executive Director on 1 June 2023. He was appointed an Audit and Risk Management Committee Member on 1 June 2023 and resigned on 12 September 2023. He was redesignated as Chairman of the Board of Directors on 12 September 2023.

He is in legal practice in Singapore, specialising primarily in the corporate sector. He has been in practice for more than 40 years.

He also sits on the Board of United Overseas Australia Ltd, the Manager's ultimate holding company, listed in Australia. He also sits on the Board of Soilbuild Construction Group Ltd and Envictus International Holdings Limited, all listed on the Singapore Stock Exchange.

He does not have any family relationship with any Director and/or major unitholder of UOA REIT, nor any conflict of interest with the Manager. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KONG SZE CHOON

Chief Executive Officer and Non-Independent Executive Director

Kong Sze Choon, Singaporean, male, aged 47, is Chief Executive Officer and Non-Independent Executive Director. He was appointed on 14 January 2011. He is a graduate of Curtin University of Technology, Australia with a Bachelor of Commerce Degree in Finance. Mr. Kong worked in financial institutions in Singapore where he was involved in managing and growing the investment portfolio of high net worth individuals. He was part of the management team and held the position of Asset Management Manager prior to his appointment as Chief Executive Officer.

He joined UOA Holdings Group in 2002 and his initial roles in UOA Holdings Group were predominantly in leasing as well as sales and marketing of commercial and residential developments of the UOA Holdings Group. Apart from his key role in the Leasing department, he was also involved in business development of UOA Holdings Group.

He is currently Director of UOA (Singapore) Pte Ltd, a subsidiary company of the ultimate holding company of the Manager, United Overseas Australia Ltd ("UOA Ltd"). He is also the Alternate Director to Mr. Kong Chong Soon, Managing Director of UOA Development Bhd.

He is the son of Mr. Kong Chong Soon, an indirect major shareholder of the Manager and a major unitholder of UOA REIT via his interest in UOA Ltd Group. He does not have any conflict of interest with the Manager and has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

DATO SRI AR. STEVE LOW SHU NYOK

Independent Non-Executive Director

Dato Sri Ar. Steve Low Shu Nyok, Malaysian, male, aged 70, was appointed a Director on 1 June 2023. He is also a member of the Audit and Risk Management Committee.

He was Founder/Director of SN Low & Associates Sdn Bhd in 1987. He is currently Managing Director of SN Low & Associates Sdn Bhd. Prior to this, he was Architect at Stewart & Riddick & Partners in Finchley, London, and Owen-Ward & Palmer Architect in Palmer Green, London, United Kingdom. He has more than 35 years' experience in the building/construction industry. He was an Independent Non-Executive Director for 9 years in UOA Development Bhd.

He holds a Diploma (Hons) in Architecture from Thames Polytechnic London in United Kingdom. He is a Corporate Member of Pertubuhan Akitek Malaysia and Lembaga Arkitek Malaysia.

He does not have any family relationship with any Director and/or major unitholder of UOA REIT, nor any conflict of interest with the Manager. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

KARN SAU MENG

Independent Non-Executive Director

Karn Sau Meng, Malaysian, female, aged 56, is one of our Independent Non-Executive Directors and the Chairwoman of the Audit and Risk Management Committee. She was appointed on 23 December 2021. She was redesignated as Chairwoman of the Audit and Risk Management Committee on 30 August 2023.

She completed her professional accountancy degree from the Association of Chartered Certified Accountants in 1992 and was admitted to membership in 1996. She has been and is a current member of the Malaysian Institute of Accountants since 2001. She completed her Master's in Business Administration degree with Keele University (UK) in 2001.

Her career experience included work related to auditing, accounting, inventory management, logistics, and system implementation working in various positions from Auditor, Accountant, Finance Manager and Finance and Administration Director before she set up her own consulting company, Addworth Solutions Sdn Bhd focusing on business process management, human resource management, corporate training and coaching. She is currently the principal

consultant in Addworth Solutions. She was appointed Secretary and subsequently Treasurer in the Perdana Emerald Condominium Joint Management Body for 6 years from 2008 to 2014. She was re-appointed as Treasurer in August 2022 to date.

She does not have any family relationship with any Director and/or major unitholder of UOA REIT, nor any conflict of interest with the Manager. She has no conviction for any offences, and there is no sanction or penalty imposed on her by any regulatory bodies over the past 5 years.

PROFILE OF DIRECTORS OF THE MANAGER (CONTINUED)

YAP KANG BENG

Non-Independent Non-Executive Director

Yap Kang Beng, Malaysian, male, aged 48, was appointed Non-Independent Non-Executive Director on 18 March 2016. He was appointed as a member of the Audit & Risk Management Committee on 20 January 2022. He graduated with a Degree in Bachelor of Economics (Honours) in Accounting and Finance from University of Manchester, United Kingdom.

He joined UOA Holdings Sdn Bhd in 2010. His duties included corporate affairs and investor relations matters. He is also involved in leasing as well as sales and marketing of commercial developments of UOA Holdings Group.

He worked in the financial industry for over 13 years prior to joining UOA Holdings Group. Before he assumed the present position, he was a global investment specialist in J.P. Morgan Private Bank (Singapore). Prior to that, he also took up different roles in Treasury and Risk Management in Hong Leong Bank Berhad and Standard Chartered Bank Berhad.

He does not have any family relationship with any Director and/or major unitholder of UOA REIT, nor any conflict of interest with the Manager. He has no convictions for any offences, and there is no sanction or penalty imposed on him by any regulatory bodies over the past 5 years.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS, OBJECTIVES AND STRATEGIES

UOA Real Estate Investment Trust (“UOA REIT” or “Trust”) is a real estate trust fund which commenced its operations on 1 December 2005 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 30 December 2005.

The principal activity of UOA REIT is to invest in a diversified portfolio of real estate and real estate-related assets used, or predominantly used, for commercial purposes. Geographically, it is presently focused in Kuala Lumpur where all existing assets in the portfolio are located in.

The objective of UOA REIT and its subsidiary (the “Group”) is to achieve a stable return from rental income and long-term capital growth in its assets. In order to enhance the performance of the Properties in the portfolio, the Group employs active operating strategies which include optimising of rental income via management of tenancies and renewals, improving tenant retentions through relationship management, working closely with Property manager to pursue new tenancy opportunities. The Group also, where practicable, carry out asset enhancement initiatives to maintain or improve the quality and appearance of the Properties.

The Manager seeks to enhance the unit value through selective acquisitions. Apart from seeking yield-accretive acquisitions, the acquisition strategy also takes into consideration the location, existing occupancy rate, specifications, facilities as well as the tenant mix of the building.

Capitalising on the relationship with UOA Holdings Group of companies, one of Malaysia’s leading property development, property investment, property management services and construction group of companies, the Manager expects to be at a competitive advantage and benefit towards achieving its long-term acquisition objectives.

The Properties in the portfolio are intended to be held on a long-term basis. Where a property has reached a phase with limited prospect for growth, selling the property can be considered.

The Manager will continue to actively manage the portfolio of properties to maximise the yield for unitholders. Meanwhile, the Manager will continue to source for opportune acquisitions that meet the objectives of UOA REIT.

Guided by the gearing limits stipulated in Securities Commission’s Guidelines on Listed Real Estate Investment Trusts (“REIT Guidelines”), the Manager aims to optimise the Group’s capital structure and cost of capital.



Parcel B - Menara UOA Bangsar

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT STRATEGIES

During the financial year, the Manager continued to adopt the following strategies in achieving the Group's investment objective:

Operating Strategy

The Group's operating strategy is to continue to enhance the performance of the properties by increasing yields and returns from the properties through a combination of retaining existing tenants, reducing vacancy levels, adding and/or optimising retail/office space at the properties and minimising interruptions in rental income and operational costs.

The Manager expects to apply the following key operating and management principles:

- (a) to optimise rental rates via active management of tenancies, renewals and new tenancies;
- (b) maintaining a close relationship with tenants to optimise tenant retentions;
- (c) actively working with the property manager to pursue new tenancy opportunities;
- (d) to optimise tenant mix and space configuration;
- (e) continuous review of tenant mix and if practicable, reconfigure lettable space; and
- (f) continually maintain the quality of the properties.

Acquisition Strategy

The Manager seeks to increase cash flow and enhance unit value through selective acquisitions. The acquisition strategy takes into consideration:

- (a) location;
- (b) occupancy and tenant mix;
- (c) building and facilities specifications;
- (d) opportunities; and
- (e) yield thresholds.

The Manager has access to a network of and good relationships with leading participants in the real estate industry which may assist the Group in identifying (a) acquisition opportunities that have favourable returns on invested capital and growth in cash flow; and (b) under-performing assets. The Manager believes that these deal-sourcing capabilities are an important competitive advantage of the Group.

The Manager intends to capitalise on the relationship with UOA Holdings Group of companies, which is one of Malaysia's leading property development, property investment, property management services and construction group of companies. This relationship is expected to accord the Group competitive advantages and benefits towards achieving its long-term objectives.

The Manager intends to hold the properties on a long-term basis. In the future where the Manager considers that any property has reached a stage that offers only limited scope for growth, they may consider selling the property and using the proceeds from the sale for alternative investments in properties that meet its investment criteria.

Capital Management Strategy

The Manager aims to optimise the Group's capital structure and cost of capital within the borrowing limits prescribed by the REIT Guidelines and intends to use a combination of debt and equity funding for future acquisitions and improvement works at the properties. Our capital management strategies involve:

- (a) adopting and maintaining an optimal gearing level; and
- (b) adopting an active interest rate management strategy to manage risks associated with changes in interest rates.

while maintaining flexibility in the Group's capital structure to meet future investment and/or capital requirements.

INVESTMENT POLICIES

Portfolio Composition

The Group's investments may be allocated in the following manner, as prescribed by the REIT Guidelines:

- (a) to invest in real estate, single-purpose companies whose principal assets comprise real estate, real estate-related assets, non-real estate-related assets or liquid assets;
- (b) at least 75% of the Group's total assets must be invested in real estate or single-purpose companies whose principal assets comprise real estate, at all times; and
- (c) not more than 25% of the Group's total assets may be invested in non-real estate-related assets and/or liquid assets.

Diversification

The Group will seek to diversify its real estate portfolio by property and location type. The Group will focus on investing in properties that are primarily used for office, retail and/or residential purposes and will continue to look for opportunities in these types of properties. In addition, it may also look into other properties that will provide attractive risk-adjusted returns.

Leverage

The Group will be able to leverage on its borrowings to make the permitted investments. Leveraging on its borrowings will increase the returns to unitholders. The Group is permitted to procure borrowings of up to 50% of its total asset value.

DISTRIBUTION POLICY

At least 90% of the distributable income of the Trust will be distributed semi-annually or at such other intervals as determined by the Manager, in arrears.

COMPOSITION OF INVESTMENT PORTFOLIO

The Group's investment properties value is RM1,719 million as at 31 December 2023 compared to RM1,716 million as at 31 December 2022. There were no new acquisition or disposals during the financial year and the total number of properties in the portfolio remains at six (6).

During the financial year 2023, the Group had undertaken a revaluation exercise for all existing investment properties. The investment properties were valued at RM1,719 million by independent registered valuer ("Valuer"). In arriving at the fair value, the Valuer has applied the investment method to assess the fair value of the investment properties as at the reporting date.

A summary of fair value adjustment on all investment properties for the Financial Year Ended ("FYE") 31 December 2023 is as follows:

Investment Properties	Carrying Value before Revaluation RM'000	Market Value RM'000	Fair Value Adjustment RM'000
UOA Centre Parcels	78,000	78,000	-
UOA II Parcels	281,931	277,000	(4,931)
UOA Damansara Parcels	114,900	115,000	100
Wisma UOA Damansara II	224,820	224,500	(320)
Parcel B - Menara UOA Bangsar	302,074	302,000	(74)
UOA Corporate Tower	718,000	722,000	4,000
Total	1,719,725	1,718,500	(1,225)

As at 31 December 2023, the Group's composition of investment portfolio was as follows:

	RM'000	%
Real Estate Properties		
UOA Centre Parcels	78,000	4.53
UOA II Parcels	277,000	16.08
UOA Damansara Parcels	115,000	6.67
Wisma UOA Damansara II	224,500	13.03
Parcel B - Menara UOA Bangsar	302,000	17.53
UOA Corporate Tower	722,000	41.91
Liquid Assets		
Deposits with licensed financial institutions	1,750	0.10
Bank balances	2,549	0.15
Total	1,722,799	100.00

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

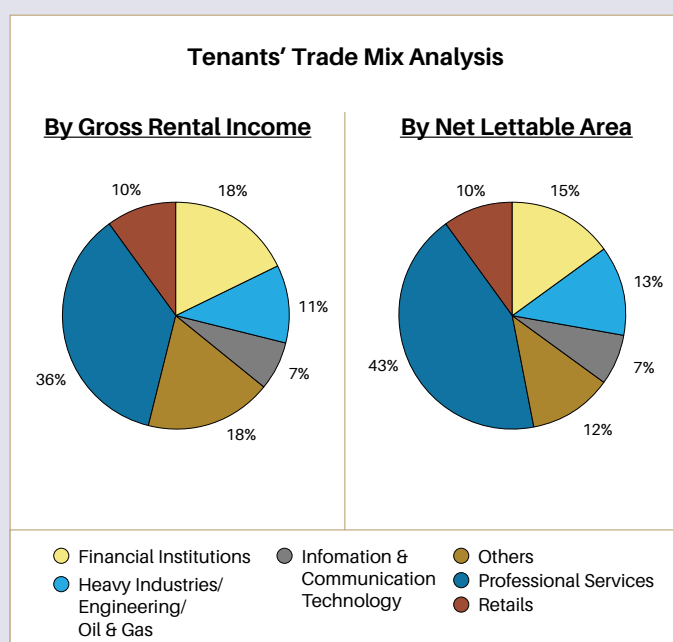
COMPOSITION OF INVESTMENT PORTFOLIO (CONTINUED)

The details of the real estate properties as at 31 December 2023 are as follows:

UOA Centre Parcels

Address/Location	Within UOA Centre at No. 19, Jalan Pinang, 50450 Kuala Lumpur
Description	Parcels within the thirty-three (33) storey office building known as UOA Centre inclusive of six (6) levels of car park space
Title details	Twenty-eight (28) strata titles within UOA Centre identified as Bangunan M1, held under Master Title Geran 46212, Lot No. 1312, Section 57, Town and District of Kuala Lumpur, State of Wilayah Persekutuan KL
Property type	Office parcels
Net lettable area	124,009 sq.ft.
Age	Approximately 29 years
Existing use	Commercial
Status of holding	Freehold
Major tenants (based on monthly rental receivable)	(a) Halim Hong & Quek (b) Bank Kerjasama Rakyat Malaysia Berhad (c) AWP Services Sdn Bhd
Occupancy rate (based on secured tenancies)	76.8%
Rental received/receivable	RM5,670,259
Maintenance costs and capital expenditure	Maintenance costs amount to RM1,836,249. No capital expenditure incurred during the financial year

Encumbrances	None
Date of acquisition	29 November 2005
Cost of acquisition	RM55,981,272
Last valuation	RM78,000,000
Date of last valuation	31 December 2023
Basis of valuation	Income Capitalisation Approach
Independent valuer	VPC Alliance (Kajang) Sdn Bhd
Net carrying amount	RM78,000,000
Property Manager	Jordan Lee & Jaafar Sdn Bhd
Weighted Average Lease Expiry (based on net lettable area)	1.22 years



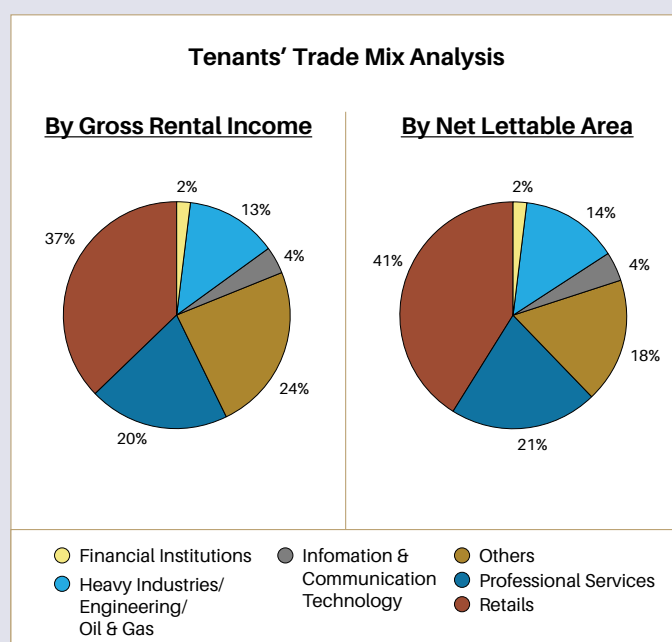
COMPOSITION OF INVESTMENT PORTFOLIO (CONTINUED)

The details of the real estate properties as at 31 December 2023 are as follows (continued):

UOA II Parcels

Address/Location	Within UOA II at No. 21, Jalan Pinang, 50450 Kuala Lumpur
Description	Parcels within the thirty-nine (39) storey office building known as UOA II inclusive of five (5) levels of car park space
Title details	Sixty-eight (68) strata titles within UOA II identified as Bangunan M2, held under Master Title Geran 46212, Lot No. 1312, Section 57, Town and District of Kuala Lumpur, State of Wilayah Persekutuan KL
Property type	Office parcels
Net lettable area	425,380 sq.ft.
Age	Approximately 25 years
Existing use	Commercial
Status of holding	Freehold
Major tenants (based on monthly rental receivable)	(a) Envico Enterprises Sdn Bhd (b) United Carparks Sdn Bhd (c) UOA Komune Sdn Bhd
Occupancy rate (based on secured tenancies)	62.2%
Rental received/receivable	RM15,117,373
Maintenance costs and capital expenditure	Maintenance costs amount to RM4,892,749. Capital expenditure of RM930,602 was incurred during the financial year

Encumbrances	Charged to a financial institution as security for revolving credit facilities
Date of acquisition	29 November 2005 (Excluding Level 17, UOA II) 22 March 2010 (Level 17, UOA II)
Cost of acquisition	RM194,502,300
Last valuation	RM277,000,000
Date of last valuation	31 December 2023
Basis of valuation	Income Capitalisation Approach
Independent valuer	VPC Alliance (Kajang) Sdn Bhd
Net carrying amount	RM277,000,000
Property Manager	Jordan Lee & Jaafar Sdn Bhd
Weighted Average Lease Expiry (based on net lettable area)	1.18 years



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

COMPOSITION OF INVESTMENT PORTFOLIO (CONTINUED)

The details of the real estate properties as at 31 December 2023 are as follows (continued):

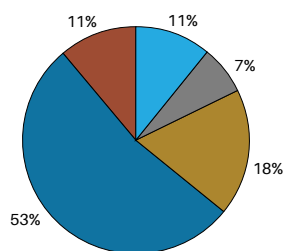
UOA Damansara Parcels

Address/Location	Within UOA Damansara at No. 50, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur
Description	Parcels within the thirteen (13) storey office building known as UOA Damansara inclusive of four (4) levels of basement car park space
Title details	Thirty (30) strata titles within UOA Damansara identified as Bangunan M1, held under Master Title Geran 67371, Lot No. 55917, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan KL
Property type	Office parcels
Net lettable area	186,395 sq.ft.
Age	Approximately 26 years
Existing use	Commercial
Status of holding	Freehold
Major tenants (based on monthly rental receivable)	(a) Skrine (b) United Carparks Sdn Bhd (c) International Committee of the Red Cross
Occupancy rate (based on secured tenancies)	74.2%
Rental received/receivable	RM7,805,805
Maintenance costs and capital expenditure	Maintenance costs amount to RM3,011,881. No capital expenditure incurred during the financial year

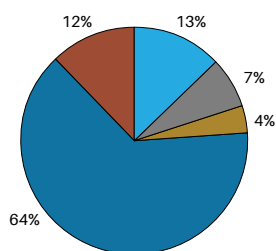
Encumbrances	Charged to a financial institution as security for revolving credit facilities
Date of acquisition	29 November 2005
Cost of acquisition	RM72,000,000
Last valuation	RM115,000,000
Date of last valuation	31 December 2023
Basis of valuation	Income Capitalisation Approach
Independent valuer	VPC Alliance (Kajang) Sdn Bhd
Net carrying amount	RM115,000,000
Property Manager	Jordan Lee & Jaafar Sdn Bhd
Weighted Average Lease Expiry (based on net lettable area)	2.03 years

Tenants' Trade Mix Analysis

By Gross Rental Income



By Net Lettable Area



- Heavy Industries/Engineering/Oil & Gas
- Infomation & Communication Technology
- Others
- Professional Services
- Retailers



COMPOSITION OF INVESTMENT PORTFOLIO (CONTINUED)

The details of the real estate properties as at 31 December 2023 are as follows (continued):

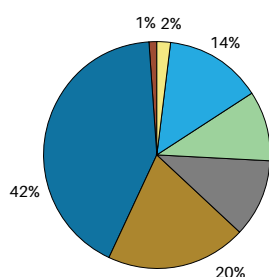
Wisma UOA Damansara II

Address/Location	No. 6, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur
Description	A sixteen (16) storey office building with 3 levels of elevated car park space and 5 levels of basement car park space
Title details	Geran 6837, Lot No. 38415, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan KL
Property type	Commercial building
Net lettable area	290,549 sq.ft.
Age	Approximately 16 years
Existing use	Commercial
Status of holding	Freehold
Major tenants (based on monthly rental receivable)	(a) Radimax Group Sdn Bhd (b) United Carparks Sdn Bhd (c) Synthomer Sdn Bhd
Occupancy rate (based on secured tenancies)	77.6%
Rental received/receivable	RM13,996,067
Maintenance costs and capital expenditure	Maintenance costs amount to RM3,757,389. Capital expenditure of RM464,405 was incurred during the financial year

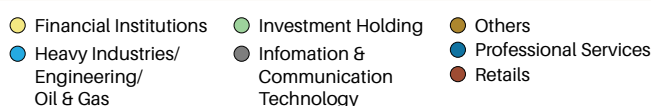
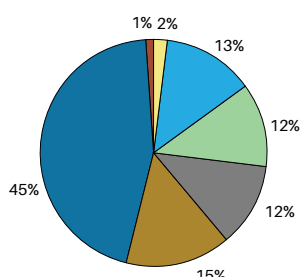
Encumbrances	Charged to a financial institution as security for revolving credit facilities
Date of acquisition	17 January 2011
Cost of acquisition	RM211,000,000
Last valuation	RM224,500,000
Date of last valuation	31 December 2023
Basis of valuation	Income Capitalisation Approach
Independent valuer	VPC Alliance (Kajang) Sdn Bhd
Net carrying amount	RM224,500,000
Property Manager	Jordan Lee & Jaafar Sdn Bhd
Weighted Average Lease Expiry (based on net lettable area)	1.29 years

Tenants' Trade Mix Analysis

By Gross Rental Income



By Net Lettable Area



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

COMPOSITION OF INVESTMENT PORTFOLIO (CONTINUED)

The details of the real estate properties as at 31 December 2023 are as follows (continued):

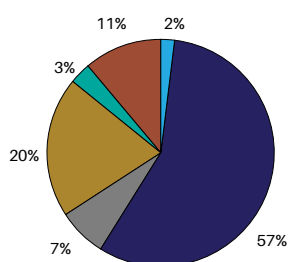
Parcel B - Menara UOA Bangsar

Address/Location	Within Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
Description	A tower block, namely Tower B comprising fifteen (15) levels of office space, three (3) levels of retail podium, six (6) levels of elevated car park space and four (4) levels of basement car park space (which form part of a development known as Menara UOA Bangsar)
Title details	Thirteen (13) strata titled within Menara UOA Bangsar, identified as Bangunan M1 and M1-A, held under Master Title Pajakan Negeri (WP) 43411, Lot No. 421, Section 96, Town and District of Kuala Lumpur, State of Wilayah Persekutuan KL
Property type	Commercial building
Net lettable area	307,841 sq.ft.
Age	Approximately 15 years
Existing use	Commercial
Status of holding	99 years leasehold expiring in 2106 (unexpired term of approximately 83 years)
Major tenants (based on monthly rental receivable)	(a) Perbadanan Harta Intelek Malaysia (b) Prasarana Malaysia Berhad (c) United Carparks Sdn Bhd
Occupancy rate (based on secured tenancies)	96.5%
Rental received/receivable	RM23,254,754

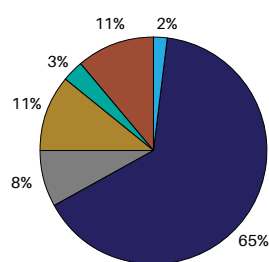
Maintenance costs and capital expenditure	Maintenance costs amount to RM6,149,115. Capital expenditure of RM2,074,180 was incurred during the financial year
Encumbrances	Charged to a financial institution as security for revolving credit facilities (There are no encumbrances on Petak 9 and 14)
Date of acquisition	17 January 2011
Cost of acquisition	RM287,760,483
Last valuation	RM302,000,000
Date of last valuation	31 December 2023
Basis of valuation	Income Capitalisation Approach
Independent valuer	VPC Alliance (Kajang) Sdn Bhd
Net carrying amount	RM302,000,000
Property Manager	Jordan Lee & Jaafar Sdn Bhd
Weighted Average Lease Expiry (based on net lettable area)	1.15 years

Tenants' Trade Mix Analysis

By Gross Rental Income



By Net Lettable Area



- Heavy Industries/Engineering/Oil & Gas
- Information & Communication Technology
- Others
- Professional Services
- Public Sector
- Retailers



COMPOSITION OF INVESTMENT PORTFOLIO (CONTINUED)

The details of the real estate properties as at 31 December 2023 are as follows (continued):

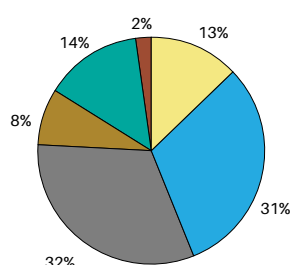
UOA Corporate Tower

Address/Location	UOA Corporate Tower, Avenue 10, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Description	A stratified 38-storey office building with a penthouse level known as UOA Corporate Tower
Title details	Provisional parcel property identified as Vertical 38 Block A, erected on a portion of land held under Master Title No. Pajakan Negeri 54141, Lot No. 481716, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur
Property type	Commercial building
Net lettable area	729,961 sq.ft.
Age	Approximately 7 years
Existing use	Commercial
Status of holding	99 years leasehold expiring in 2106 (unexpired term of approximately 83 years)
Major tenants (based on monthly rental receivable)	(a) Honeywell International Sdn Bhd (b) Ecart Services Malaysia Sdn Bhd (c) Orsted Services Malaysia Sdn Bhd
Occupancy rate (based on secured tenancies)	98.5%
Rental received/receivable	RM46,994,168

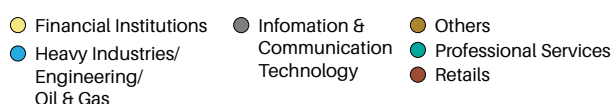
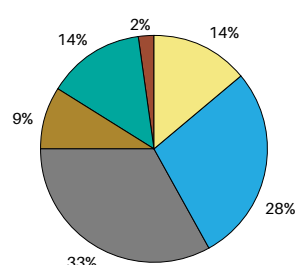
Maintenance costs and capital expenditure	Maintenance costs amount to RM7,829,699. No capital expenditure incurred during the financial year
Encumbrances	Charged to a financial institution as security for revolving credit facilities
Date of acquisition	30 December 2020
Cost of acquisition	RM701,653,564
Last valuation	RM722,000,000
Date of last valuation	31 December 2023
Basis of valuation	Income Capitalisation Approach
Independent valuer	VPC Alliance (Kajang) Sdn Bhd
Net carrying amount	RM722,000,000
Property Manager	Jordan Lee & Jaafar Sdn Bhd
Weighted Average Lease Expiry (based on net lettable area)	2.03 years

Tenants' Trade Mix Analysis

By Gross Rental Income



By Net Lettable Area



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL HIGHLIGHTS

	Year Ended 31 December 2023	Year Ended 31 December 2022	Year Ended 31 December 2021	Year Ended 31 December 2020	Year Ended 31 December 2019
Total gross income (RM'000)	113,507	114,802	116,884	72,693	79,032
Income before tax (RM'000)	52,398	60,981	40,043	38,436	40,987
Income/(Loss) after tax (RM'000)					
- Realised	53,196	61,076	61,796	36,720	39,541
- Unrealised	655	(203)	(19,693)	(1,969)	(19,705)
Total	53,851	60,873	42,103	34,751	19,836
Earnings/(Loss) per unit (sen)					
- Realised	7.87	9.04	9.15	8.63	9.35
- Unrealised	0.10	(0.03)	(2.91)	(0.47)	(4.66)
Total	7.97	9.01	6.23	8.16	4.69
Total asset value (RM'000)	1,737,718	1,729,100	1,732,706	1,763,840	1,046,826
Net asset value					
- before proposed final income distribution (RM'000)	993,573	955,662	993,025	999,159	727,149
- after proposed final income distribution (RM'000)	967,495	966,476	963,840	980,299	706,555
Net asset value per unit					
- before proposed final income distribution (RM)	1.471	1.474	1.470	1.479	1.720
- after proposed final income distribution (RM)	1.432	1.431	1.427	1.451	1.671
Highest net asset value per unit (RM)	1.482	1.480	1.506	1.721	1.719
Lowest net asset value per unit (RM)	1.447	1.443	1.460	1.451	1.671
Market price per unit (RM)	1.10	1.15	1.15	1.13	1.23
Highest traded price for the financial year (RM)	1.19	1.19	1.16	1.29	1.46
Lowest traded price for the financial year (RM)	1.09	1.10	1.08	1.07	1.20
Unit in Circulation (Units '000)	675,599	675,599	675,599	422,872	422,872
Distribution per unit (sen)					
- Interim	3.96	4.30	4.32	3.98	4.24
- Final	3.86	4.32	4.32	4.46	4.87
Total	7.82	8.62	8.64	8.44	9.11
Distribution yield	7.11%	7.50%	7.51%	7.47%	7.41%
Annual total returns (RM'000) ⁽¹⁾	53,196	61,076	61,796	36,720	39,541
Average total returns ⁽²⁾					
- for one year	7.09%	8.14%	8.23%	4.89%	8.31%
- for three years	7.82%	7.09%	7.14%	6.85%	7.88%
- for five years	7.33%	7.38%	7.35%	7.61%	8.62%
Management Expense Ratio ⁽³⁾ ("MER") (%)	0.78%	0.74%	0.73%	0.70%	0.78%

⁽¹⁾ Annual total returns are defined as realised income after tax.

⁽²⁾ Average total returns are calculated based on annual total returns for the respective financial years divided by unitholders' capital for the respective financial years.

⁽³⁾ MER is calculated based on the total administrative expenses incurred by the Group divided by the average value of the Net Asset Value for the financial year calculated on a quarterly basis. The computation of MER has been verified by the auditors.

Note : Past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate in line with economic conditions and subsequent trust performance.

REVIEW OF FINANCIAL RESULTS

1) Overall Financial Results

	FYE 2023 RM'000	FYE 2022 RM'000	FYE 2021 RM'000	FYE 2020 RM'000	FYE 2019 RM'000
Total gross income	113,507	114,802	116,884	72,693	79,032
Property operating expenses	30,459	26,127	26,715	20,456	20,756
Non-property expenses	8,227	7,851	9,470	6,650	5,671
Finance costs	21,625	19,748	18,872	8,867	11,770
Income before tax, fair value gain on investment properties and net changes on financial liabilities measured at amortised cost	53,196	61,076	61,827	36,720	40,835
Fair value (loss)/gain on investment properties	(1,225)	-	(21,900)	1,756	-
Net changes on financial liabilities measured at amortised cost	427	(95)	115	(40)	152
Income before tax	52,398	60,981	40,042	38,436	40,987
Tax income/(expense)	1,453	(108)	2,061	(3,685)	(21,151)
Income after tax	53,851	60,873	42,103	34,751	19,836

The summary of our gross rental, property operating expenses and net rental income for each property in the property portfolio for the financial year ended 31 December 2023 is detailed below:

Properties	Gross Rental (RM'000)	Property Operating Expenses (RM'000)	Net Rental Income (RM'000)
UOA Centre Parcels	5,670	1,836	3,834
UOA II Parcels	15,117	4,893	10,224
UOA Damansara Parcels	7,806	3,012	4,794
Wisma UOA Damansara II	13,996	3,757	10,239
Parcel B - Menara UOA Bangsar	23,255	6,149	17,106
UOA Corporate Tower	46,994	7,830	39,164
Total	112,838	27,477	85,361

The Group's total gross income for the financial year ended 31 December 2023, primarily consists of rental income amounting to RM112.8 million (2022: RM114.4 million), interest income of RM96 thousand (2022: RM78 thousand), and other income of RM573 thousand (2022: RM347 thousand). The decline in gross income can be attributed to reduced rental contributions from UOA II Parcels, UOA Damansara Parcels, and Wisma UOA Damansara II, reflecting lower occupancies during the financial year. However, it is noteworthy that, as at 31 December 2023, new tenants have been successfully secured.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF FINANCIAL RESULTS (CONTINUED)

1) Overall Financial Results (continued)

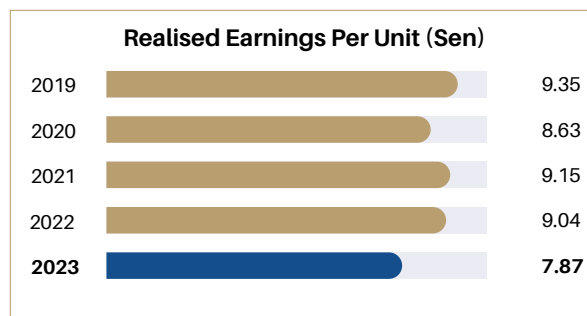
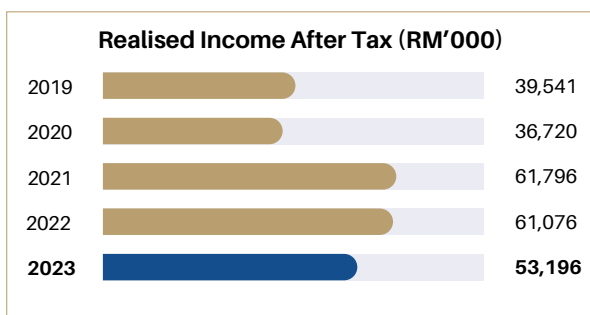
Property operating expenses for the financial year ended 31 December 2023 increased by 16.6%. This increase was mainly due to increased electricity cost following the tariff hike, higher maintenance expenses due to higher minimum wages, and increased costs for rental incentives and commissions for securing new tenants in 2023, lift maintenance arising from parts replacement, and building upgrades to meet LEED green building certification standards.

Non-property expenses increased mainly due to consultancy fees for LEED green building certification applications, engagement of a sustainability consultant, consultant fees for amending the Trust deed, and higher valuation fees resulted from with a full valuation of investment properties conducted during the financial year ended 31 December 2023.

Finance costs increased by 9.5% mainly due to higher cost of fund arising from the hikes in the policy interest rate.

The above-mentioned factors together with a fair value loss of RM1.2 million on the investment properties had resulted in the Group reporting an income after tax of RM53.9 million for the financial year ended 31 December 2023 which is 11.5% lower compared to RM60.9 million reported in the previous financial year.

The Group's realised income after tax decreased by RM7.9 million to RM53.2 million, and realised earnings per unit decrease from 9.04 sen to 7.87 sen.

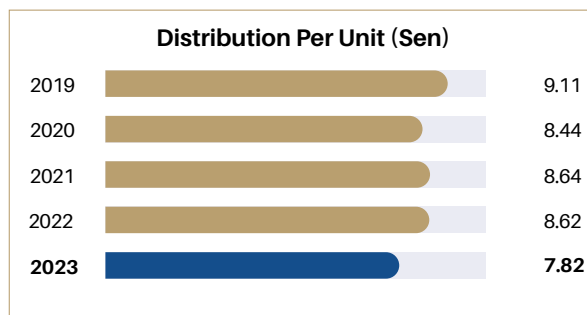


2) Income Distribution

The Trust had on 30 August 2023 paid an interim distribution of 3.96 sen per unit totaling RM26.8 million for the six months ended 30 June 2023.

The Manager had on 22 January 2024, recommended to the Trustee, and the Trustee had on the same day, approved the final income distribution of 3.86 sen per unit totaling RM26.1 million for the financial year ended 31 December 2023 to be paid by 29 February 2024 ("Final Distribution"). The Final Distribution comprises taxable income of 3.86 sen per unit.

The distribution per unit for the financial year ended 31 December 2023 is 7.82 sen per unit, a decrease of 9.3% or 0.80 sen per unit as compared to the previous financial year of 8.62 sen per unit. Based on the closing price of RM1.10 on 31 December 2023 (2022: RM1.15), the distribution per unit translated to a distribution yield of 7.11% (2022: 7.50%).



REVIEW OF FINANCIAL RESULTS (CONTINUED)

2) Income Distribution (continued)

An analysis of the Trust's income distribution is as follows:

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Distribution yield based on market price at 31 December (%)	7.11	7.50	7.51	7.47	7.41
Market price as at 31 December (RM)	1.10	1.15	1.15	1.13	1.23

3) Total Financing

As at 31 December 2023, the Group has total borrowings of RM684.7 million (2022: RM675.4 million). Approximately 73.32% (2022: 62.48%) of the Group's financing was maintained at fixed interest rate. The floating rate bank borrowings are in the form of revolving credits and are short term in nature renewable on a one (1) to six (6) months term at interest/profit rates as disclosed in Note 14 to the Financial Statements.

The ratio of total bank borrowings to total asset value is 39.4% (2022: 39.1%). Pursuant to the REIT Guidelines, the permitted limit on gearing ratio of real estate investment trusts is 50%. Total credit facilities available to the Group amounted to RM856.8 million and there are unutilised facilities of RM172.1 million as at the end of the financial year. As at 31 December 2023, taking into consideration of the unutilised facilities, the Group has the capacity to secure a further RM12.1 million of credit facility before reaching the 50% limit permitted under the REIT Guidelines.

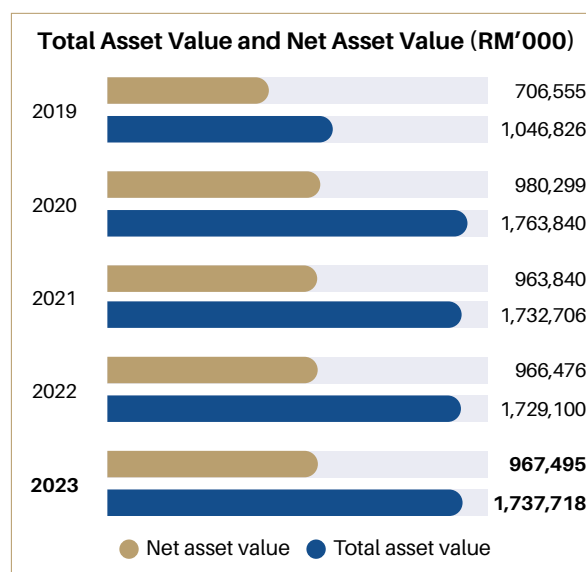
4) Cash Flow

As at 31 December 2023, the Group's has cash and bank balances of RM2.5 million (2022: RM2.7 million) and deposits with licensed financial institution of RM1.8 million (2022: RM1.2 million).

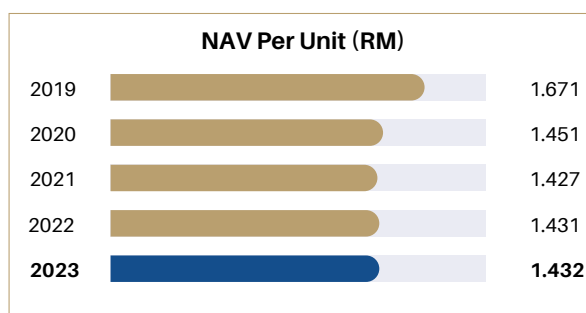
Based on the Statement of Cash Flows for the financial year ended 31 December 2023, the Group generated net cash from operating activities of RM72.5 million (before the payment of interest expenses of RM21.6 million), utilised cash for investing activities amounting to RM3.9 million, and utilised cash for financing activities amounting to RM68.2 million mainly for distribution to unitholders and payment of interest expense.

On a net basis, the Group has a net increase of cash and cash equivalent of RM0.4 million for the financial year ended 31 December 2023, which the cash and cash equivalent increase to RM4.3 million as at 31 December 2023.

5) Net Asset Value ("NAV")



The Group maintained a strong financial position as at 31 December 2023, with the Group's NAV after proposed final income distribution of RM967.5 million compared to RM966.5 million as at 31 December 2022. The Group's NAV per unit after proposed final income distribution has increased from RM1.431 to RM1.432.

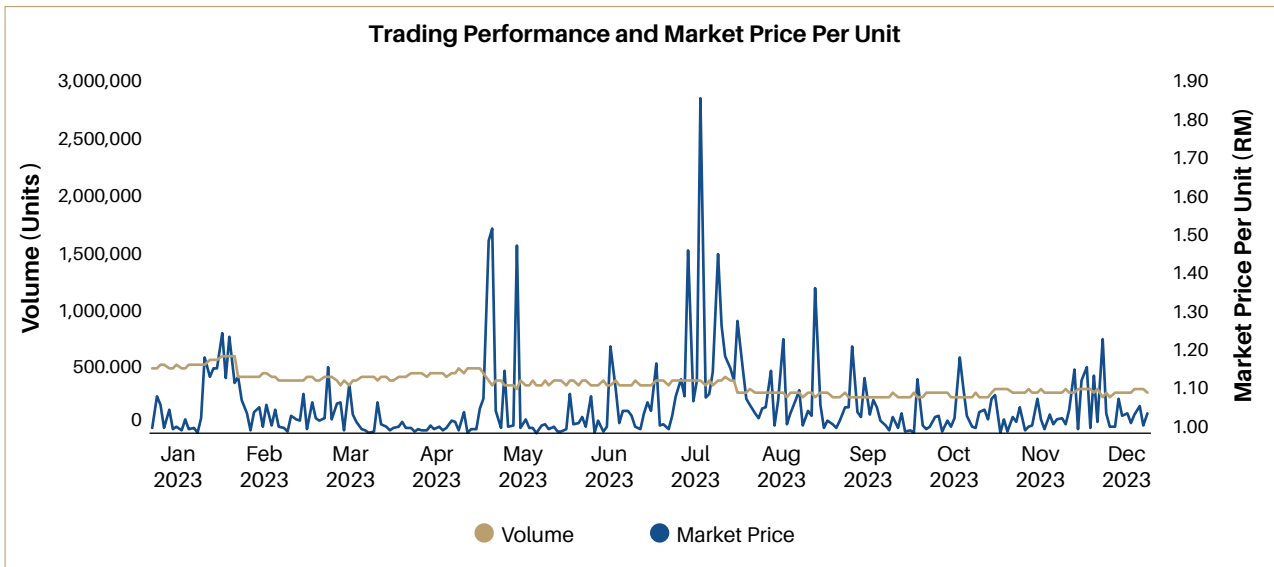


NAV per unit is announced on Bursa Malaysia's website on a quarterly basis.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF FINANCIAL RESULTS (CONTINUED)

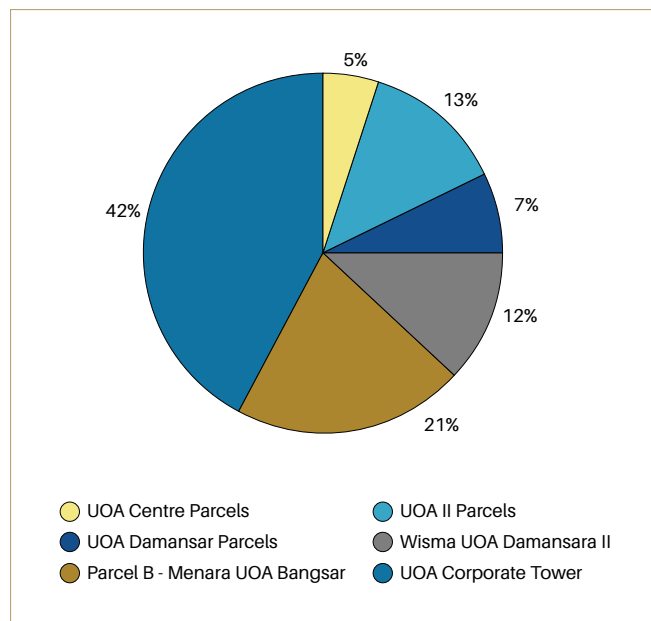
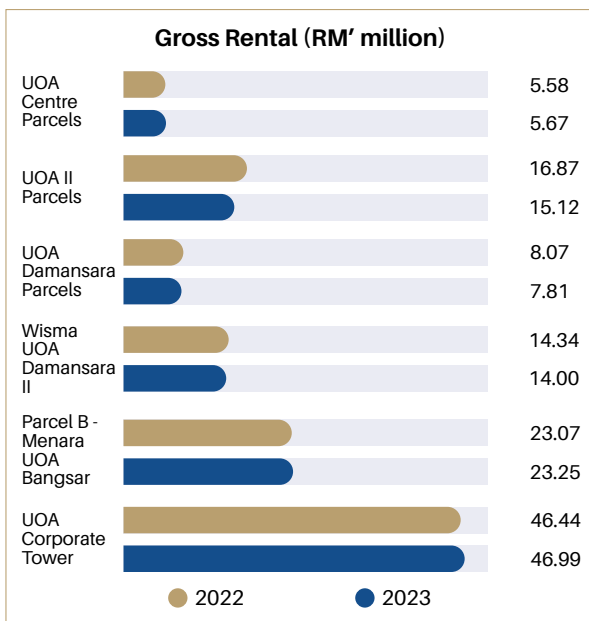
6) Trading Performance and Market Price Per Unit



As of the last trading day in December 2023, the closing unit price was at RM1.10 with a total trading volume of 56,181,100 during the financial year.

REVIEW OF OPERATING ACTIVITIES

1) Rental Income



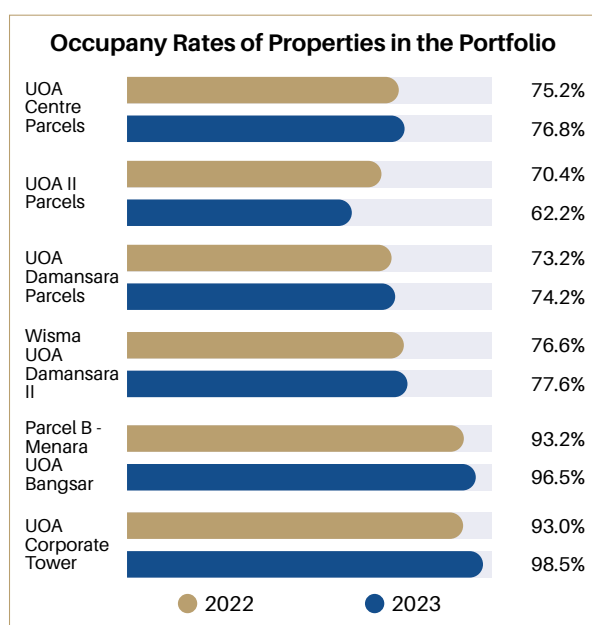
REVIEW OF OPERATING ACTIVITIES (CONTINUED)

1) Rental Income (continued)

In FYE 2023, UOA Corporate Tower remained the highest income generator among the portfolio of assets, followed by Parcel B - Menara UOA Bangsar and UOA II Parcels. Together, these three assets accounted for approximately 76% of the total gross income rental for the financial year.

Compared to the preceding financial year, UOA Corporate Tower, Parcel B - Menara UOA Bangsar, and UOA Centre Parcels experienced improvements in gross rental income due to increased occupancy rates resulting from new tenancies. However, UOA II Parcels, UOA Damansara Parcels and Wisma UOA Damansara II saw slight declines in gross rental income, mainly due to lower occupancy rates following the departure of multiple tenants upon the expiry of their tenancies.

2) Occupancy Rates



Including all secured tenancies, with the exception of UOA II Parcels, there were improvements in the occupancy rates of the Properties in the portfolio, resulting in an average occupancy rate of close to 81% as at 31 December 2023.

In FYE 2023, new tenancies, especially for UOA Corporate Tower, which experienced an increase in the occupancy rate, contributed to the overall improvements in the occupancy rates of the Properties in the portfolio. The decline in the occupancy rate in UOA II Parcels (-8.2%), mainly due to departure of a few sizeable tenants upon expiry.

The weighted average lease expiry ("WALE") of the portfolio, including all secured tenancies, as at 31 December 2023 stood at approximately 1.65 years (31 December 2022: 1.08 years). The WALE falls within the expected range as all rentals of Properties in the portfolio are typically executed via tenancy agreements with tenures ranging from 1 year to 3 years. The Manager actively monitors all tenancy expiries to optimise renewal and seek replacements for departing tenants.

3) Asset Enhancement Initiatives

Asset Enhancement Initiatives (AEI) remain integral to UOA REIT's operating strategies, ensuring our properties within portfolio remain competitive through consistent upgrades.

In FY2023, the Group completed the dual feed power infrastructure works at Parcel B - Menara UOA Bangsar to provide power redundancy to the tenants. This was carried out in preparation for the application of Malaysia Digital Cybercentre designation. The enhanced infrastructure will appeal to broader tenant base including information and communication technology ("ICT") companies. Additionally, Parcel B - Menara UOA Bangsar achieved LEED O+M GOLD green building certification in December 2023, demonstrating our commitment to sustainability. Through this initiative, there were enhancements to the fresh air fan system and the implementation of a high solar reflective roof insulation.

Refurbishment and upgrading works commenced in FY2023 at Parcel B - Menara UOA Bangsar, UOA Damansara Parcels, and Wisma UOA Damansara II with targeted completion in FY2024. Refurbishment efforts include upgrades to main lobbies, lift lobbies, corridors, and toilets. There are also ongoing renovation and refurbishment works in some of the vacant and partly fitted units in UOA II Parcels and Wisma UOA Damansara. The refurbishment work in vacant units is expected to extend to all properties within our portfolio throughout FY2024.

Repainting works on car park floors were completed for Parcel B - Menara UOA Bangsar, UOA Damansara Parcels and Wisma UOA Damansara II. Similar effort for UOA Centre Parcels and UOA II Parcels is targeted for completion in 1H2024.

As part of our green initiatives, all buildings within our portfolio are now equipped with Electric Vehicle ("EV") charging stations. Effort to install solar panel systems was initiated in FY2023 for UOA Corporate Tower, Wisma UOA Damansara II, and Parcel B - Menara UOA Bangsar and is expected to be completed by 1H2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RISK MANAGEMENT

The Manager recognises that it has the responsibility to manage risk effectively to safeguard the Trust from potential losses, damages or failures arising from actions or events that may have a potential adverse impact on achieving its goals and objectives. The Board of the Manager has established a sound risk management framework which is currently being adopted by the Manager that aims to continuously identify, evaluate, monitor and mitigate risks that will potentially affect the Trust.

1) Interest Rate Risk

As at 31 December 2023, the Trust's gearing was at 39.4%. Borrowings are exposed to the risk of interest rate fluctuation. While a fixed rate loan provides protection against rising interest rate, a floating rate loan is favourable in a falling interest rate environment.

The Manager closely monitors the interest rate environment and hedge the interest rate risk exposure accordingly. More than 60% of the Trust's current debts are in fixed rate loans which the Manager viewed as adequately hedged against any potential interest rate hike in the near future.

2) Capital and Liquidity Risk

Capital and liquidity risk is associated with the ability of the Group to access cash or capital at any given time to prevent insufficient liquidity to meet its business needs and financial obligations, including paying of income distributions, interests and loan repayments.

The Group adopts an active capital management strategy that is within the threshold as stipulated in the REIT guideline. The Group keeps an adequate credit facility available for all planned as well as unexpected cash requirements. In this financial year, the gearing ratio increased marginally to approximately 39.4% (31 December 2022: 39.1%) with an available credit facility of RM172.1 million ready to be utilised.

3) Credit Risk

Credit risk is the risk of a tenant or counterparty unable to meet their contractual obligations. Poor collections may give rise to cash flows issue.

To mitigate the Group's credit risk exposure, the Manager maintains a policy of collecting security deposits from all tenants which will secure default by the tenants. The Manager also performs thorough onboarding due diligence to assess the tenants' ability to meet the rental payment obligations prior to offering tenancies.

The Manager has implemented effective credit control measures such as close follow-up on rental arrears with tenants and the charging of late payment interest to deter late payment of rental. The Manager also maintains good tenant relations to increase timely rental collections.

4) Regulatory/Compliance Risk

The Group is required to comply with applicable legislation, regulations and guidelines including the Capital Markets and Services Act 2007, the Main Market Listing Requirements of Bursa Securities, the Listed REIT Guidelines, and tax legislation and regulations, where failure to do so may result in fines, penalties or other remedies available to the regulatory authorities.

Any such compliance failures may impact the Group's financial performance or reputation, whilst amendments to existing requirements or introduction of new requirements may also increase compliance costs. The Manager addresses these risks via its governance and internal control frameworks to monitor and ensure compliance, further details of which can be found in the Statement of Corporate Governance in this Annual Report.

5) Acquisition and Investment Risk

Acquisition and investment risks refer to imperil of assets / investments not being yield accretive, affecting the overall performance of the Group.

The Manager will remain selective and manages such risks by evaluating potential acquisitions against approved investment criteria. The Due Diligence Committee was established to evaluate all proposed acquisition from financial, legal and technical aspects. There were no acquisitions and divestment of real estate during the financial year.

OFFICE SECTOR REVIEW

FY2023 was faced with challenges such as inflation, subdued consumer confidence and the looming prospect of interest rate hikes. Despite these hurdles, there are signs of gradual improvement in the office sector.

The overall occupancy rate of purpose-built office space in KL City and KL Fringe moderated to 65.9% and 83.9% respectively during 2H2023 (1H2023: 67.7% and 85.4% respectively), attributed to the influx of new supply into the market. (Source: Knight Frank Malaysia, Real Estate Highlights 2nd Half of 2023)

Overall, the office market remains resilient due to its ability to bounce back from economic challenges and adapt to changing market dynamics. Kuala Lumpur office vacancy rates have steadily declined throughout 2023, especially within the prime locations of KL Fringe, showcasing strong demand for quality space. (Source: Cushman & Wakefield, Kuala Lumpur Office MarketBeat Report, Q4 2023)

Market dynamics such as economic growth, market sentiment and the cost of doing business continue to influence the demand for office space. Landlords are facing obstacles from influx of new office supply and rising operational costs. This surge in supply, coupled with increased cost of doing business, intensified competition which resulted in a challenging environment to achieving substantial growth in rental and occupancy rates. Amidst the prevailing factors, the office rental market in KL City area is expected to continue to face headwinds while decentralised locations with established infrastructure are likely to remain resilient.

MOVING FORWARD

The overall economic uncertainty continues to exert pressure on the office rental market. Despite these challenges, the Manager remains cautiously optimistic on the future outlook. A drop in rental income is expected for Parcel B - Menara UOA Bangsar given the departure of its anchor tenant upon expiry. While the Manager is actively seeking replacement for the space, it is anticipated that the replacement tenants will likely not commence rental during 1H2024. Apart from that, the Manager expects gradual improvement in rental activities and will work towards improving the occupancy rates.

The Manager will continue to actively market the vacant space in the Properties and identify potential enhancement initiatives. Meanwhile, the Manager will also maintain its active capital management strategy and continue to explore potential yield-accretive acquisitions that meet the objectives of UOA REIT.



UOA Corporate Tower

SUSTAINABILITY STATEMENT

About this Statement

This statement represents UOA Real Estate Investment Trust ("UOA REIT") annual Sustainability Statement ("Statement"), highlighting our efforts and performances in managing the Economic, Environmental and Social ("EES") aspects of sustainability.

Reporting Framework

In preparing this statement, we have been guided by the key principles of the following:

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements, with reference to the latest edition of the issued Sustainability Reporting Guide 3rd Edition;
- Global Reporting Initiative ("GRI") Standards and its latest Universal Standards 2021; and
- Task Force on Climate-related Financial Disclosure ("TCFD")^{*}.

^{*} Following the publication of the inaugural ISSB Standards — IFRS S1 and IFRS S2—the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) - from 2024.

Reporting Scope

This statement covers the Group's sustainability performance from 1 January 2023 to 31 December 2023 ("FYE 2023"), focusing on UOA REIT's properties. Where relevant, we include previous years' data for progress tracking and context. This statement addresses 12 material sustainability topics affecting our business and stakeholder value.

Reference to employees, unless stated otherwise, refers to employees of UOA Asset Management Sdn Bhd (the "Manager") and Jordan Lee & Jaafar Sdn. Bhd (the "Property Manager"). UOA REIT does not have any employees.

Assurance

In strengthening the credibility of this report, data for each corresponding material topic has undergone review by our internal auditors.

Accessibility

This Sustainability Statement can be accessed and downloaded through UOA REIT's Annual Report in the corporate website.



Sustainability Governance Structure

The following is the structural framework of UOA REIT's sustainability governance aligned with the TCFD recommendations.



The Board of Directors ("Board") at UOA Asset Management Sdn Bhd has the primary responsibility for overseeing UOA REIT's sustainability strategies and performance. They receive support from the Audit and Risk Management Committee, along with the Chief Executive Officer ("CEO") who leads the "Sustainability Committee" to supervise the Group's sustainability efforts, activities, and initiatives.

Stakeholder Engagement

Recognizing the significant role stakeholders play in our business operations, we prioritize their importance. More details can be found in the engagement table below.

Stakeholders	Engagement Channel	Frequency
Trustees	<ul style="list-style-type: none"> Annual General Meeting Investor relation events 	<ul style="list-style-type: none"> Yearly On-going
Tenants	<ul style="list-style-type: none"> UOA newsletter Tenants and office building management committee meetings 	<ul style="list-style-type: none"> Yearly On-going
Unitholders	<ul style="list-style-type: none"> Annual General Meeting Interim financial reports Unitholders' meeting Corporate announcements UOA newsletter 	<ul style="list-style-type: none"> Yearly Quarterly On-going On-going Yearly
Employees	<ul style="list-style-type: none"> Recruitment, training, and development programmes Staff appraisal Long service award Internship programme 	<ul style="list-style-type: none"> On-going Yearly Yearly On-going
Suppliers and Contractors	<ul style="list-style-type: none"> Supplier evaluations Performance reviews 	<ul style="list-style-type: none"> Yearly Yearly
Investors/Fund Providers	<ul style="list-style-type: none"> Analyst briefings Regular meetings with analysts, fund managers and other investors 	<ul style="list-style-type: none"> On-going On-going
Regulatory Authorities	<ul style="list-style-type: none"> Regular meetings with relevant authorities Attending talks and conferences organised by regulators 	<ul style="list-style-type: none"> On-going On-going
Industry Peers	<ul style="list-style-type: none"> Conferences Annual reports Membership associations 	<ul style="list-style-type: none"> On-going Yearly Quarterly
Local Communities	<ul style="list-style-type: none"> Community engagement programmes Collaborations with NGOs Donations and financial aid 	<ul style="list-style-type: none"> On-going On-going On-going
Media	<ul style="list-style-type: none"> Press releases Regular updates and engagement sessions 	<ul style="list-style-type: none"> On-going On-going

SUSTAINABILITY STATEMENT (CONTINUED)

Materiality Assessment

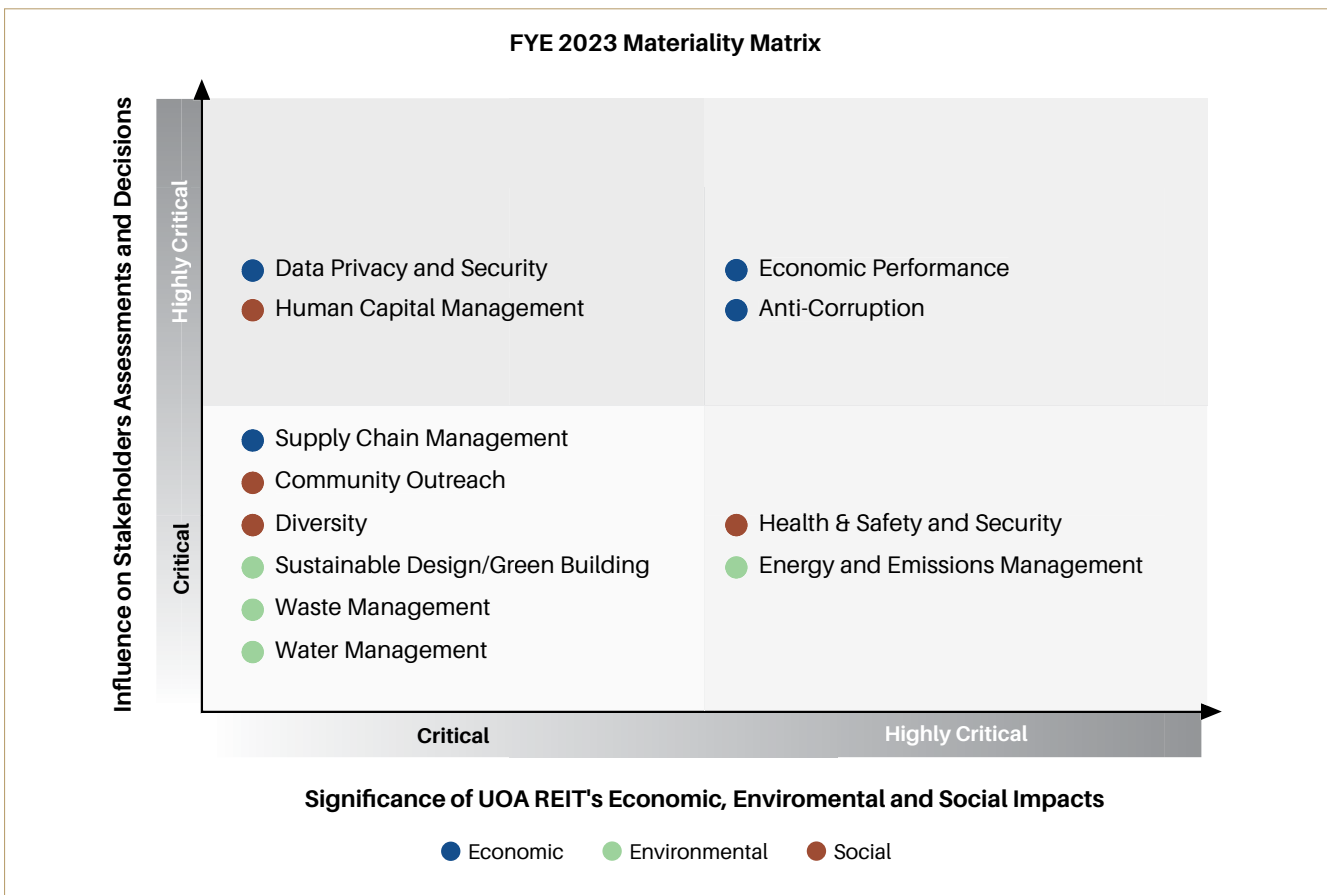
In the year under review, we have reviewed and realigned FYE 2023’s material topics based on the Bursa Malaysia Sustainability Reporting Guide 3rd Edition, their toolkits, (“Economic, Environment, Social and Governance”) (“EESG”) indicators and GRI Standards. As part of this realignment, we introduced ‘Data Privacy and Security’ and ‘Sustainable Design/Green Building’ as the new material topics.

During the reporting period, six (6) material topics have been renamed including ‘Financial Sustainability’, ‘Regulatory Compliance’, ‘Managing Occupational Health & Safety and Security’, ‘Promising Workplace’, ‘Energy, Water & Resource Efficiency’, ‘Waste’ to ‘Economic Performance’, ‘Anti- Corruption’, ‘Health, Safety and Security’, ‘Diversity’, ‘Human Capital Management’ and ‘Energy and Emissions Management’, ‘ Water Management’, ‘Waste Management’ to better reflect its content.

We maintain constant vigilance over the business environment and maintain ongoing discussion with our stakeholders. This ensures that we correctly identify the risks and opportunities stemming from our operating environment, address the needs of our stakeholders, and effectively manage our critical sustainability aspects.

Materiality Matrix

The materiality matrix below illustrates 12 material topics aligned along the x-axis to indicate their significance of our EES impacts. Simultaneously, these topics are positioned along the y-axis to reflect their influence on stakeholder assessments decisions concerning our business engagements.



Economic

Economic Performance (GRI 201-1)



Amidst the challenging environment the business is operating in, economic performance of the Group remains a key concern amongst our stakeholders – trustees, tenants, unitholders, employees, investors/fund providers, regulatory and authorities.

For FYE 2023, the Group generated revenue of RM113.5 million which represents direct economic value generated. A total of RM112.7 million was distributed during our review period, as per the following summary.

	FYE 2023 RM' million	FYE 2022 RM' million	FYE 2021 RM' million
Economic Value Generated	113.5	114.8	116.9
Less: Economic Value Distributed, which consists of:	112.7	111.5	111.2
• Payment to vendor/service provider (1)	38.2	33.5	34.0
• Payment to capital providers	74.5	78.0	77.2
Economic Value Retained	0.8	3.3	5.7

- (1) Payment to vendor/service provider includes employees' wages and remuneration costs.
- (2) UOA REIT is exempt from income tax as long as we distribute over 90% of our income. The payment of RM95,000 to the government in FYE 2023 originates from the subsidiary and constitutes solely income taxes.
- (3) Further discussion on Economic Performance can be found in the Management Discussion and Analysis ("MD&A") and Financial Statements section of this Annual Report.

Product Investments

In FYE 2023, we continued strategic investments in Asset Enhancement Initiatives ("AEI") to enhance competitiveness and appeal to tenants. More detailed discussion on this can be found in the Management Discussion and Analysis Section of this Annual Report.

However, a summary of total capital expenditure incurred for the past three years, is as following:

	FYE 2023 RM' million	FYE 2022 RM' million	FYE 2021 RM' million
Total capital expenditure incurred for AEI	3.5	Nil	Nil

In the reporting year, the total capital expenditure for our AEI was RM3.5 million, whereas it was nil in both FYE 2022 and FYE 2021. This absence of capital expenditure during those years was due to the Malaysian Movement Control Order ("MCO") period and cost-saving measures implemented, particularly regarding rental expenses.

Customer Focus

Product and service quality is integral to our Group's success, driving customer satisfaction, reputation, and competitive advantage.

Within our annual Key Performance Indicators ("KPIs"), we demonstrate the quality of our properties by achieving Tier 1 building status under Malaysia Digital Status. Wisma UOA Damansara II and UOA Corporate Tower have already attained this status, providing advanced connectivity infrastructure for high-speed internet access and seamless communication for tenants and clients. We are currently working towards obtaining another Tier 1 building status for Menara UOA Bangsar, with a target completion in Quarter 1, 2024.

SUSTAINABILITY STATEMENT (CONTINUED)

Economic (Continued)

Economic Performance (GRI 201-1) (continued)

Customer Focus (continued)

A tenant-focused mobile app is in place for efficient handling of inquiries, forms, and complaints, with a commitment to timely responses of thirty (30) minutes to one (1) business day depending on the complaint's severity.

UOA REIT measures customers' satisfaction levels through our annual surveys conducted for our tenants on the services we provide and the quality of the properties. These measures guide our commitment to enhancing customer experience and meeting their expectations.

Supply Chain Management (GRI 204-1)



We consistently give preference to local suppliers as part of our commitment to ensure a steady supply and contributing to the Malaysian economy. This preference is subject to local suppliers meeting our criteria for price, quality, performance, and ethical standards.

We maintain an Approved Vendor Listing with annual contracts for qualified suppliers. New suppliers undergo a rigorous screening process, including background checks and references, and must provide operating licenses. Suppliers undergo annual performance evaluations, with scores from 1 (poor) to 5 (excellent). We assess improvements and determine whether to retain, monitor, or replace suppliers, while also conducting regular performance monitoring to ensure quality work.

As such, 100% of our supplies were sourced locally for the reporting year, consistent with the preceding two years.

Anti-Corruption (GRI 205-1, 205-2, 205-3)



The Board acknowledges the significance of ethical conduct throughout our operations in upholding the trust of our stakeholders. Therefore, we adopt a strict anti-bribery stance and manage the risk of bribery and corruption through our Code of Conduct, Anti-Bribery and Corruption ("ABC"), and Whistleblowing Policies, aligning with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009. Our compliance monitoring procedures are guided by our corruption risk assessment, which is reviewed across all our operations, on an annual basis.

To ensure that employees, especially those in top management and those responsible for decision-making, are well-versed in our anti-corruption policies and procedures, we mandate their attendance in formal training. Our target is to conduct formal training on key aspects of corruption and (re) introduce relevant rules and penalties covering anti-corruption to our employees on triannual basis. The following table illustrates the extent of participation by employee categories in our structured anti-corruption training.

Employee Category	FYE 2023 (%)	FYE 2022 (%)	FYE 2021 (%)
Senior Management	100	Nil	Nil
Middle Management	100	Nil	Nil
Executive	89	Nil	Nil
Non-Executive	86	Nil	Nil

Economic (Continued)

Anti-Corruption (GRI 205-1, 205-2, 205-3)(continued)

Apart from the training, we also utilised other communication methods, including email, memos and continuously monitor and review of internal reports. These approaches serve to enhance our anti-corruption measures, fostering effective information dissemination, continuous awareness, and systematic monitoring and review of internal reports for any indications of corruption. In the event of an onboarding of a new employee, we are committed to requiring said employee to attend formal training during their probationary period.

As a testament to our vigilance, we are pleased to announce that there were no confirmed incidents of corruption reported in the past three years.

Please refer to the Statement of Corporate Governance, Audit & Risk Management Committee Report, and Statement on Risk Management and Internal Control of this Annual Report for more details on compliance.

Data Privacy and Security (GRI 418-1)



Our data privacy policy adheres to local regulations such as the Personal Data Protection Act 2010. Given that a significant portion of information is stored digitally, we have in place a Cybersecurity Policy that covers key principles such as security, retention, access, and data integrity - in order to ensure continuous compliance with the relevant laws.

The following table summarizes the key initiatives covered in Our Cybersecurity Policy.

Initiative	Protective Measures
Hardware	Security measures for our physical assets, including server rooms and office computers, to prevent unauthorised access. This includes access controls, Closed-Circuit Television ("CCTV") surveillance, and alarms.
Networking	Security protocols for firewalls, our internal network, and web-based applications to protect against online threats. This includes firewall rules, and regular vulnerability assessments. Additional cybersecurity measures include the Implementation of: <ul style="list-style-type: none"> • Firewall, and antivirus solutions. • Stringent Wi-Fi access control, disabling off-site access to the company network.
Integration	Ensuring secure integration between our internal network and web-based applications. This involves implementing secure Application Programming Interface ("APIs") for data exchange, encrypting data in transit, periodic audits, and monitoring.
Operation of System	Policies and practices related to system operations, including user access control. This includes Role-Based Access Controls ("RBAC"), Intrusion Detection and Prevention Systems ("IDPS"), and Secure Sockets Layer ("SSL")/ Transport Layer Security ("TLS") encryption for secure data transmission, security training and awareness programs, and an incident response plan.
Backup and Disaster Recovery	Procedures and strategies for data backup and recovery. This includes on-site backups for crucial UOA Group systems such as financial servers.

To address the issue of phishing, we send out memos and emails to remind employees, helping them recognize and address potential phishing threats.

We are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to breaches of customer privacy and losses of customer data during the reporting year, as was the case for the previous two years.

SUSTAINABILITY STATEMENT (CONTINUED)

Environment

Energy and Emissions Management (GRI 302-1, 305-1, 305-2)



Energy

We are aware that energy cost will continue to rise in the immediate future as the Malaysian government continues to increase nondomestic electricity tariff and remove/reduce fuel subsidy. This is driven by factors such as the Malaysian government’s net zero goal and its policy on reducing fiscal deficit from subsidy of energy cost which counters its net zero aspirations.

Concurrently, understanding the impact of climate change on electricity supply reliability for our buildings, we monitor our energy consumption and continue to implement green practices into our properties as a response to this urgent climate challenge, aiming to reduce both energy usage and carbon emissions.

To date, key initiatives related to energy-saving and energy efficiency aimed at reducing our energy consumption include:

Initiatives	Properties
<p>Natural Ventilation: Notably, natural ventilation is incorporated in the lift lobby and corridor at the business suite, facilitated by built-in ducting for Carbon Dioxide, CO₂ flow to exit the building, particularly in parking areas.</p> <p>Presently, UOA Corporate Tower is equipped with the building’s ventilation system. Each tenant unit is furnished with a CO₂ sensor (set at 1,000 PPM) to monitor air quality within the building. Each level is divided into four zones, each equipped with two sensor units to ensure comprehensive monitoring.</p>	<ul style="list-style-type: none"> • UOA Centre Parcels • UOA II Parcels • UOA Damansara Parcels • Wisma UOA Damansara II • Parcel B - Menara UOA Bangsar • UOA Corporate Tower
<p>Heat Recovery Wheel: UOA Corporate Tower is equipped with a heat recovery wheel designed to transfer heat and humidity between the supply and exhaust air. This heat recovery wheel is situated at the rooftop and is an integral part of the air-conditioning system.</p>	<ul style="list-style-type: none"> • UOA Corporate Tower
<p>Efficient Lighting Management (LED Lighting and Lighting Zoning & Motion Sensor Lights): Efficient lighting management primarily involves the installation of LED lighting and timer controls. Motion sensors are incorporated in common corridors, toilets, and staircases. In the car park, motion sensor lights and lighting zoning are implemented.</p> <p>Full lighting (100%) is programmed to be active from 8 am until 8 pm. Outside this period, lighting is reduced; for instance, in the lift lobby area, 50% of lights would be turned off in an alternate sequence.</p> <p>Based on the watt consumption of the lighting, a 40% savings in the use of LED lighting is estimated when compared to PLC lighting (Conventional lighting).</p>	<ul style="list-style-type: none"> • UOA Centre Parcels • UOA II Parcels • UOA Damansara Parcels • Wisma UOA Damansara II • Parcel B - Menara UOA Bangsar • UOA Corporate Tower
<p>High-Performance Glazing: UOA Corporate Tower is installed with high-performance double-glazed windows to minimize heat gain.</p>	<ul style="list-style-type: none"> • UOA Corporate Tower
<p>Centralised Air Conditioning System and Highly Efficient Equipment: The centralized air conditioning system inside our building features components such as a chiller, a heavy-duty cooling tower, and an automation system that supplies air to every corner of the building.</p> <p>UCT is equipped with a Building Automation System (BAS) or Building Management System (BMS) inside the building for centralized air conditioning. This monitoring system is located in the control room and is used to monitor temperature, CO₂ levels, and set air-conditioning parameters.</p>	<ul style="list-style-type: none"> • UOA Corporate Tower

Environment (Continued)

Energy and Emissions Management (GRI 302-1, 305-1, 305-2) (continued)

Energy (continued)

To date, key initiatives related to energy-saving and energy efficiency aimed at reducing our energy consumption include (continued):

Initiatives	Properties
Sub-Metering: Separate metering facilities are installed for lighting, power, domestic water and rainwater for effective overall consumption monitoring.	<ul style="list-style-type: none"> • UOA Centre Parcels • UOA II Parcels • UOA Damansara Parcels • Wisma UOA Damansara II • Parcel B – Menara UOA Bangsar • UOA Corporate Tower

In FYE 2023, the total energy consumption is as following.

Total of Energy Consumption	FYE 2023 (GJ)	FYE 2022 (GJ)	FYE 2021 (GJ)
Purchased Electricity	31,342	31,496	28,112
Fuel Consumption - Diesel	76	Nil	Nil
Total	31,418	31,496	28,112

1. Fuel consumption is tracked by considering generator sets owned or controlled by the Group.
2. Energy conversion factors used is based on fuel litre consumption derived from UK Government GHG Conversion Factors for Company Reporting 2023, assuming that the fuel used is 100% mineral diesel.
3. The data for fuel consumption is from Wisma UOA Damansara II property.
4. The data for purchased electricity includes both Wisma UOA Damansara II and UOA Corporate Tower properties. The data excludes other common properties under the Management Corporation.

For FYE 2023, total energy consumed was 31,418 GJ. 0.24% of our energy consumption is from generator sets fuel consumption owned by the Group, whilst the remaining is from purchased electricity.

We strive to ensure the energy security of our property buildings. In the case of Wisma UOA Damansara II, UOA Corporate Tower, and Parcel-B Menara UOA Bangsar properties, we have implemented safeguard measures. These include the construction of a Tenaga Nasional Berhad ("TNB") substation, enabling dual-feed, and a reliable 99% backup power line. These measures are essential for sustaining our operations during power interruptions. Additionally, we have generator sets that can provide up to 8 hours of backup power. To further enhance our energy security, we maintain on-site response teams in case of power disruptions.

SUSTAINABILITY STATEMENT (CONTINUED)

Environment (Continued)

Energy and Emissions Management (GRI 302-1, 305-1, 305-2) (continued)

Emission

We have not yet implemented an emission management framework and program, resulting in the absence of specific targets and plans for achieving this goal. Despite this, we continue to engage with our stakeholders and evaluate the feasibility of establishing an appropriate emission management framework. Moreover, we have begun to track our Scope 1 and Scope 2 GHG emissions, as follows:

Emission Type	FYE 2023 (tCO ₂ e)	FYE 2022 (tCO ₂ e)	FYE 2021 (tCO ₂ e)
Direct GHG Emission (Scope 1)	5	Nil	Nil
Indirect GHG Emission (Scope 2)	5,093	5,118	4,568
Total GHG Emissions	5,098	5,118	4,568

- Scope 1 emissions are direct greenhouse gas ("G") emissions that occur from sources that are owned or controlled by the Group. Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting 2023.
- Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Group. Emission Conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation (0.585 tCO₂e/MWh).
- We have not begun tracking Scope 3 for the reporting year.

We have observed an increase in emissions, associated with our diesel consumption in FYE 2023. We will continue to improve the disclosure of emissions in subsequent reports, recognising this as an ongoing work in progress.

Currently, we are exploring solar panel partnerships with GSPARX and TNB lease-back initiatives in 2024 for Wisma UOA Damansara II, UOA Corporate Tower, and Menara UOA Bangsar. These efforts aim to integrate renewable energy, transparently disclosing the potential impact on emission reduction.

Waste Management (GRI 306-3, 306-4, 306-5)



In FYE 2023, UOA REIT has generated a total of 624 tonnes of office waste.

Category	FYE 2023 (Tonnes)	FYE 2022 (Tonnes)	FYE 2021 (Tonnes)
Waste directed to disposal	624	626	626
Waste diverted from disposal	Nil	Nil	Nil
Total Waste Generated	624	626	626

- Waste diverted from disposal includes waste that is reused, recycled, or subject to other recovery option.
- The office waste data were collected from UOA Corporate Tower and Wisma UOA Damansara II property. The data excludes other common properties under the Management Corporation.
- UOA REIT relies on the third-party/vendor for waste collection; hence, the data collected is based on their information and to the best of our estimation. The number of tonnes of waste assumes 1 tonne per lorry per trip per day. For example, FYE 2023= 365 - 53 Sundays= 312 tonnes × 2 (UOA Corporate Tower and Wisma UOA Damansara II) = 624 tonnes.

We adhere to local waste management laws and regulations to ensure proper waste disposal procedures. Every two years, certified service providers handle Chlorofluorocarbon ("CFC") refrigerant waste from our chillers, transporting it to licensed facilities or recycling centres. Our objective is to reclaim and reuse the refrigerant whenever possible, and in cases where recycling is not feasible, we ensure compliant disposal.

Environment (Continued)

Waste Management (GRI 306-3, 306-4, 306-5) (continued)

Here at the Group, we continue to practice sustainable waste management methods through the acts of reusing, recycling, and repurposing. Among the initiatives we have in UOA REIT include:

- Reduce** : To reduce paper consumption, we prioritize electronic communication, encouraged double-sided printing, and implemented digitalisation initiatives such as transforming hardcopy records into softcopy.
- Reuse** : Reusable fixtures and fittings are integrated into our property management practises to extend their useful life, and we explore innovative ways to repurpose materials across different properties.
- Recycle** : We recycle festive decoration materials post-events and use recycled paper and envelopes in our offices.

We are presently in the process of renewing our recycling bins initiative for our operations in Bangsar South. This initiative is part of a strategic partnership with Alam Flora Environmental Solutions (“AFES”), a subsidiary of Alam Flora, specialising in waste management and recycling solutions.

Water Management (GRI 303-3, 303-4, 303-5)



We are acutely aware of the importance of addressing water scarcity issues in Malaysia, particularly in light of past disruptions caused by water shortages, dry spells, and river pollution. Water is a vital resource in our daily operations, ensuring the functionality of all properties and compliance with health and safety regulations.

In FYE 2023, UOA REIT’s total water consumption amounts to 112 megalitres, which is equivalent to our water withdrawal, given that we have zero water discharge. Rainwater harvesting systems are implemented in Wisma UOA Damansara, Wisma UOA Damansara II, Menara UOA Bangsar, and UOA Corporate Tower. However, there is no recorded consumption data due to the absence of meters.

Water Consumption	FYE 2023 (ML)	FYE 2022 (ML)	FYE 2021 (ML)
Total Water Withdrawal from Public Water Supply	112	71	47
Total Water Discharged	None	None	None

1. The data for water consumption is from Wisma UOA Damansara II and UOA Corporate Tower properties. The data excludes other common properties under the Management Corporation.

A range of initiatives to minimise water wastage and reduce our environmental footprint has been maintained. This includes non-chemical water treatment systems for cooling towers to reduce the risk of airborne diseases and minimise the environmental impact associated with traditional chemical treatments. We also monitor water consumption at each property, promptly investigating and taking corrective action if any irregularities are detected.

We continue to explore initiatives to reduce water consumption across all properties. This includes water-efficient landscaping and fittings such as the use of native or adaptive plants to reduce potable water consumption, the installation of self-closing basin taps, dual flush toilet cisterns, and spray bidets. These have been installed at Menara UOA Bangsar, Wisma UOA Damansara II, and UOA Corporate Tower to curtail water wastage among tenants.

To enhance water management and minimise disruptions, rainwater harvesting systems have been installed, and directed for non-potable use. Additionally, retention tanks capable of providing sufficient water for up to three (3) days are in place in case of any disruptions in our office buildings.

SUSTAINABILITY STATEMENT (CONTINUED)

Environment (Continued)

Sustainable Design/Green Building



We recognize the growing interest of our tenants in environmentally sustainable living spaces. Green building practices benefit us with reduced costs and increased property value, while tenants enjoy healthier, eco-friendly living environments.

In FYE 2023, we successfully obtained LEED O+M GOLD Certification for Parcel B - Menara UOA Bangsar and are currently working to obtain green building certifications for Wisma UOA Damansara II. We strive to achieve higher ratings from leading green building certification bodies, such as the Green Building Index ("GBI") and LEED through collaboration with third-party green consultation.

Our commitment to a sustainable design in our properties encompasses a range of practices as listed in the table below.

Energy Efficient Technologies	<ul style="list-style-type: none"> • Lighting zones for more flexible control by owners and tenants. • LED lighting installed throughout the car park area and corridors. • Motion sensor lights installed in toilet/staircase and tested with a digital power meter in designated buildings. • Curtain glass wall using double glazing glass, which helps reduce cooling costs by reducing the flow of heat from outside to the inside. • Upgrading of existing lifts with high efficiency motor and equipment with energy regeneration system. • Centralized air condition system, installation of chilled water and condenser water treatment, usage of high efficiency water cooled chiller, default setting of room temperature (main lobby, lift lobby and office areas). • Heat recovery wheel to shift lower temperature air from outside into indoor office areas by heat transfer through the heat wheel. • Separate metering installed for lighting, power, domestic water, and rainwater.
Enhanced Indoor Air Quality	<ul style="list-style-type: none"> • Prohibition of smoking in the buildings (Smoke Free Zone). • Used of materials with minimal Volatile Organic Compounds (VOC) and formaldehyde content for paint and coating. • Upgraded fresh air system in FYE 2023 for Parcel B - Menara UOA Bangsar and Wisma UOA Damansara II. • Roll out mats implementation at entrances and in high-traffic areas to effectively trap and collect dust. • Engaging with green consultant to verify Indoor Air Quality ("IAQ").
Environmental Responsibility	<ul style="list-style-type: none"> • Refrigerants and clean agents. • Non-chemical water treatment for cooling tower.
Resource Efficiency	<ul style="list-style-type: none"> • Rainwater harvesting. • Water efficient landscaping. • Water efficient fittings. • We practice "Reduce, Reuse, Recycle" by prioritizing electronic communication, using reusable fixtures, and recycling materials, including festive decorations.

Environment (Continued)

Sustainable Design/Green Building (continued)

In addition to our sustainable design initiatives for property buildings, we conduct regular building inspections and maintenance to ensure their continued functionality, efficiency, and environmental performance.

As part of our climate adaptation strategy, we incorporated On-Site Detention Tanks (“OSDT”) to capture and temporarily store rainwater runoff from a property before releasing it into the drainage system. These tanks help reduce the risk of flooding and minimize the impact of heavy rainfall on the local environment. Operating in a flood-prone area, we have installed flood sensors, maintained a ready supply of sandbags, and used water pumps as crucial tools for flood management. These preparations help us respond swiftly, minimise flooding impact, and protect our properties from water damage.

Looking ahead, we aim to conduct an internal assessment tailored specifically to sustainable design practices of our properties. This initiative is not solely aimed at enhancing our current operations and appealing to our existing tenants but also positioning ourselves to meet the evolving expectations of potential future acquisitions.

Social

Diversity (GRI 405-1)



UOA REIT understand the significance of diversity as it enriches the Company by bringing a wide range of insights and viewpoints into our decision-making processes, enhances risk awareness, and fosters adaptability to change. However, our focus is on providing equal opportunities for everyone, where individuals are selected based on their skills and potential for development. Consequently, we do not set specific goals for workplace diversity, as our recruitment is a merit-based approach.

Despite that, we are pleased to report that we continue to maintain a healthy level of diversity while still emphasising meritocracy in all our hiring practices. The following tables reflect the percentage of gender, age, and diversity in terms of race across our business.

Employee Category	FYE 2023		FYE 2022		FYE 2021	
	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)
Senior Management	75	25	67	33	50	50
Middle Management	Nil	100	33	67	Nil	100
Executive	42	58	44	56	47	53
Non-Executive	73	27	78	22	70	30

Employee Category	Age in Years (%)								
	FYE 2023			FYE 2022			FYE 2021		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	50	50	Nil	33	67	Nil	75	25
Middle Management	Nil	100	Nil	17	83	Nil	20	80	Nil
Executive	5	79	16	6	81	13	13	80	7
Non-Executive	32	64	4	31	65	4	22	74	4

SUSTAINABILITY STATEMENT (CONTINUED)

Social (Continued)

Diversity (GRI 405-1) (continued)

The following provides a breakdown of the composition of Bumiputera and non-Bumiputera employees.

Composition	FYE 2023 (%)	FYE 2022 (%)	FYE 2021 (%)
Bumiputera	69	73	68
Non-Bumiputera	31	27	32
Total	100	100	100

Board Diversity

We recognize the importance of gender diversity at the decision-making level as part of our commitment in delivering value to our stakeholders. Currently, the Board has not adopted any female representation target as part of its diversity policy.

At the date of this report, the diversity in age and gender for the Board are as follows:

Employee Category	FYE 2023		FYE 2022		FYE 2021	
	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)
Board of Directors	80	20	80	20	80	20

Employee Category	Age in Years (%)								
	FYE 2023			FYE 2022			FYE 2021		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Board of Directors	Nil	40	60	Nil	40	60	Nil	40	60

Human Capital Management (GRI 404, 401, 401-1)



We strive to formulate a people-centric human resource approach to retain and recruit talents, whereby our employees can continuously grow and contribute. We recognize the development of human capital as a mission critical in ensuring the Company's continued success, amidst the key challenges of the skill mismatch among young graduates against industry needs, the advent of the gig economy, an ageing society in key markets where we operate, and high attrition rate, especially among the post-millennial generation. We comply with the Employment Act 1955 in our operation to ensure legal compliance and the well-being of our employees.

Social (Continued)

Human Capital Management (GRI 404, 401, 401-1) (continued)

Talent Recruitment

In order to attract and connect with talented individuals, we leverage on our initiatives and actively engage in various events and platforms.

Campus Engagement and Recruitment	<ul style="list-style-type: none"> • Offer internships and participate in career fairs to build our early-in-career talent pipeline. • Sponsorship of student initiatives/events which are in line with UOA's talent needs.
Structured Internship Programme	<ul style="list-style-type: none"> • To provide 3 to 6 months on-the-job training and exposure for interns to develop skills with continuous guidance and engagement through mentoring and evaluation. • To assess the intern's performance for job transition as permanent employees.
Graduate Programme	<ul style="list-style-type: none"> • Mutual beneficial program for the Group. • Allows mentors (our employees) to hone their mentoring skills while engaging with the participants. • Provides recent graduates with a structured and tailored route into the industry, allowing them to broaden their commercial knowledge and professional networks. • A progress evaluation will be conducted to assess both participant and mentor learning progress in key criteria such as communication skills and teamwork.
Social Media Engagement	<ul style="list-style-type: none"> • Leveraging the network effect of social media for talent recruitment through the amplification of our job postings, creating a wider reach and fostering connections with potential candidates who may not have otherwise come across our opportunities.

Training and Education

To align with our business requirements and empower our workforce to maximise their potential, we have implemented comprehensive training and development programs.

Our training sessions cover diverse topics such as financial analysis, transfer pricing, data analysis with Power BI and Excel, retirement planning, language classes, negotiation, strata management, workplace safety, problem-solving, and decision-making. Additional themes include email etiquette, first aid, supervisory development, effective communication, team dynamics, resilience, growth mindset, legal aspects, risk assessment, customer complaints, tax, e-invoicing, and bridging generation gaps.

For FYE 2023, the Group conducted a total of 864 training hours. In comparison, FYE 2022 and FYE 2021 recorded a total of 471 and 77 hours, respectively.

Employee Category	FYE 2023 (Hours)	FYE 2022 (Hours)	FYE 2021 (Hours)
Senior Management	64	28	26
Middle Management	105	85	30
Executive	467	198	13
Non-Executive	228	160	8
Total	864	471	77

Improvements in the collation of training hours were initiated as part of the Key Performance Indicators (KPIs) starting in 2022, consequently leading to the observed increase.

SUSTAINABILITY STATEMENT (CONTINUED)

Social (Continued)

Human Capital Management (GRI 404, 401, 401-1) (continued)

Utilisation of Contract Staff

As part of our human capital optimisation strategy, we prioritise hiring of staff on a permanent basis (with exception of 1 temporary staff during the current reporting year), to ensure better consistency and continuity in delivering our business to our customers and meeting requirements by our stakeholders.

Employee Appraisals

We conducted an annual performance and career development review for all employees. This process serves two goals: assessing performance and aligning training with business objectives. In FYE 2023, we achieved 100% completion rate for reviews, highlighting our dedication to employees' progress and training, which contributes to our Group's overall success.

Compensation and Benefits

Compensation and benefits play a significant role as retention tools. We adhere to the requirements of Malaysia's Minimum Wages Order 2020 and committed to providing our employees with competitive remuneration packages. This includes:

Remuneration Packages	Benefits
Leaves	Annual, parental, marriage, childcare, compassionate, sick and hospitalisation, festive discretionary.
Medical	Outpatient care covering employee, non-working spouse, and children below 21 years old. Group Hospitalization & Surgical Insurance Plan, Group Personal Insurance Plan and medical check-up, face mask distribution and dental coverage.
Statutory Contributions	Employees Provident Fund ("EPF"), Employment Insurance System ("EIS") and Social Security Organisation ("SOCSO").
Others	Awards (Long Service Award and Health Award), Chinese New Year Angpow, Marriage and Baby Gift, Staff Dine-In Discount (selected restaurants) and Early release for Muslim Employees During Ramadan.

Employee Turnover

The table below illustrates our employee turnover at the end of each reporting period.

Employee Category	FYE 2023	FYE 2022	FYE 2021
Senior Management	Nil	Nil	Nil
Middle Management	Nil	1	Nil
Executive	Nil	Nil	1
Non-Executive	Nil	Nil	2
Total	Nil	1	3

We continuously review our total rewards package for key employees and position which includes competitive compensation, health care, support for work-life balance and career development resources.

Social (Continued)

Human Capital Management (GRI 404, 401, 401-1) (continued)

Zero Discrimination and Human Rights Violation

It is our practise that recruitment and promotion decisions are conducted based on equal opportunity irrespective of gender, marital status, sexuality, race, or physical ability. We practise non-discriminatory policy where we provide a working environment that is free from unlawful discrimination or harassment.

During the reporting year, we are pleased to announce that no complaints were received from any regulatory or official bodies in relation to violation of human rights of its workers. Substantiated complaints refer to written statements by regulatory or similar official bodies addressed to the company that identifies violation of human rights.

Health, Safety and Security (GRI 403-2, 403-9, 403-5)



Health, safety, and security is an important aspect of UOA REIT. We remain dedicated to ensuring the well-being of all employees and stakeholders.

UOA REIT maintains a structured approach under the supervision of our Board of Directors to ensure compliance with safety and health protocols aligned with the Occupational Safety and Health Act and Regulations ("OSHA"). Our Environmental, Safety, and Health ("ESH") policy governs safe conduct in all our properties, with the aim of preventing incidents and injuries during business activities.

Each of UOA REIT's properties has an Emergency Response Team ("ERT") led by a key personnel HSE trained officer, along with an established Emergency Response Plan ("ERP") for various emergencies.

We regularly evaluate our health and safety performance and conduct at least one internal audit annually to assess the effectiveness and efficiency of our ESH Policy and procedures. We have also incorporated Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") into UOA REIT's business operations, where HIRARC assessments are conducted by all departments at each property to identify and mitigate any risks. UOA REIT also conducts training to equip its employees with knowledge of Basic Occupational First Aid ("BOFA") and fire drills, along with instructions on using fire extinguishers.

In FYE 2023, 12 of employees have been trained on the health and safety standards. In addition to training, we have utilised email communication to raise awareness regarding any concerning cases, such as COVID-19, emphasising the importance of wearing masks.

	FYE 2023	FYE 2022	FYE 2021
Number of employees trained on health and safety standards	12	13	Nil

Workplace Fatalities and Loss Time Incident Rate ("LTIR")

During this reporting year and the preceding two years, we did not register any work-related fatalities and Loss Time Incident Rate ("LTIR").

Safety Features and Security

Our property buildings feature up-to-date fire and security systems, including a Closed-Circuit Television ("CCTV") control center and an emergency button system. We prioritize crisis management, conduct regular testing, and collaborate with the Fire Department ("BOMBA") for fire drills.

Elevators and escalators are regularly maintained, and qualified chagemen oversee electrical installations. Our Security Response team ensures rapid responses to security incidents.

We maintain a strong safety record with no cases of security negligence or major incidents within our property buildings, for the past three years.

SUSTAINABILITY STATEMENT (CONTINUED)

Social (Continued)

Community Outreach (GRI 201-1, 205-3)



We understand the importance of giving back to the society at large. We are cognisant of the fact the wellbeing of the community has direct consequences to our business environment which we operate in.

As a separate listed issuer, UOA REIT have not incurred any spending, for the past three years, with respect to Community Investment. Our Corporate Social Responsibility initiatives are performed as part of UOA Group, led by UOA Development Bhd. UOA REIT supports by encouraging our employees to partake as volunteers. Examples of key initiatives, which our employees assisted are as follows:

Areas	Key initiatives
Education	<ul style="list-style-type: none"> Back to School Campaign involving 750 underprivileged children, from our local neighbourhood - Kerinchi. Creative English and Children Motivational Workshop for underprivileged children, between 7 to 15 years old within Kerinchi.
Healthcare and Old Age Support	<ul style="list-style-type: none"> Partnership with Malaysia Healthcare Travel Council (MHTC) in promoting active retirement living among senior citizens. Blood donation and organ pledge campaigns. The Bangsar South Community Wellness Day - encourage people to take a break from the hustle and bustle of everyday life and embark on a journey towards greater physical and mental wellness.
Others	<ul style="list-style-type: none"> Raya Hamper and Donation Distribution to vulnerable and financial disadvantaged community members - 260 Single Parents and People with Disabilities.

Conclusion

By integrating EES standards into our business, we contribute to a sustainable future while fortifying our resilience against economic and climate challenges. We remain dedicated to adapting and improving our sustainability journey in alignment with evolving regulatory requirements and stakeholder engagement.

TCFD Alignment

This alignment allows us to offer our stakeholders with more comprehensive and reliable information while reinforcing our responsible approach to environmental and financial stewardship.

The Group's approach to adopting the TCFD recommendations is centred around four key pillars, which are:

- Governance** - Ensure transparency regarding UOA REIT's climate-related risks and opportunities, detailing the Board's role in overseeing climate change and management's responsibility for evaluating and addressing these concerns.
- Strategy** - Disclose both actual and potential climate-related risks and opportunities impacting the Group's operations, strategic trajectory, and financial planning.
- Risk Management** - Share UOA REIT's process for identifying, evaluating, and managing climate-related risks, illustrating its integration into the overall risk management framework of the Group.
- Metrics and Targets** - Examine the metrics and goals utilised to assess and address relevant climate-related risks and opportunities. Align these with the Group's strategy and risk management processes, encompassing the disclosure of Scope 1, Scope 2, and eventually, Scope 3 greenhouse gas (GHG) emissions.

TCFD Alignment (Continued)

The table presented below outlines how UOA REIT has addressed the TCFD disclosure recommendations:

Recommendations	Our Responses												
Governance													
<p>a) Describe the board’s oversight of climate-related risks and opportunities.</p> <p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Climate change matters are managed through the Sustainability Governance framework as disclosed in the “Sustainability Governance Structure” section of our Sustainability Statement.</p> <p>We are cognisant the interlinkage of climate change to other sustainability matters such as economic performance, health and safety, water and energy and emission sustainability matters.</p>												
Strategy													
<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy, and financial planning.</p> <p>c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>UOA REIT has yet to perform the climate scenario analysis on the physical and transitional risks. Therefore, we have not identified the Group’s resilience strategy in different climate-related scenarios.</p> <p>However, we continue to identify the risks and opportunities posed by climate change as follows:</p> <p><u>Risks posed by climate change:</u></p> <p>a) Property Value and Insurance Costs:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #f4b084;">Risk</td> <td> <ul style="list-style-type: none"> Increased occurrences of severe weather events, such as floods and storms, can damage or devalue our properties, especially those located in flood-prone areas like Kuala Lumpur. </td> </tr> <tr> <td style="background-color: #f4b084;">Impact</td> <td> <ul style="list-style-type: none"> Potential increase in insurance premiums for properties in vulnerable locations, potentially leading to increased operational costs for UOA REIT. </td> </tr> <tr> <td style="background-color: #f4b084;">Our Mitigation Plan</td> <td> <ul style="list-style-type: none"> Regularly assess and update property insurance coverage to ensure it aligns with the current and anticipated climate risks. Invest in sustainable building practices and technologies to enhance property resilience against climate-related damage. Our commitment to sustainable design in our properties encompasses various practices, as detailed in the “Sustainable Design/Green Building” section of this Sustainability Statement. </td> </tr> </table> <p>b) Operational Disruptions and Tenant Relations:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #f4b084;">Risk</td> <td> <ul style="list-style-type: none"> Climate-related events, such as heavy monsoons, can disrupt property operations, impacting tenants in terms of accessibility and safety. </td> </tr> <tr> <td style="background-color: #f4b084;">Impact</td> <td> <ul style="list-style-type: none"> Possible lease terminations, increased costs for repairs, and challenges in maintaining positive tenant relationships, particularly in regions prone to flooding. </td> </tr> <tr> <td style="background-color: #f4b084;">Our Mitigation Plan</td> <td> <ul style="list-style-type: none"> Develop and implement comprehensive business continuity plans to minimise disruptions during extreme weather events. Establish clear communication channels with tenants, providing them with information and guidance in the event of climate-related disruptions. </td> </tr> </table>	Risk	<ul style="list-style-type: none"> Increased occurrences of severe weather events, such as floods and storms, can damage or devalue our properties, especially those located in flood-prone areas like Kuala Lumpur. 	Impact	<ul style="list-style-type: none"> Potential increase in insurance premiums for properties in vulnerable locations, potentially leading to increased operational costs for UOA REIT. 	Our Mitigation Plan	<ul style="list-style-type: none"> Regularly assess and update property insurance coverage to ensure it aligns with the current and anticipated climate risks. Invest in sustainable building practices and technologies to enhance property resilience against climate-related damage. Our commitment to sustainable design in our properties encompasses various practices, as detailed in the “Sustainable Design/Green Building” section of this Sustainability Statement. 	Risk	<ul style="list-style-type: none"> Climate-related events, such as heavy monsoons, can disrupt property operations, impacting tenants in terms of accessibility and safety. 	Impact	<ul style="list-style-type: none"> Possible lease terminations, increased costs for repairs, and challenges in maintaining positive tenant relationships, particularly in regions prone to flooding. 	Our Mitigation Plan	<ul style="list-style-type: none"> Develop and implement comprehensive business continuity plans to minimise disruptions during extreme weather events. Establish clear communication channels with tenants, providing them with information and guidance in the event of climate-related disruptions.
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SUSTAINABILITY STATEMENT (CONTINUED)

TCFD Alignment (Continued)

The table presented below outlines how UOA REIT has addressed the TCFD disclosure recommendations (continued):

Recommendations	Our Responses						
Strategy (continued)							
	<p>However, we continue to identify the risks and opportunities posed by climate change as follows (continued):</p> <p><u>Risks posed by climate change (continued):</u></p> <p>c) Regulatory and Compliance Risks:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #d9c7b8;">Risk</td> <td> <ul style="list-style-type: none"> Evolving environmental regulations may require UOA REIT to invest in energy-efficient upgrades for properties to comply with government standards. </td> </tr> <tr> <td style="background-color: #d9c7b8;">Impact</td> <td> <ul style="list-style-type: none"> Higher compliance costs for retrofitting properties and potential penalties, affecting the financial performance of UOA REIT. </td> </tr> <tr> <td style="background-color: #d9c7b8;">Our Mitigation Plan</td> <td> <ul style="list-style-type: none"> Stay informed about evolving climate regulations and proactively adapt properties to meet or exceed compliance standards. </td> </tr> </table> <p><u>Opportunities posed by climate change</u></p> <p>a) Climate change factors have contributed significantly to the increase in energy costs from non-renewable sources. Therefore, our energy-efficient features (as reflected in our Green Building certification initiative) would increase our value proposition to our customers – given that tenants are making property decisions based on the overall cost of occupancy, which includes energy cost, as opposed to just monthly rental/lease rates.</p> <p>b) Increased demand for MD status building given that MD status demonstrates greater resilience against business disruption arising from power disruptions. This is further compounded by the increased level of digitalisation by business and expansion of digital/IT business which requires buildings with a lower likelihood of power disruption – especially in view of heightened risk due to erratic, climate change-induced weather patterns.</p>	Risk	<ul style="list-style-type: none"> Evolving environmental regulations may require UOA REIT to invest in energy-efficient upgrades for properties to comply with government standards. 	Impact	<ul style="list-style-type: none"> Higher compliance costs for retrofitting properties and potential penalties, affecting the financial performance of UOA REIT. 	Our Mitigation Plan	<ul style="list-style-type: none"> Stay informed about evolving climate regulations and proactively adapt properties to meet or exceed compliance standards.
Risk	<ul style="list-style-type: none"> Evolving environmental regulations may require UOA REIT to invest in energy-efficient upgrades for properties to comply with government standards. 						
Impact	<ul style="list-style-type: none"> Higher compliance costs for retrofitting properties and potential penalties, affecting the financial performance of UOA REIT. 						
Our Mitigation Plan	<ul style="list-style-type: none"> Stay informed about evolving climate regulations and proactively adapt properties to meet or exceed compliance standards. 						
Risk Management							
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	We have embedded climate related risk in our risk management framework, which is currently adopted by the Manager of UOA REIT. This includes processes on identifying and assessing risks; and mitigation and control measures in managing our risks.						
b) Describe the organisation’s processes for managing climate-related risks.	We continue to review and improve of climate risk management through our risk management framework. More detailed disclosures is available in our Statement on Risk Management and Internal Control (SORMIC) Section of this Annual Report.						
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.							

TCFD Alignment (Continued)

The table presented below outlines how UOA REIT has addressed the TCFD disclosure recommendations (continued):

Recommendations	Our Responses
Metrics and Targets	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to the “Energy and Emissions Management” and “Sustainable Design/Green Building” sections of our Sustainability Statement for our key material metrics. Our key material metrics include: a) Energy consumption (Refer to Energy and Emissions section). b) Scope 1 and 2 emissions (Refer to Energy and Emissions section).
b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks.	We have disclosed Scope 1 and 2 emissions in the ‘Energy Management and Emissions’ section. However, we have excluded the information on Scope 3 emissions, given that we have yet to collate information on this.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We have not established any targets to manage climate-related risks and opportunities, however, we will continue to monitor our emissions and emphasize on energy efficiency to mitigate rising electricity costs, which also adversely affect our operating cost.

Bursa Sustainability Performance Report

Common Indicator	Measurement Unit	FYE 2021	FYE 2022	FYE 2023
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00%	100.00%	100.00%
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00%	0.00%	100.00%
Middle Management	Percentage	0.00%	0.00%	100.00%
Executive	Percentage	0.00%	0.00%	89.00%
Non-Executive	Percentage	0.00%	0.00%	86.00%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00%	100.00%	100.00%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY STATEMENT (CONTINUED)

Bursa Sustainability Performance Report (Continued)

Common Indicator	Measurement Unit	FYE 2021	FYE 2022	FYE 2023
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	7,808.78	8,748.87	8,727.27
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	49.680000	70.700000	111.810000
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00%	0.00%	0.00%
Senior Management Between 30-50	Percentage	75.00%	33.33%	50.00%
Senior Management Above 50	Percentage	25.00%	66.67%	50.00%
Middle Management Under 30	Percentage	20.00%	16.67%	0.00%
Middle Management Between 30-50	Percentage	80.00%	83.33%	100.00%
Middle Management Above 50	Percentage	0.00%	0.00%	0.00%
Executive Under 30	Percentage	13.33%	6.25%	5.26%
Executive Between 30-50	Percentage	80.00%	81.25%	78.95%
Executive Above 50	Percentage	6.67%	12.50%	15.79%
Non-Executive Under 30	Percentage	21.74%	30.43%	31.82%
Non-Executive Between 30-50	Percentage	73.91%	65.22%	63.64%
Non-Executive Above 50	Percentage	4.35%	4.35%	4.54%
Gender Group by Employee Category				
Senior Management Male	Percentage	50.00%	66.67%	75.00%
Senior Management Female	Percentage	50.00%	33.33%	25.00%
Middle Management Male	Percentage	0.00%	33.33%	0.00%
Middle Management Female	Percentage	100.00%	66.67%	100.00%
Executive Male	Percentage	46.67%	43.75%	42.11%
Executive Female	Percentage	53.33%	56.25%	57.89%
Non-Executive Male	Percentage	69.57%	78.26%	72.73%
Non-Executive Female	Percentage	30.43%	21.74%	27.27%

Internal assurance	External assurance	No assurance	(*) Restated
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Bursa Sustainability Performance Report (Continued)

Common Indicator	Measurement Unit	FYE 2021	FYE 2022	FYE 2023
Bursa (Diversity) (Continued)				
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80.00%	80.00%	80.00%
Female	Percentage	20.00%	20.00%	20.00%
Under 30	Percentage	0.00%	0.00%	0.00%
Between 30-50	Percentage	40.00%	40.00%	40.00%
Above 50	Percentage	60.00%	60.00%	60.00%
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	26	28	64
Middle Management	Hours	30	85	105
Executive	Hours	13	198	467
Non-Executive	Hours	8	160	228
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00%	0.00%	2.04%
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Middle Management	Number	0	1	0
Executive	Number	1	0	0
Non-Executive	Number	2	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	13	12
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	0.00	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0

Internal assurance	External assurance	No assurance	(*) Restated
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STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of UOA Asset Management Sdn Bhd ("Board"), being the Manager of UOA Real Estate Investment Trust ("UOA REIT") and its subsidiary ("Group") recognises the importance of good corporate governance as they firmly believe that an effective corporate governance culture is essential in the best interests of the unitholders and is critical to the performance and success of the Manager and subsequently the Group.

The Board follows the practices and policies of the Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). The Board has also adopted relevant principles and recommendations of the Malaysian Code of Corporate Governance 2021, where applicable to the operations of the Group and is pleased to provide a narrative statement on the Manager's main corporate governance practices and policies.

A. THE MANAGER OF UOA REIT

The Manager has general powers of management over the assets of the Group. Its primary role is to set the strategic direction of the Group and manage the assets and liabilities of the Group for the benefit of its unitholders, to ensure that the operations of the Group are conducted in a proper, diligent and efficient manner within an appropriate risk management framework; and to enhance value returns to its unitholders.

The Manager's primary functions and responsibilities include:

- Setting the strategic direction of the Group and recommend to the Trustee on the acquisition, divestment or enhancement of assets in accordance with the Manager's investment strategy;
- Formulating plans for equity and debt financing for the Group's capital requirements with the objective of optimising the capital structure and the cost of capital;
- Ensuring proper recording of transactions including the preparation of accounts, and annual financial statements and reports;
- Supervising the Property Manager who performs the day-to-day property management functions for the Group's properties; and
- Ensuring compliance with the relevant laws and applicable provisions of the REIT Guidelines, Listing Requirements and the Deed dated 28 November 2005 and the Amended and Restated Deed dated 1 August 2022 constituting UOA REIT (collectively referred to as the "Deed").

UOA REIT is externally managed by the Manager and it has no personnel of its own. The Manager appoints experienced and well-qualified management personnel to handle the day-to-day operations. All Directors and employees of the Manager are remunerated by the Manager and not by UOA REIT. UOA Asset Management Sdn Bhd. is the appointed Manager of UOA REIT in accordance with the terms of the Deed which outlines the circumstances under which the Manager can be retired.

The Manager holds a Capital Markets Services Licence as required under the Capital Markets and Services Act 2007 to carry on the regulated activity of fund management in relation to asset management restricted to real estate investment trust activities. The Manager is a member of the Securities Industry Dispute Resolution Centre (SIDREC) pursuant to the requirements in the Capital Markets and Services (Dispute Resolution) Regulations 2010.

B. BOARD OF DIRECTORS OF THE MANAGER OF UOA REIT

Role of the Board

The Board is responsible for the oversight and corporate governance of the Manager. The Board sets the strategic direction, and oversees the proper conduct of the Manager's activities, identifies principal risks and ensures the implementation of systems to manage these risks. In addition, the Board reviews key matters such as financial results, investments, divestments and major capital expenditure of the Group. In making decisions, the Board considers the business outlook and other factors affecting real estate investment trusts and property sectors.

Appointment to the Board

All new nominations are assessed by the Directors and the final decision of appointment lies with the entire Board to ensure a balanced mix of experience and expertise of members of the Board.

Board Composition

The Board presently consists of five (5) members, comprising one (1) Executive Director and four (4) Non-Executive Directors. Three (3) of the Non-Executive Directors are independent. The Board composition complies with provisions of the Listing Requirements and the REIT Guidelines for at least one third (1/3) of the Board to be independent.

B. BOARD OF DIRECTORS OF THE MANAGER OF UOA REIT (CONTINUED)

Board Composition (continued)

The Board composition reflects a mix of suitably qualified and experienced professionals in the fields of accountancy, legal, architecture and real estate development and property management. This combination of different professions and skills working together enables the Board to effectively lead and govern the Manager and the Group.

The Board is led by competent Independent Directors, namely an Independent Non-Executive Chairman and two Independent Non-Executive Directors, who are highly respected persons with extensive experience in various fields and are able to provide sufficient guidance and advice to the Audit and Risk Management Committee and the Board. There are four male and 1 female Directors on the Board. The Board is of the opinion that the composition of the Board is adequate.

Clear Roles and Responsibilities

The positions of Chairman of the Board and Chief Executive Officer ("CEO") are held by separate persons.

The Chairman leads the Board to ensure that members of the Board work together with the Manager in a constructive manner to address strategies, business operations, financial performance and risk management issues. The Chairman also takes a lead role in promoting high standards of corporate governance with the full support of the Board and the Manager.

The CEO is responsible for implementing the policies and decisions of the Board. The CEO also has full executive responsibilities over the business directions and operational decisions in managing UOA REIT.

The clear separation of roles of the Chairman and the CEO provides a healthy, independent and professional relationship between the Board and the management.

The Board is assisted by a qualified and competent Company Secretary and a Compliance Officer to provide sound governance advice and ensure adherence to rules and procedures.

The Board has formalized its Board Charter setting out the roles and responsibilities of the Board together with its objectives. The Board Charter serves as a guide to the Board in carrying out its duties. The Board Charter is published on UOA REIT's website.

Independence and Time Commitment

The Board receives annual written confirmation from the Independent Directors confirming their independence and in which the Directors acknowledge their respective positions. All the Directors are able to devote sufficient time and attention to the operations of UOA REIT and to update themselves with knowledge and skills by attending seminars and training. The Directors are also accessible by email and telecommunication should the need arises.

Corporate Code of Conduct and Whistle Blowing Policy

The Manager has in place procedures to provide its employees with defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to the Group and/or the Manager, and for the independent investigation of any reports by employees and appropriate follow up action.

The Manager has developed a Whistle Blowing Policy for the public to have access to the Independent Directors and Chairman of the Board.

The aim of the Whistle Blowing Policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly, and to the extent possible, be protected from reprisal.

United Overseas Australia Ltd ("UOA Ltd"), the ultimate holding company of the Manager had established a Code of Conduct which set out the standards which directors, officers, managers, employees and consultants of UOA Ltd and its subsidiaries are expected to comply in relation to the affairs of their businesses.

Pursuant to the Guidelines on Adequate Procedures issued pursuant to subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) ("MACC Act 2009") which came into effect in June 2020, the Manager has established its Anti-Bribery and Corruption Policy which is published on its website.

Directors' Fit and Proper Policy

Pursuant to paragraph 15.01A of the Listing Requirements, the Manager has also established the Directors' Fit and Proper Policy on 23 June 2022 setting out the minimum requirements for appointment or re-appointment of Directors, and assessment of fit and propriety of Directors.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

B. BOARD OF DIRECTORS OF THE MANAGER OF UOA REIT (CONTINUED)

Corporate Social Responsibility

The UOA Ltd Group continuously carries out corporate social responsibility initiatives in the areas of education, environment and community activities.

Board Meetings

The Board meets to discuss and review the Manager's operations and the financial performance of the Group and meetings are held at least once every quarter (or more often if necessary). The Board is provided in advance with the agenda together with reports and supporting documents relevant to the Board Meeting. The proceedings of the Board Meetings are duly minuted and signed by the Chairman of the meeting. The Board met six (6) times during the financial year ended 31 December 2023. The attendance record of the Board is as follows:-

Directors	Total Board Meetings Attended	Percentage of Attendance
Kong Sze Choon	6/6	100%
Kung Beng Hong (retired on 1 June 2023)	4/4	100%
Dato' Gan Boon Khuay (retired on 1 June 2023)	4/4	100%
Yap Kang Beng	6/6	100%
Karn Sau Meng	6/6	100%
Teo Chee Seng (appointed on 1 June 2023)	2/2	100%
Dato Sri Ar. Low Shu Nyok (appointed on 1 June 2023)	2/2	100%

All the Directors have complied with the Listing Requirements by having attended more than fifty percent of the number of Board Meetings held.

All the Directors have access to the Audit and Risk Management Committee, the internal auditors, the Company Secretary and Compliance Officer, as well as to independent professional consultants for advice if and when necessary.

Directors' Fees

The remuneration paid by the Manager to its Directors for the year ended 31 December 2023 is as follows:

	Fees RM	Salaries RM	Others RM	Total RM
Kong Sze Choon	-	670,800	81,239	752,039
Kung Beng Hong (retired on 1 June 2023)	20,000	-	-	20,000
Dato' Gan Boon Khuay (retired on 1 June 2023)	20,000	-	-	20,000
Karn Sau Meng	48,000	-	-	48,000
Teo Chee Seng (appointed on 1 June 2023)	28,000	-	-	28,000
Dato Sri Ar. Low Shu Nyok (appointed on 1 June 2023)	28,000	-	-	28,000

B. BOARD OF DIRECTORS OF THE MANAGER OF UOA REIT (CONTINUED)

Directors' Training

During the year ended 31 December 2023, the Directors have attended training and seminars as follows:

Directors	Training and Seminars Attended
Kong Sze Choon	<ol style="list-style-type: none"> 1) Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 2) Challenging Trend Trading Strategies for Traders 3) Dealings in Listed Securities, Closed Period & Insider Trading
Yap Kang Beng	<ol style="list-style-type: none"> 1) E-Invoicing Webinar by Grant Thornton
Karn Sau Meng	<ol style="list-style-type: none"> 1) Management of Cyber Risk 2) Securities Commission Audit Oversight Board Conversation with Audit Committee
Teo Chee Seng	<ol style="list-style-type: none"> 1) Mandatory Accreditation Programme Part II: Leading for Impact (LIP) 2) Jones Day Professorship for Commercial Law Lecture 2023
Dato Sri Ar. Low Shu Nyok	<ol style="list-style-type: none"> 1) KLAF2023: Datum:KL 2023

C. DUE DILIGENCE COMMITTEE

The Due Diligence Committee ("DDC") was established by and operates under the delegated authority of the Board. The DDC comprises one (1) Independent Director, one (1) Non-Independent Director and one (1) management representative. The DDC's role is to perform appropriate due diligence work on any proposed investment or divestment and make recommendations to the Board.

D. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has adopted the best practices in corporate governance by establishing an Audit and Risk Management Committee ("ARMC") and implemented an Internal Audit Function. The Board is committed to maintaining a sound and effective system of internal control in order to safeguard the interests of the unitholders of UOA REIT and the investments and assets of the Group.

Key Functions and Responsibilities, and Summary of Activities of the ARMC during the Year

The detailed ARMC Report including the key functions and responsibilities, and the summary activities of the ARMC are more specifically set out in the ARMC Report in this Annual Report.

E. INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT

The Internal Audit Function is undertaken by the internal auditors of UOA Ltd and is independent of Management. The ARMC meets with the internal auditors at its quarterly meetings. A Risk Management Policy has been adopted by the Board to mitigate risks of the Group. Further details are set out in the Statement on Risk Management and Internal Control.

The ARMC reviews related party transactions at its quarterly meetings and whenever deemed necessary. A Related Party Transaction Policy has been adopted to enable the ARMC to review and deliberate on such transactions appropriately. Suitable recommendations are presented to the Board for approval.

The ARMC ensures that financial statements comply with the applicable financial reporting standards and meet with the external auditors at least two (2) times a year to ensure that such standards are in place. The external auditors confirm their independence to the ARMC at the meeting where they table the audit findings to the ARMC.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

F. ACCOUNTABILITY AND AUDIT

Directors' Responsibility Statement for Preparing the Annual Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, REIT Guidelines and the Deed. In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made judgements and estimates that are reasonable and prudent.

Timely Disclosures

The Board ensures timely disclosure of transactions and other necessary disclosures by having in place various checklists prepared in accordance with regulatory requirements and disseminated to the relevant departments to enable disclosures to be made on a timely basis.

Relationship with Auditors

The appointment of the external auditors ("Auditors"), nominated by the Manager, is approved by the Trustee. The Auditors are independent of the Manager and the Trustee. The remuneration of the Auditors is approved by the Trustee. While there is no specific policy on the assessment of the Auditors, the Board reviews and approves the re-appointment of the Auditors on a yearly basis.

Communication with Unitholders and Dissemination of Information

The Board acknowledges the importance of regular communication with unitholders and the investing community to ensure that they are well informed of the activities and performance of the Group. The communication channels include UOA REIT's website, quarterly reports, annual reports, circulars, various disclosures and announcements on Bursa Malaysia's website, and at general meeting of unitholders.



UOA Damansara & Wisma UOA Damansara II

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Board of Directors ("Board") has established an Audit and Risk Management Committee ("ARMC") and implemented an Internal Audit and Risk Management Function. The Board is committed to maintaining a sound and effective system of internal control in order to safeguard the interests of the unitholders of UOA REIT and the investments and assets of the Group. The ARMC provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to financial reporting, internal control structure, related party transactions and external and internal audit functions. The ARMC may invite any of the key management or employees to participate in its meetings and to appoint any relevant consultants or professionals to assist it to discharge its functions.

COMPOSITION

The ARMC consists of the following two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director:

Ms. Karn Sau Meng	- Independent Non-Executive Director/Chairwoman
Dato Sri Ar. Low Shu Nyok	- Independent Non-Executive Director
Mr. Yap Kang Beng	- Non-Independent Non-Executive Director
Mr. Kung Beng Hong	- Independent Non-Executive Director/Chairman (retired on 1 June 2023)

SUMMARY OF TERMS OF REFERENCE

1. Composition

The ARMC is appointed by the Board from among its members. The appointment and composition of the ARMC is determined based on the following principles:

- Comprises at least three (3) members;
- All members must be Non-Executive Directors with a majority of them being independent directors;
- At least one (1) member must be a member of the Malaysian Institute of Accountants or a member of an accounting association as specified in Part II of the First Schedule of the Accountants Act, 1967; and
- The Chairman must be an Independent Director.

Currently, the ARMC consists of two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director.

- Ms. Karn Sau Meng (Chairwoman/Independent and Non-Executive Director);
- Dato Sri Ar. Low Shu Nyok (Independent Non-Executive Director) and
- Mr. Yap Kang Beng (Non-Independent and Non-Executive Director).

The Terms of Reference of the ARMC is published on our website.

2. Key Functions and Responsibilities, and Summary of Activities of the ARMC during the Year

The key functions and responsibilities of the ARMC are:

- To review together with the internal auditors, their internal audit plans and internal audit reports, and to evaluate major findings of these reports and management's responses to these findings;
- To review the adequacy of the scopes, functions, competencies and resources of the internal audit function and to ensure that it has the necessary authority to carry out its work;
- To direct the internal auditors to any specific area or procedure for audit if necessary;
- To review the internal auditor's report on risk management so as to evaluate key risks that would have significant impact on the Group's business and the measures taken to mitigate such risks;
- To recommend to the Board any matters relating to the appointment of external auditors, the fees and any matters in relation to resignation or dismissal of the external auditors;
- To review together with the external auditors, the audit plan and scope of their audit and upon completion of the audit assessment, to present the audit findings and recommendation of the external auditors to the Board;
- To assess the suitability and independence of the external auditors. The ARMC reviews the independence of the external auditors at the meeting where the external auditors confirm their independence when they table their audit findings to the ARMC;
- To discuss problems and reservations arising from the internal audit, statutory audit, and matters that the internal and/or external auditors may wish to discuss (in the absence of the management where appropriate);
- To review the quarterly results and year-end financial statements prior to the approval by the Board;

AUDIT & RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

SUMMARY OF TERMS OF REFERENCE (CONTINUED)

2. Key Functions and Responsibilities, and Summary of Activities of the ARMC during the Year (continued)

The key functions and responsibilities of the ARMC are (continued):

- To review financial statements with focus on significant matters highlighted including financial reporting issues, significant judgement made by management, and significant and unusual events or transactions, and how these matters are addressed;
- To monitor and evaluate the effectiveness of the Manager's internal control systems and the internal/external auditors' evaluation on these systems;
- To monitor the procedures established to ensure compliance with relevant laws and applicable provisions of the REIT Guidelines, Listing Requirements and the Deed;
- To review related party transactions and any conflict of interest situations that may arise within the Manager and/or the Group; and
- To perform any other functions as directed by the Board.

3. Frequency and Attendance of Meetings

A minimum of four (4) meetings a year shall be planned and any additional meetings will be on a need basis. The ARMC meets with the External Auditors without Executive Board members present at least twice a year. The ARMC meets regularly, with due notice of issues to be discussed, and record its conclusions and then report to the full Board as and when necessary. The Chairman of the ARMC engages on a continuous basis with Senior Management, the Accountant, the Internal Auditors and the External Auditors in order to keep abreast of matters affecting the Group. Other Board members and employees may attend any particular ARMC meeting only upon the invitation of the ARMC specific to a relevant meeting.

The ARMC met five (5) times during the financial year ended 31 December 2023. The attendance record of the ARMC are as follows:

Directors	Total Meetings Attended	Percentage of Attendance
Karn Sau Meng	5/5	100%
Yap Kang Beng	5/5	100%
Dato Sri Ar. Low Shu Nyok (Appointed on 1 June 2023)	2/2	100%
Kung Beng Hong (Retired on 1 June 2023)	3/3	100%

Summary of Activities of the ARMC during the Year

Functions and responsibilities performed by the ARMC during the financial year ended 31 December 2023 include the following:

- Reviewed the external auditors' Audit Planning Memorandum, audit approach and reporting requirement prior to the commence of audit for the financial year ended 31 December 2023;
- Reviewed the external auditors' Audit Progression Memorandum and Audit Completion Memorandum for the audit for the year ended 31 December 2023 and discussed on key audit areas and any significant audit findings;
- Reviewed the results of risk management activities;
- Reviewed the internal audit report on tenancy management with the internal auditors;
- Reviewed the internal audit report on financial management with the internal auditors;
- Reviewed the internal audit report on leasing & marketing with the internal auditors;
- Reviewed the quarterly results for all the financial quarters and year-end;
- Reviewed and approved the reports and statements for the Annual Report 2023;
- Reviewed the compliance in relation to related party transaction; and
- Reviewed with the internal auditors, and approved the annual audit plan for the year ending 31 December 2024.

Access to and Supply of Information

The ARMC is entitled to full access to and co-operation of the management and internal auditors. Other Board members and employees may attend any particular ARMC meeting upon invitation by the ARMC. The ARMC has full access to reasonable resources to enable it to discharge its functions properly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of UOA Asset Management Sdn Bhd ("Board"), being the Manager of UOA Real Estate Investment Trust ("UOA REIT") and its subsidiary ("Group") is committed to nurture and preserve an effective and sound system of risk management and internal control to safeguard the interests of the unitholders of UOA REIT as well as the investments and assets of the Group. In taking on this commitment, the Board has adopted the best practices in corporate governance by establishing an Audit and Risk Management Committee ("ARMC") and setting up an Internal Audit Function, undertaken by the Internal Auditors of United Overseas Australia Ltd to comply with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is pleased to provide a statement on the state of the Manager's internal controls for inclusion in this Annual Report for the financial year ended 31 December 2023.

Internal Audit Function

The internal audit function is undertaken by the Internal Audit Department of the ultimate holding company of the Manager, United Overseas Australia Ltd. The ARMC has an oversight function of all activities carried out by the internal auditors in respect of the Group.

The principal role of the internal auditors is to independently review the risk exposures and control processes implemented by the Manager and conduct assignments which encompass auditing and review of critical areas, report on the adequacy, effectiveness and efficiency of the operations and internal control and highlight the significant findings in respect of non-compliance within the Group to the ARMC.

The Internal Audit Department function is guided by the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"). The internal audit framework is designed to be in line with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control - Integrated Framework. The Internal Audit Department reports directly to the ARMC.

The internal auditors engage in regular communication with the senior management team and various departments within the organisation in relation to its internal audit activities. Efforts for continuous improvement in operations and systems are also discussed.

Internal audit reports which include details of activities planned, audit findings and recommendations are tabled at quarterly ARMC meetings.

A summary of internal audit activities that were undertaken during the financial year ended 31 December 2023 are as follows:

- Reviewed on tenancy management;
- Reviewed on financial management;
- Reviewed on leasing and marketing; and
- Reviewed and approved on Annual Audit Plan for year ending 31 December 2024.

The professionalism and competency of internal auditors are being emphasized through continuous training, regular performance evaluation by the ARMC and attaining professional certification. As at year ended 31 December 2023, the Internal Audit Department comprises 3 internal auditors. The head of the Internal Audit Department is a Certified Internal Auditor and member of The Institute of Internal Auditors Malaysia. All internal audit personnel are free from any relationship or conflicts of interest, which could impair their objectivity and independence.

Key Elements of Internal Control

The Board assumes its responsibility to maintain a sound and effective system of internal control and risk management practices within the Manager in order to meet business objectives. The Board acknowledges that the system provides reasonable but not absolute assurance against material misstatement of management and financial information or against financial losses or fraud. Therefore, the Board ensures the effectiveness of the system through regular reviews.

The Board has appointed the ARMC to review the effectiveness of the Group's system of internal control. The ARMC assisted by the Internal Audit Function provides the Board with the assurance it requires on the adequacy and integrity of the system of internal control.

The current system of internal control has within it the following key elements:

- There is an operations manual which provides an overview of the Manager's responsibilities in relation to management of the Group. This operations manual is a guide to daily activities and operations of the Group and is subject to periodic review and updates;
- Quarterly management reporting on the performance of the Group is presented to the Board;
- The operational structure is well defined with adequate segregation of duties to ensure check and balance on jobs as well as delegation of authorities and responsibilities;
- Human resource policy, procedure and related human resource matters are communicated to staff via regular memo, emails and the employee handbook. These are also available on the internal information portal.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

- Establishment of an Internal Audit Function which carries out internal audit review according to risk-based audit plan approved by the ARMC. The internal auditors tabled the results of their review with recommendations and follow up actions to the ARMC on quarterly basis;
- Adequate insurance coverage in respect of insurable risk (including investment properties) to appropriate levels, which are determined upon consultation with relevant professionals;
- On-going training and educational programmes for Directors and relevant staff in their respective areas of duty in order for them to perform their functions effectively;
- Adoption of a Risk Management Policy to identify key risks together with the appropriate measures and controls to manage the aforesaid risks. These are then outlined in the Risk Register and subsequently appraised by the ARMC;
- Adoption of a Related Party Transaction Policy to ensure that related party transactions are undertaken in compliance with the REIT Guidelines and the Trust Deed, and are carried out on an arm's length basis and on normal commercial terms; and
- The Business Continuity Plan is in place to ensure timely continuation of operations in the event of disruption.

Non-compliance and internal control weaknesses noted by the internal and external auditors and their recommendations will be reported to the ARMC. To date, there have been no identified non-compliance or internal control weaknesses of a material nature.

Risk Management

The Board has established a sound risk management framework which is currently being adopted by the Manager that enables it to continuously identify, evaluate, mitigate and monitor risks that affect the Group. The Board provides an oversight function on risk management. However, responsibility for managing risk lies initially with the business unit concerned, working within the overall strategy outlined by the Board. Therefore, the Manager has formed the Risk Management Working Committee ("RMWC") which encompasses key personnel from various departments to identify potential risks, to assess the effectiveness of existing controls and to develop mitigating measures to manage significant risks.

With the assistance rendered by the internal auditors, the RMWC has formulated and developed a Risk Management Policy which was reviewed by the ARMC and approved by the Board. The Risk Management Policy is aimed to:-

- Provide objectives and principles in risk management activities;
- Establish responsibilities and accountability in risk management;
- Establish risk management structures and processes; and
- Establish risk parameters in risk assessment.

During the financial year under review, the RMWC performed a risk assessment. Identified risks were categorised and assessed in terms of likelihood and consequences. Subsequent to the risk assessment, a residual risk rating was recorded taking into account the effectiveness of internal control in mitigating the risk. The outcome of the risk assessment was recorded in the Risk Register and Risk Heat Map for ARMC deliberation. The RMWC ensures that internal controls are in place and effective in mitigating the risk while the ARMC provides an oversight role in risk management.

The management has given its assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material respects. This is based on the Group's effective processes of control and oversight.

Review of this Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 December 2023. Their review was conducted in accordance with *Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("AAPG 3")*, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants (MIA). AAPG 3 does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control system.

The Board's Conclusion

The Board is of the view that the current system of internal control is responsive and adequate to the business environment of the Group. There was no material control failure or weakness that would have any material adverse effects on the results of the Group for the period under review.

In addition, the Board is of the view that the Group will maintain its business objective and operational efficiency by continuous commitment towards a sound system of internal control. The Board continues to take measures to enhance the system of internal control.

ADDITIONAL COMPLIANCE INFORMATION

Material Contracts

There was no material contract entered into involving directors' and major unitholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in Note 28 to the financial statements.

Non-Audit Fees

Non-audit fees paid/payable to the external auditors of the Trust and its subsidiary for the financial year ended 31 December 2023 amounted to RM4,000 in respect of services for the review of the Statement on Risk Management and Internal Control of the Trust.

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity.

DIRECTORS OF THE MANAGER'S RESPONSIBILITY STATEMENT

FOR THE AUDITED FINANCIAL STATEMENTS

The Directors of the Manager ("The Directors") are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"), the provisions of the Deed dated 28 November 2005 and the Amended and Restated Deed dated 1 August 2022 (collectively referred to as the "Deed"), the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Trust at the end of the financial year, and of the results and cash flows of the Group and the Trust for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Trust keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Trust which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have taken reasonable steps to detect and prevent fraud and other irregularities, and to safeguard the assets of the Group and of the Trust.

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FINANCIAL STATEMENTS

MANAGER'S REPORT

UOA Asset Management Sdn Bhd, the Manager of UOA Real Estate Investment Trust ("UOA REIT" or "Trust"), has pleasure in presenting the Manager's Report on UOA REIT together with the audited financial statements of the Group and of the Trust for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITY OF MANAGER

The Manager, a company incorporated in Malaysia, is a subsidiary of UOA Corporation Bhd (a subsidiary of UOA Holdings Sdn Bhd which in turn, is a wholly-owned subsidiary company of United Overseas Australia Ltd., a company incorporated in Australia and listed on the Australian Stock Exchange and the Stock Exchange of Singapore). The principal activity of the Manager is the management of real estate investment trusts. There has been no significant change in the nature of this activity during the financial year.

PRINCIPAL ACTIVITIES OF THE TRUST

UOA REIT is a Malaysia-domiciled real estate investment trust constituted pursuant to a deed dated 28 November 2005 and an amended and restated deed dated 1 August 2022 (collectively referred to as the "Deed") between UOA Asset Management Sdn Bhd ("Manager") and RHB Trustees Berhad ("Trustee").

UOA REIT commenced its operations on 1 December 2005 and was listed on the Main Market of Bursa Malaysia Securities Berhad on 30 December 2005. The principal activity of UOA REIT is to invest in a diversified portfolio of real estate and real estate-related assets used, or predominantly used, for commercial purposes, whether directly or indirectly through the ownership of single-purpose companies, who wholly own real estate with the objective of achieving a stable return from rental income and long-term capital growth. There has been no significant change in the nature of this activity during the financial year.

UOA REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under Clause 26 of the Deed.

The principal activity of the subsidiary company is disclosed in Note 7 to the Financial Statements.

CHANGES IN THE STATE OF AFFAIRS

There was no change in the state of affairs of the Group and of the Trust during the financial year under review.

BOARD OF DIRECTORS OF THE MANAGER ("DIRECTORS")

The Directors who have served on the Board of the Manager since the date of the last report are as follows:

Kong Sze Choon
Yap Kang Beng
Karn Sau Meng
Dato Sri Ar. Low Shu Nyok (appointed on 1 June 2023)
Teo Chee Seng (appointed on 1 June 2023)
Dato' Gan Boon Khuay (retired on 1 June 2023)
Kung Beng Hong (retired on 1 June 2023)

MANAGER'S REPORT (CONTINUED)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there exist any arrangement to which UOA Asset Management Sdn Bhd was a party, whereby Directors of the Manager might acquire benefits by means of the acquisition of units in or debentures of the Trust or any other body corporate.

During the financial year under review, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by UOA Asset Management Sdn Bhd or a related corporation, with any director or with a firm of which he is a member, or with a company or a related corporation, in which he has a substantial financial interest, except as disclosed in Note 28 to the Financial Statements.

DIRECTORS' INTERESTS

The interests and deemed interests in the units of the Trust of those who were Directors as at the financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Manager) are as follows:

	← Number of units →			As at 31 December 2023
	As at 1 January 2023	Acquired	Disposed	
Direct interest				
Kong Sze Choon	69,000	-	-	69,000
Karn Sau Meng	-	20,000	-	20,000
Indirect interest				
Kong Sze Choon*	24,000	-	-	24,000

* By virtue of his interest in the shares of Global Transact Sdn Bhd

None of the other Directors in office at the end of the financial year had any interest in units in the Trust during the financial year.

SOFT COMMISSION

During the financial year, the Manager did not receive any soft commission from its broker by virtue of transactions conducted by the Group.

CONFLICT OF INTEREST

None of the Directors and employees of the Manager has any conflict of interest with the Group and the Trust.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Trust were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Trust have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Trust inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Trust misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Trust misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Trust which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Trust which has arisen since the end of the financial year.

In the opinion of the Directors:

- (a) no contingent liability or other liability of the Group and of the Trust has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Trust to meet their obligations as and when they fall due;
- (b) the results of the operations of the Group and of the Trust during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Trust for the financial year in which this report is made.

MATERIAL LITIGATIONS

The Manager is not aware of any pending material litigation as at the date of statement of financial position and up to the date of this report.

MANAGER'S REPORT (CONTINUED)

HOLDING COMPANY

The Directors regard United Overseas Australia Ltd, a company incorporated in Australia and listed on the Australian Stock Exchange and the Stock Exchange of Singapore as the ultimate holding company.

INDEMNITY AND INSURANCE FOR DIRECTORS

There are no indemnity coverage and insurance premium paid for Directors of the Manager during the financial year.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees payable to the Auditors by the Group and the Trust for the financial year ended 31 December 2023 amounted to RM62,000 and RM53,000 respectively.

The Group and the Trust have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Board of Directors of UOA Asset Management Sdn Bhd in accordance with a resolution of the Board of Directors.

For and on behalf of the Manager,
UOA Asset Management Sdn Bhd

KONG SZE CHOON
DIRECTOR

Kuala Lumpur
20 February 2024

YAP KANG BENG
DIRECTOR

STATEMENT BY MANAGER

We, Kong Sze Choon and Yap Kang Beng, being two of the Directors of UOA Asset Management Sdn Bhd (“the Manager”), do hereby state that, in the opinion of the Directors, the financial statements set out on pages 68 to 98 are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2023 and financial performance and cash flows of the Group and of the Trust for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, Securities Commission’s Guidelines on Listed Real Estate Investment Trusts and the provisions of the deed dated 28 November 2005 and an amended and restated deed dated 1 August 2022 (collectively referred to as the “Deed”).

Signed on behalf of the Board of Directors of UOA Asset Management Sdn Bhd in accordance with a resolution of the Board of Directors.

For and on behalf of the Manager,
UOA Asset Management Sdn Bhd

KONG SZE CHOON
DIRECTOR

Kuala Lumpur
20 February 2024

YAP KANG BENG
DIRECTOR

STATUTORY DECLARATION

I, Kong Sze Choon, being the Director of UOA Asset Management Sdn Bhd primarily responsible for the financial management of UOA Real Estate Investment Trust, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 68 to 98 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in the
Federal Territory this day of
20 February 2024

)
)
)
)

KONG SZE CHOON

Before me:

Commissioner for Oaths

TRUSTEE'S REPORT TO THE UNITHOLDERS OF UOA REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

We have acted as Trustee of UOA Real Estate Investment Trust for the financial year ended 31 December 2023. In our opinion and to the best of our knowledge, UOA Asset Management Sdn Bhd, the Manager, has managed UOA Real Estate Investment Trust ("Trust") in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the deed dated 28 November 2005 and an amended and restated deed dated 1 August 2022 (collectively referred to as the "Deed"), the Capital Markets and Services Act, 2007, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts and other applicable laws during the financial year then ended.

We have ensured that the procedures and processes employed by UOA Asset Management Sdn Bhd to value and price the units of the Trust are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2023 are in line with and are reflective of the objectives of the Trust. Two distributions have been declared for the financial year ended 31 December 2023 as follows:

- (a) Interim income distribution of 3.96 sen per unit paid on 30 August 2023; and
- (b) Final income distribution of 3.86 sen per unit has been declared in subsequent year and to be paid on 29 February 2024.

For and on behalf of the Trustee,

RHB Trustees Berhad

(Registration No: 200201005356 (573019-U))

MOHD SOFIAN BIN KAMARUDDIN
VICE PRESIDENT

LIM BEE FANG
ASSISTANT VICE PRESIDENT

Kuala Lumpur
20 February 2024

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF UOA REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UOA Real Estate Investment Trust ("UOA REIT" or "Trust"), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Trust, statements of profit or loss and other comprehensive income, statements of changes in net asset value, statements of cash flows of the Group and of the Trust for the financial year then ended and notes to the financial statements, including a summary of material accounting policies, as set out on pages 68 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2023, their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines") and the provisions of the deed dated 28 November 2005 and an amended and restated deed dated 1 August 2022 ("Deed").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Trust in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Trust for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Trust as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (continued)

Valuation of Investment Properties

As disclosed in Note 6 to the Financial Statements, the Group's and the Trust's investment properties that were carried at fair value amounted to RM1,718,500,000 and RM1,709,600,000 respectively as at 31 December 2023.

The investment properties are stated at fair value based on independent professional valuation using the investment method. We focused on this due to the magnitude of the balance and the complexities in determining the fair value of the investment properties, which involves significant judgement and estimation that could result in material misstatement.

Audit responses

Our audit procedures included, amongst others, evaluating the competency, capabilities and objectivity of the independent valuer, performing site visits to major properties to inspect the conditions of the properties and vacant units, checking the accuracy and relevance of the input data used in the valuations, evaluating the valuation amounts by comparing against comparable properties sales and market data used in the valuations.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements of the Group and of the Trust and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Trust does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Trust, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Trust or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation of financial statements of the Group and of the Trust that give a true and fair view in accordance with MFRS, IFRS, REIT Guidelines and the provisions of the Deed. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Group and of the Trust that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Trust, the Manager is responsible for assessing the Group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or the Trust or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF UOA REAL ESTATE INVESTMENT TRUST (CONTINUED)

(Established in Malaysia)

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Trust as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Trust, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Trust or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Trust, including the disclosures, and whether the financial statements of the Group and of the Trust represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activity within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide with the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Trust for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the unitholders of the Trust, as a body, in accordance with the REIT Guidelines in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

KHO KIM ENG
(NO: 03137/10/2024 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
20 February 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Trust	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Plant and equipment	5	1,342	910	1,342	910
Investment properties	6	1,718,500	1,716,256	1,709,600	1,709,256
Investment in a subsidiary company	7	-	-	23	-
Total non-current assets		1,719,842	1,717,166	1,710,965	1,710,166
Current assets					
Trade receivables	8	5,060	2,026	5,044	1,995
Other receivables	9	8,517	5,995	8,517	5,995
Amount owing by a subsidiary company	10	-	-	11,177	11,500
Deposits with licensed financial institutions	11	1,750	1,200	1,750	1,200
Bank balances		2,549	2,713	2,242	2,435
Total current assets		17,876	11,934	28,730	23,125
Total assets		1,737,718	1,729,100	1,739,695	1,733,291
LIABILITIES					
Non-current liabilities					
Other payables	12	12,742	10,428	12,562	10,241
Deferred tax liabilities	13	19,640	21,188	19,640	21,188
Total non-current liabilities		32,382	31,616	32,202	31,429
Current liabilities					
Other payables	12	27,038	26,402	26,928	26,305
Bank borrowings	14	684,700	675,400	684,700	675,400
Tax payable		25	20	-	-
Total current liabilities		711,763	701,822	711,628	701,705
Total liabilities		744,145	733,438	743,830	733,134
Net asset value		993,573	995,662	995,865	1,000,157
UNITHOLDERS' FUND					
Unitholders' capital	15	750,555	750,555	750,555	750,555
Undistributed income		243,018	245,107	245,310	249,602
Distribution to unitholders		993,573	995,662	995,865	1,000,157
Number of units in circulation ('000)		675,599	675,599	675,599	675,599
Net asset value					
- Before income distribution		993,573	995,662	995,865	1,000,157
- After income distribution *		967,495	966,476	969,787	970,971
Net asset value per unit					
- Before income distribution		1.471	1.474	1.474	1.480
- After income distribution *		1.432	1.431	1.435	1.437

* After proposed final income distribution of 3.86 sen (2022: 4.32 sen) per unit

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Trust	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
INCOME					
Gross rental	16	112,838	114,377	112,150	113,732
Property operating expenses	17	(30,459)	(26,127)	(30,223)	(25,925)
Net rental income		82,379	88,250	81,927	87,807
Interest income		96	78	94	73
Other income		573	347	573	346
Total income		83,048	88,675	82,594	88,226
EXPENSES					
Manager's fees	18	(6,626)	(6,624)	(6,626)	(6,624)
Trustee's fees	19	(297)	(297)	(297)	(297)
Auditors' remuneration		(61)	(65)	(56)	(61)
Tax agent's fees		(24)	(25)	(20)	(20)
Valuation fees		(221)	(45)	(220)	(44)
Administration expenses		(525)	(288)	(520)	(283)
Impairment losses of financial assets		(473)	(507)	(432)	(479)
Finance costs	20	(21,625)	(19,748)	(21,625)	(19,748)
Total expenses		(29,852)	(27,599)	(29,796)	(27,556)
Fair value loss on investment properties		(1,225)	-	(3,125)	-
Net changes on financial liabilities measured at amortised cost		427	(95)	427	(95)
Income before tax		52,398	60,981	50,100	60,575
Tax income/(expense)	21	1,453	(108)	1,548	-
Net income/total comprehensive income during the financial year		53,851	60,873	51,648	60,575
Net income/(loss)/total comprehensive income/(loss) is made up as follows:					
- Realised		53,196	61,076	52,798	60,670
- Unrealised		655	(203)	(1,150)	(95)
		53,851	60,873	51,648	60,575

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Trust	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Earnings per unit (Basic and diluted)	22				
- After Manager's fees (sen)		7.97	9.01	7.64	8.97
- Before Manager's fees (sen)		8.95	9.99	8.63	9.95
Net income distribution	23				
- Interim distribution of 3.96 sen (2022: 4.30 sen) paid on 30 August 2023 (2022: 30 August 2022)		26,754	29,051	26,754	29,051
- Proposed final distribution of 3.86 sen (2022: 4.32 sen) payable on 29 February 2024 (2022: 28 February 2023)		26,078	29,186	26,078	29,186
		52,832	58,237	52,832	58,237
Interim income distribution per unit *					
- Gross (sen)		3.96	4.30	3.96	4.30
- Net (sen) **		3.96	4.30	3.96	4.30
Final income distribution per unit *					
- Gross (sen)		3.86	4.32	3.86	4.32
- Net (sen) **		3.86	4.32	3.86	4.32

* Based on 675,599,076 (2022: 675,599,076) units entitled to distribution

** Withholding tax will be deducted for the distributions made to the following categories of unitholders:

		Withholding tax rate	
		2023	2022
Resident corporate	#	-	-
Resident non-corporate		10%	10%
Non-resident individual		10%	10%
Non-resident corporate		24%	24%
Non-resident institutional		10%	10%

No withholding tax; to tax at prevailing tax rate

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Unitholders' capital RM'000	← Undistributed Income →		Sub-total RM'000	Total RM'000
			Realised RM'000	Unrealised RM'000		
Group						
Balance as at 1 January 2022		750,555	86,944	155,527	242,471	993,026
Net income/(loss)/total comprehensive income/(loss) for the financial year		-	61,076	(203)	60,873	60,873
Unitholders' transactions:						
- Distribution to unitholders	23	-	(58,237)	-	(58,237)	(58,237)
Balance as at 31 December 2022		750,555	89,783	155,324	245,107	995,662
Net income/total comprehensive income for the financial year		-	53,196	655	53,851	53,851
Unitholders' transactions:						
- Distribution to unitholders	23	-	(55,940)	-	(55,940)	(55,940)
Balance as at 31 December 2023		750,555	87,039	155,979	243,018	993,573
Trust						
Balance as at 1 January 2022		750,555	91,459	155,805	247,264	997,819
Net income/(loss)/total comprehensive income/(loss) for the financial year		-	60,670	(95)	60,575	60,575
Unitholders transactions:						
- Distribution to unitholders	23	-	(58,237)	-	(58,237)	(58,237)
Balance as at 31 December 2022		750,555	93,892	155,710	249,602	1,000,157
Net income/(loss)/total comprehensive income/(loss) for the financial year		-	52,798	(1,150)	51,648	51,648
Unitholders' transactions:						
- Distribution to unitholders	23	-	(55,940)	-	(55,940)	(55,940)
Balance as at 31 December 2023		750,555	90,750	154,560	245,310	995,865

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	52,398	60,981	50,100	60,575
Adjustments for:				
Impairment losses of financial assets	473	507	432	479
Bad debts written off	41	112	41	112
Depreciation	132	95	132	95
Fair value loss on investment properties	1,225	-	3,125	-
Plant and equipment written off	-	3	-	3
Net changes on financial liabilities measured at amortised cost	(427)	95	(427)	95
Interest income	(96)	(78)	(94)	(73)
Interest expense	21,625	19,748	21,625	19,748
Operating profit before working capital changes	75,371	81,463	74,934	81,034
Changes in working capital:				
Receivables	(6,070)	338	(6,044)	340
Payables	3,310	1,383	3,304	1,348
Cash generated from operating activities	72,611	83,184	72,194	82,722
Tax paid	(90)	(89)	-	-
Net cash from operating activities	72,521	83,095	72,194	82,722
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment	(564)	(631)	(564)	(631)
Enhancements to investment properties	(3,469)	(56)	(3,469)	(56)
Interest income	96	78	94	73
Repayment from a subsidiary company	-	-	300	600
Net cash used in investing activities	(3,937)	(609)	(3,639)	(14)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank borrowings	206,700	229,000	206,700	229,000
Repayment of bank borrowings	(197,400)	(236,800)	(197,400)	(236,800)
Interest paid	(21,558)	(19,687)	(21,558)	(19,687)
Distribution to unitholders	(55,940)	(58,237)	(55,940)	(58,237)
Net cash used in financing activities	(68,198)	(85,724)	(68,198)	(85,724)
CASH AND CASH EQUIVALENTS				
Net changes	386	(3,238)	357	(3,016)
Brought forward	3,913	7,151	3,635	6,651
Carried forward	4,299	3,913	3,992	3,635

NOTES TO THE STATEMENTS OF CASH FLOWS

Cash and cash equivalents included in the Statements of Cash Flows comprise the following:

	Group		Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank balances	2,549	2,713	2,242	2,435
Deposits with licensed financial institutions	1,750	1,200	1,750	1,200
	4,299	3,913	3,992	3,635

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. GENERAL INFORMATION

UOA Real Estate Investment Trust ("UOA REIT" or "Trust") was constituted under a deed dated 28 November 2005 and an amended and restated deed dated 1 August 2022 (collectively referred to as the "Deed"), by the Manager, UOA Asset Management Sdn Bhd ("Manager") and RHB Trustees Berhad ("Trustee"). UOA REIT commenced operations on 1 December 2005.

UOA REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 30 December 2005. The principal activity of UOA REIT is investment in real estate and real estate-related assets used, or predominantly used, for commercial purposes, whether directly or indirectly through the ownership of single-purpose companies which wholly own real estate. There has been no significant change in the nature of this activity during the financial year.

The Manager, a company incorporated in Malaysia, is a subsidiary of UOA Corporation Bhd (a subsidiary of UOA Holdings Sdn Bhd which in turn, is a wholly owned subsidiary of United Overseas Australia Ltd., a company incorporated in Australia and listed on the Australian Stock Exchange and the Stock Exchange of Singapore). The principal activity of the Manager is the management of real estate investment trusts. There has been no significant change in the nature of this activity during the financial year.

The principal activity of the subsidiary company is disclosed in Note 7 to the Financial Statements.

The consolidated financial statements reported for the financial year ended 31 December 2023 relates to the Trust and its subsidiary company ("the Group").

The financial statements were approved by the Manager's Board of Directors in accordance with a resolution of the Directors passed on 20 February 2024.

2. TERM OF THE TRUST

UOA REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 26 of the Deed.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements of the Group and of the Trust have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the Deed and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts.

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement

The financial statements of the Group and of the Trust are prepared under the historical cost convention, except for investment properties that have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Trust use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Trust determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at each reporting date.

For the purpose of fair value disclosures, the Group and the Trust have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Trust's functional currency and all values are rounded to the nearest RM'000 except when otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

3. BASIS OF PREPARATION (CONTINUED)

3.4 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Trust have consistently applied the material accounting policies set out in Note 4 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Trust adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial years beginning on or after 1 January 2023.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements of the Group and of the Trust.

3.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and the Trust's financial statements are disclosed below. The Group and the Trust intend to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Amendments to MFRSs effective 1 January 2024:

Amendments to MFRS 16*	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101*	Non-Current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107* and 7*	Supplier Finance Arrangements

Amendments to MFRS effective 1 January 2025:

Amendments to MFRS 121*	Lack of Exchangeability
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Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10* and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group's and the Trust's operations

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements.

3.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Trust's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

3. BASIS OF PREPARATION (CONTINUED)

3.6 Significant accounting estimates and judgements (continued)

3.6.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Useful lives of depreciable assets

Plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of the depreciable assets to be within 5 to 10 years and reviews the useful lives of depreciable assets at each reporting date. As at the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group and to the Trust. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in adjustments to the Group's and to the Trust's assets.

Fair value of investment properties

The Group and the Trust measure their investment properties at fair value with changes in fair value being recognised in profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. In making the judgement, the Group and the Trust evaluate based on past experience and reliance on the work of specialists. The Group and the Trust engage independent valuation specialists to determine fair values.

The carrying amount of investment properties at the end of the reporting year and the relevant valuation bases are disclosed in the Note 6 to the Financial Statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and to the Trust's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.

Provision for expected credit losses ("ECL") of trade receivables

The Group and the Trust use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due of outstanding debts.

The provision matrix is initially based on the Group's and on the Trust's historical observed default rates. The Group and the Trust will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the Group's and the Trust's related economic sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

3. BASIS OF PREPARATION (CONTINUED)

3.6 Significant accounting estimates and judgements (continued)

3.6.1 Estimation uncertainty (continued)

Provision for expected credit losses ("ECL") of trade receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Trust's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and the Trust's trade receivables is disclosed in Note 33 to the Financial Statements.

Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Trust recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

3.6.2 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group and of the Trust that have the most significant effect on these financial statements.

Classification between investment properties and owner-occupied properties

The Group and the Trust determine whether properties qualify as investment properties and have developed the criteria in making that judgement. Investment properties are properties held to earn rentals or for capital appreciation or both.

Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group and the Trust account for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the properties are investment properties only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group and the Trust review the investment properties and concluded that the Group's and the Trust's investment properties are held under a business model whose objective is to recover the carrying amount of the investment properties through sale.

3. BASIS OF PREPARATION (CONTINUED)

3.6 Significant accounting estimates and judgements (continued)

3.6.2 Significant management judgements (continued)

Deferred tax on investment properties (continued)

Accordingly, the Group and the Trust recognise deferred taxes in respect of the changes in fair value of investment properties based on Real Property Gains Tax ("RPGT"). The final tax outcome could be different from the deferred tax liabilities recognised in the financial statements should the economic benefits embodied in the investment properties be subsequently substantially consumed over time rather than through sale.

4. MATERIAL ACCOUNTING POLICIES

The Group and the Trust apply the material accounting policies, as summarised below, consistently throughout all years presented in the financial statements, unless otherwise stated.

4.1 Investment in subsidiary company

Investments in subsidiary company are measured in the Company's statement of financial position at cost less any impairment losses.

4.2 Plant and equipment

All plant and equipment are stated at cost less accumulated depreciation and less any impairment losses.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life.

The principal annual depreciation rates used are as follows:

Office equipment	10%
Computer	20%
Office renovation	10%

4.3 Investment properties

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the year in which they arise.

4.4 Financial instruments

At the reporting date, the Group and the Trust carry only financial assets at amortised cost on their statements of financial position. The Group's and the Trust's financial assets at amortised cost include trade and other receivables, amount owing by a subsidiary company and cash and cash equivalents.

At the reporting date, the Group and the Trust carry only financial liabilities at amortised cost on their statements of financial position. The Group's and the Trust's financial liabilities at amortised cost include other payables and bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Deferred tax liabilities

Where investment properties are carried at their fair values, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the properties are depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the properties over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

5. PLANT AND EQUIPMENT

Group and Trust	Office equipment RM'000	Computer RM'000	Office renovation RM'000	Total RM'000
Cost				
At 1.1.2022	435	23	142	600
Additions	631	-	-	631
Written off	(7)	-	-	(7)
At 31.12.2022	1,059	23	142	1,224
Additions	564	-	-	564
At 31.12.2023	1,623	23	142	1,788
Accumulated depreciation				
At 1.1.2022	174	16	33	223
Charge for the year	79	4	12	95
Written off	(4)	-	-	(4)
At 31.12.2022	249	20	45	314
Charge for the year	115	3	14	132
At 31.12.2023	364	23	59	446
Net carrying amount				
31.12.2023	1,259	-	83	1,342
31.12.2022	810	3	97	910

6. INVESTMENT PROPERTIES

	Group RM'000	Trust RM'000
At 1.1.2022	1,716,200	1,709,200
Additions	56	56
At 31.12.2022	1,716,256	1,709,256
Fair value adjustment	(1,225)	(3,125)
Additions	3,469	3,469
At 31.12.2023	1,718,500	1,709,600

Investment properties as at 31 December 2023 are stated at fair value based on valuations conducted by an independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

The fair value represents the amount at which the properties could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the reporting date. The fair value should also reflect market conditions at the reporting date.

In arriving at the market value, the Valuer has applied the investment method to assess the market value of the investment properties as at the reporting date.

The fair value of investment properties is classified under Level 3.

Details of Level 3 fair value measurements are as follows:

Description of valuation technique and inputs used	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Investment method: the approach involves capitalisation of the net annual income with allowance for voids by using a suitable rate of return consistent with the type and quality of investment to arrive at the market value	<ul style="list-style-type: none"> • Term yield rate of 6.00% (2022: 5.00% - 6.00%) • Reversionary yield rate of 6.25% (2022: 5.00% - 6.25%) • Occupancy rates of 60.89% - 97.90% (2022: 69.75% - 92.27%) 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • Term yield rate is lower (higher) • Reversionary yield rate is lower (higher) • Occupancy rate is higher (lower)

All land/strata titles are registered in the name of the Trustee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

6. INVESTMENT PROPERTIES (CONTINUED)

Group

Description of properties	Tenure	Existing use	Acquisition cost RM'000	Date of last valuation	Last valuation RM'000	Fair value RM'000	Percentage of fair value to Group's the Asset Net Value %
<u>As at 31 December 2023</u>							
UOA Centre Parcels	Freehold	Commercial	55,981	31.12.2023	78,000	78,000	7.85
UOA II Parcels	Freehold	Commercial	194,502	31.12.2023	277,000	277,000	27.88
UOA Damansara Parcels	Freehold	Commercial	72,000	31.12.2023	115,000	115,000	11.57
Wisma UOA Damansara II	Freehold	Commercial	211,000	31.12.2023	224,500	224,500	22.60
Parcel B – Menara UOA Bangsar	Leasehold *	Commercial	287,760	31.12.2023	302,000	302,000	30.40
UOA Corporate Tower	Leasehold *	Commercial	701,654	31.12.2023	722,000	722,000	72.67
			1,522,897		1,718,500	1,718,500	

As at 31 December 2022

UOA Centre Parcels	Freehold	Commercial	55,981	31.12.2022	78,000	78,000	7.83
UOA II Parcels	Freehold	Commercial	194,502	31.12.2022	281,000	281,000	28.22
UOA Damansara Parcels	Freehold	Commercial	72,000	31.12.2022	114,900	114,900	11.54
Wisma UOA Damansara II	Freehold	Commercial	211,000	31.12.2022	224,300	224,356	22.53
Parcel B – Menara UOA Bangsar	Leasehold *	Commercial	287,760	31.12.2022	300,000	300,000	30.13
UOA Corporate Tower	Leasehold *	Commercial	701,654	31.12.2022	718,000	718,000	72.11
			1,522,897		1,716,200	1,716,256	

The valuations were conducted by VPC Alliance (Kajang) Sdn Bhd, an independent firm of professional valuer registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

* 99 years leasehold expiring in 2106 (unexpired term of approximately 83 years)

6. INVESTMENT PROPERTIES (CONTINUED)

Trust

Description of properties	Tenure	Existing use	Acquisition cost RM'000	Date of last valuation	Last valuation RM'000	Fair value RM'000	Percentage of fair value to the Trust's Net Asset Value %
<u>As at 31 December 2023</u>							
UOA Centre Parcels	Freehold	Commercial	55,981	31.12.2023	78,000	78,000	7.83
UOA II Parcels	Freehold	Commercial	194,502	31.12.2023	277,000	277,000	27.82
UOA Damansara Parcels	Freehold	Commercial	72,000	31.12.2023	115,000	115,000	11.55
Wisma UOA Damansara II	Freehold	Commercial	211,000	31.12.2023	224,500	224,500	22.54
Parcel B - Menara UOA Bangsar	Leasehold*	Commercial	278,779	31.12.2023	293,100	293,100	29.43
UOA Corporate Tower	Leasehold*	Commercial	701,654	31.12.2023	722,000	722,000	72.50
			1,513,916		1,709,600	1,709,600	
<u>As at 31 December 2022</u>							
UOA Centre Parcels	Freehold	Commercial	55,981	31.12.2022	78,000	78,000	7.80
UOA II Parcels	Freehold	Commercial	194,502	31.12.2022	281,000	281,000	28.10
UOA Damansara Parcels	Freehold	Commercial	72,000	31.12.2022	114,900	114,900	11.49
Wisma UOA Damansara II	Freehold	Commercial	211,000	31.12.2022	224,300	224,356	22.43
Parcel B - Menara UOA Bangsar	Leasehold*	Commercial	278,779	31.12.2022	293,000	293,000	29.30
UOA Corporate Tower	Leasehold*	Commercial	701,654	31.12.2022	718,000	718,000	71.79
			1,513,916		1,709,200	1,709,256	

The valuations were conducted by VPC Alliance (Kajang) Sdn Bhd, an independent firm of professional valuer registered with the Board of Valuers, Appraisers & Estate Agents Malaysia.

* 99 years leasehold expiring in 2106 (unexpired term of approximately 83 years)

As at 31 December 2023, UOA II Parcels, UOA Damansara Parcels, Wisma UOA Damansara II, Parcel B - Menara UOA Bangsar (excluding Petak 9 and 14) and UOA Corporate Tower with an aggregate carrying amount of RM1,631,600,000 (2022: RM1,631,256,000) have been pledged as securities for borrowings referred to in Note 14 to the Financial Statements.

There were no new acquisitions or disposals during the financial year and the total number of properties in the portfolio remains at six (6).

The property operating expenses are disclosed in Note 17 to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

7. INVESTMENT IN A SUBSIDIARY COMPANY

	Trust	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	23	-*

* Investment in a subsidiary company of RM2 in prior year

The details of the subsidiary company are as follows:

	Principal place of business	Equity interest		Principal activity
		2023 %	2022 %	
Angkara Restu Sdn Bhd	Malaysia	100	100	Property investment

During the financial year, the Trust subscribed for additional ordinary shares in the subsidiary company for a total consideration of RM22,000 by capitalising part of the interest free advances owing by the subsidiary company.

8. TRADE RECEIVABLES

	Group		Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	9,784	6,318	9,700	6,260
Less: Allowance for expected credit losses				
As at 1 January	(4,292)	(3,897)	(4,265)	(3,898)
Additions	(942)	(1,157)	(901)	(1,129)
Reversal	469	650	469	650
Written off	41	112	41	112
As at 31 December	(4,724)	(4,292)	(4,656)	(4,265)
	5,060	2,026	5,044	1,995

The credit terms for monthly rental from tenants are 14 (2022: 14) days.

Allowance for expected credit losses was reversed as a result of receipts during the financial year.

9. OTHER RECEIVABLES

	Group and Trust	
	2023 RM'000	2022 RM'000
Non-trade receivables	4,232	2,564
Deposits	4,138	3,288
Prepayments	147	143
	8,517	5,995

Included in non-trade receivables of the Group and of the Trust is amount owing by companies related to the Manager amounting to RM118,000 (2022: RM162,000).

10. AMOUNT OWING BY A SUBSIDIARY COMPANY

The amount owing by a subsidiary company represents interest free advances which are unsecured and expected to be repaid in the next 12 months.

11. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rates of deposits ranged between 2.20% to 2.65% (2022: 1.25% to 2.65%) per annum. The deposits had maturity terms of one month or less.

12. OTHER PAYABLES

	Group		Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Tenants' deposits	12,742	10,428	12,562	10,241
Current				
Amount owing to the Manager	600	567	600	567
Amount owing to companies related to the Manager	445	84	445	84
Non-trade payables	727	981	724	980
Interest payable	611	544	611	544
Accruals	2,528	1,864	2,519	1,851
Tenants' deposits	20,198	20,930	20,161	20,902
Rental received in advance	1,929	1,432	1,868	1,377
	27,038	26,402	26,928	26,305
	39,780	36,830	39,490	36,546

The amount owing to the Manager which represents management fee payable and the amounts owing to companies related to the Manager are unsecured and expected to be settled within the normal credit period of 30 (2022: 30) days.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

12. OTHER PAYABLES (CONTINUED)

Included in tenants' deposits refundable within 12 months of the Group and of the Trust are deposits received from companies related to the Manager amounting to RM3,980,000 (2022: RM3,980,000).

13. DEFERRED TAX LIABILITIES

	Group and Trust	
	2023	2022
	RM'000	RM'000
At 1 January	21,188	21,188
Charged to profit or loss (Note 21)	(1,548)	-
At 31 December	19,640	21,188

The deferred tax liabilities represent the tax effects of RPGT on fair value adjustment of investment properties.

14. BANK BORROWINGS

	Group and Trust	
	2023	2022
	RM'000	RM'000
Secured		
Revolving credit I	-	4,400
Revolving credit II	156,000	156,000
Revolving credit III	106,700	93,000
Revolving credit IV	422,000	422,000
	684,700	675,400

Revolving credit I is secured by a legal charge over Wisma UOA Damansara II.

Revolving credit II is secured by Loan Agreements cum Assignment, Deeds of Extension of Deed of Assignment, Deeds of Assignment of Rental Proceeds ("DARP"), Deeds of Extension of DARP and four (4) Powers of Attorney, and legal charges over UOA Damansara Parcels and Parcel B - Menara UOA Bangsar (excluding Petak 9 and 14).

Revolving credit III is secured by a legal charge over UOA II Parcels.

Revolving credit IV is secured by a legal charge over UOA Corporate Tower.

The revolving credits are subject to periodic review and repayable on demand. The Manager is of the opinion that the facility will be rolled over and remain available in the long term.

The effective interest/profit rates of the borrowings ranging from 3.77% to 4.14% (2022: 3.65% to 3.76%) per annum except revolving credit IV with the fixed interest rate of 2.75% (2022: 2.75%) per annum.

15. UNITHOLDERS' CAPITAL

	Group and Trust	
	2023	2022
Issued and fully paid with no par value:		
Number of units (Units'000)		
At 1 January/31 December	675,599	675,599
Unitholders' capital (RM'000)		
At 1 January/31 December	750,555	750,555

16. GROSS RENTAL

Gross rental represents rental income from the investment properties and is generated from Malaysia.

17. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assessment and quit rent	6,766	6,929	6,751	6,914
Insurance	316	286	316	286
Maintenance fees	10,288	9,793	10,102	9,628
Others	10,107	6,603	10,072	6,581
Direct operating expenses	27,477	23,611	27,241	23,409
Property management fees	2,982	2,516	2,982	2,516
	30,459	26,127	30,223	25,925

18. MANAGER'S FEES

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

For the financial year, the Manager charged a manager's fees of RM6,626,000 (2022: RM6,624,000) which was calculated based on 0.67% (2022: 0.67%) of the Net Asset Value of the Trust on monthly basis.

19. TRUSTEE'S FEES

The Trustee is entitled to a fee of up to 0.05% per annum of Net Asset Value of the Trust, calculated on a monthly accrual basis and payable monthly in arrears.

For the financial year, the Trustee charged a trustee's fees of RM297,000 (2022: RM297,000) which was calculated based on 0.03% (2022: 0.03%) of the Net Asset Value of the Trust.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

20. FINANCE COSTS

	Group and Trust	
	2023	2022
	RM'000	RM'000
Interest expense on revolving credits	21,625	19,748

21. TAX (INCOME)/EXPENSE

	Group		Trust	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current year provision				
- current tax	97	103	-	-
- deferred tax (Note 13)	(1,548)	-	(1,548)	-
(Over)/underprovision of current tax in prior years	(2)	5	-	-
Tax (income)/expense	(1,453)	108	(1,548)	-

The numerical reconciliation of tax (income)/expense on income before tax with the statutory tax rate is as follows:

	Group		Trust	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income before tax	52,398	60,981	50,100	60,575
Taxation at statutory tax rate of 24%	12,576	14,635	12,024	14,538
Non-deductible expenses	570	311	569	305
Non-taxable income	(13,343)	(14,843)	(13,343)	(14,843)
Difference between income tax rate and RPGT rate applicable on fair value adjustment on investment properties	381	-	837	-
Change in RPGT rate on investment properties	(1,635)	-	(1,635)	-
(Over)/underprovision of current tax in prior years	(2)	5	-	-
Tax (income)/expense	(1,453)	108	(1,548)	-

Pursuant to the amended 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 corporate tax.

22. EARNINGS PER UNIT ("EPU")

The EPU after manager's fees of the Group and of the Trust have been calculated by dividing income after tax for the financial year of RM53,851,000 and RM51,648,000 (2022: RM60,873,000 and RM60,575,000) by the weighted average number of units in issue of 675,599,076 (2022: 675,599,076).

The EPU before manager's fees of the Group and of the Trust have been calculated by dividing income after tax before deduction of manager's fees for the financial year of RM60,477,000 and RM58,274,000 (2022: RM67,497,000 and RM67,199,000) by the weighted average number of units in issue of 675,599,076 (2022: 675,599,076).

Diluted EPU equals to Basic EPU as there are no potential dilutive units in issue.

23. NET INCOME DISTRIBUTION TO UNITHOLDERS

	Group and Trust	
	2023	2022
	RM'000	RM'000
Distribution to unitholders declared and paid for:		
<u>Financial year ended 31 December 2021</u>		
- Interim distribution of 4.32 sen	-	29,186
<u>Financial year ended 31 December 2022</u>		
- Interim distribution of 4.30 sen	-	29,051
- Final distribution of 4.32 sen	29,186	-
<u>Financial year ended 31 December 2023</u>		
- Interim distribution of 3.96 sen	26,754	-
	55,940	58,237
Proposed final distribution of 3.86 sen (2022: 4.32 sen) for financial year ended 31 December	26,078	29,186
Total income distribution based on current year's net income	52,832	58,237

The distribution to unitholders is from the following sources of the Trust:

	Group and Trust	
	2023	2022
	RM'000	RM'000
Sources of income		
Gross rental income	112,150	113,732
Interest income	94	73
Other income	573	346
	112,817	114,151

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

23. NET INCOME DISTRIBUTION TO UNITHOLDERS (CONTINUED)

The distribution to unitholders is from the following sources of the Trust (continued):

	Group and Trust	
	2023 RM'000	2022 RM'000
Expenses (excluding Manager's fees)		
Property expenses	30,223	25,925
Non-property expenses	23,170	20,932
	53,393	46,857
Net income before Manager's fees, income distribution, fair value loss on investment properties, net changes on financial liabilities measured at amortised cost and taxation	59,424	67,294
Fair value loss on investment properties	(3,125)	-
Net changes on financial liabilities measured at amortised cost	427	(95)
Manager's fees	(6,626)	(6,624)
Tax income	1,548	-
	51,648	60,575
Undistributed income during the year		
- Unrealised loss	1,150	95
- Realised income/(loss)	34	(2,433)
Total income distribution based on current year's net income	52,832	58,237
Total distribution per unit (sen)	7.82	8.62

24. TRANSACTIONS WITH STOCKBROKING COMPANIES

There were no transactions made with stockbroking companies during current and prior year.

25. MANAGEMENT EXPENSE RATIO

	Group and Trust	
	2023 %	2022 %
Management expense ratio ("MER")	0.78	0.74

MER is calculated based on the total administrative expenses incurred by the Group and the Trust divided by the average value of the Net Asset Value for the financial year calculated on a quarterly basis.

As the basis of calculation may vary among real estate investment trusts, no accurate comparison can be made between the Group's and the Trust's MER with other real estate investment trusts.

26. UNITHOLDERS BY THE MANAGER

The Manager did not hold any direct units in the Trust in the current and prior year.

27. UNITHOLDERS RELATED TO THE MANAGER

	Number of units		Percentage of units in issue		Market value	
	2023 Unit '000	2022 Unit '000	2023 %	2022 %	2023 RM'000	2022 RM'000
Directors of the Manager:						
- Kong Sze Choon	69	69	0.01	0.01	76	79
- Karn Sau Meng	20	-	0.00	-	22	-
Companies related to the Manager:						
- Desa Bukit Pantai Sdn Bhd	102,261	102,261	15.14	15.14	112,487	117,600
- Wisma UOA Sdn Bhd	77,729	77,729	11.51	11.51	85,502	89,388
- Rich Accomplishment Sdn Bhd	74,661	74,661	11.05	11.05	82,127	85,860
- Dynasty Portfolio Sdn Bhd	63,327	63,327	9.37	9.37	69,660	72,826
- UOA Corporation Bhd	48,000	48,000	7.10	7.10	52,800	55,200
- LTG Development Sdn Bhd	5,601	5,601	0.83	0.83	6,161	6,441
Persons related to the Manager via relationship with a Director of the Manager						
- Kong May Chee	16	16	0.00	0.00	18	18
- Kong Ai Chee	14	14	0.00	0.00	15	16
Director of the Manager (indirect interest)						
- Kong Sze Choon *	24	24	0.00	0.00	26	28
Persons related to the Manager via relationship with a Director of the Manager (indirect interest)						
- Kong Chong Soon @ Chi Suim **	371,579	371,579	55.00	55.00	408,737	427,316

* Deemed interest through his shareholding in Global Transact Sdn Bhd

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

The market value of the units is determined by using the closing market value of RM1.10 as at 31 December 2023 (31 December 2022: RM1.15).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Trust has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Trust and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all Directors of the Manager and certain members of senior management of the Manager.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions are disclosed as follows:

	2023 RM'000	2022 RM'000
Significant transactions with companies related to the Managers:		
Group and Trust		
Purchase of plant and equipment	-	107
Enhancement of investment properties	1,562	-
Rental received/receivable	12,588	14,861
Security fees paid/payable	511	532
Significant transaction with subsidiary company:		
Trust		
Rental received	203	203

The above transactions were entered into in the normal course of business and had been established based on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

The related party balances arising from related party transactions as at the reporting date were disclosed in Notes 9, 10 and 12 to the Financial Statements.

29. CAPITAL COMMITMENTS

	Group and Trust	
	2023 RM'000	2022 RM'000
Authorised and contracted for:		
- Investment properties	903	-
Authorised and contracted for:		
- Investment properties	13,500	-

30. MATURITY ANALYSIS OF LEASE PAYMENTS

The Group and the Trust as lessor

The Group and the Trust lease out their investment properties under operating leases. These leases are non-cancellable and typically run for a period ranging from 1 to 4 years, with the option to renew. Subsequent renewals are negotiated with the lease on average rental period of 1 to 5 years. None of the leases include contingent rentals.

The future undiscounted lease payments receivables after the reporting date are as follows:

	Group		Trust	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As lessor				
Within 1 year	86,977	79,164	86,382	78,535
In the second year	56,079	21,077	55,698	20,535
In the third year	28,941	4,245	28,941	3,878
In the fourth year	529	177	529	177
	172,526	104,663	171,550	103,125

31. SEGMENT REPORTING

The segmental financial information by business or geographical segments is not presented as there is only one business activity within the investment properties of the Group and of the Trust and the business activity is operated in Malaysia.

The Manager assesses the financial performance of the operating segments based on, including but not limited to, net rental income. The net rental income enables financial performance benchmarking as such basis eliminates the effect of financing and investment decisions which may not be made at operating level.

32. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Included in payables are tenants' deposits received. The tenants' deposits are determined based on the present value of future cash flows discounted at the market interest rate of 3.47% (2022: 3.59%) per annum at the end of the reporting year.

The carrying amounts of all other financial assets and liabilities approximate fair values due to the relatively short-term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group and the Trust operate within clearly defined guidelines as set out in the Securities Commission's Guidelines on Listed Real Estate Investment Trusts ("REIT Guidelines"). These REIT Guidelines seek to provide a regulatory framework that would protect the interests of the investing public. The Group and the Trust are exposed to a variety of financial risks, including credit risk, interest rate risk and liquidity risk arising from their operations and the use of financial instruments.

Information regarding the Group's and the Trust's exposure to the abovementioned risks and the Group's and the Trust's risk management policies, which ensure compliance with the spirit of the REIT Guidelines, are set out below:

(a) Credit risk

Credit risk is the risk that a tenant or counter party may be unable to meet their contractual obligations. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

The Group and the Trust are not exposed to significant credit risks as it is not permitted to extend loans or any other forms of credit facilities. The risk of non-collectability of monthly rentals is also mitigated with rental deposits collected from the tenants.

The maximum exposure to credit risk for other receivables is represented by their carrying amounts in the statements of financial position.

The ageing analysis of receivables as at the reporting date which is trade in nature is as follows:

Group

	Gross carrying amount RM'000	Expected credit loss allowance RM'000	Net balances RM'000
2023			
Not past due	152	-	152
Past due 1 to 30 days	1,186	-	1,186
Past due 31 to 90 days	1,999	-	1,999
Past due more than 90 days	1,723	-	1,723
Past due more than 90 days with credit impaired	4,724	4,724	-
	9,784	4,724	5,060
2022			
Not past due	160	-	160
Past due 1 to 30 days	334	-	334
Past due 31 to 90 days	298	-	298
Past due more than 90 days	1,234	-	1,234
Past due more than 90 days with credit impaired	4,292	4,292	-
	6,318	4,292	2,026

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Information regarding the Group's and the Trust's exposure to the abovementioned risks and the Group's and the Trust's risk management policies, which ensure compliance with the spirit of the REIT Guidelines, are set out below (continued):

(a) Credit risk (continued)

The ageing analysis of receivables as at the reporting date which is trade in nature is as follows (continued):

Trust

	Gross carrying amount RM'000	Expected credit loss allowance RM'000	Net balances RM'000
2023			
Not past due	149	-	149
Past due 1 to 30 days	1,178	-	1,178
Past due 31 to 90 days	1,997	-	1,997
Past due more than 90 days	1,720	-	1,720
Past due more than 90 days with credit impaired	4,656	4,656	-
	9,700	4,656	5,044
2022			
Not past due	153	-	153
Past due 1 to 30 days	327	-	327
Past due 31 to 90 days	290	-	290
Past due more than 90 days	1,225	-	1,225
Past due more than 90 days with credit impaired	4,265	4,265	-
	6,260	4,265	1,995

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Trust's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Trust's deposits with licensed financial institutions and fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Trust's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Trust have no exposure to movements in market interest rates other than revolving credit facilities and deposits with licensed financial institutions.

Financial assets

By placing its deposits on short tenures and at prevailing market interest rates, the Group and the Trust are able to reduce their exposures to interest rate fluctuations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Information regarding the Group's and the Trust's exposure to the abovementioned risks and the Group's and the Trust's risk management policies, which ensure compliance with the spirit of the REIT Guidelines, are set out below (continued):

(b) Interest rate risk (continued)

Financial liabilities

The Group and the Trust minimise their interest rate risk by borrowing as far as possible at a floating interest rate.

The information on maturity and effective interest/profit rates on the revolving credits are disclosed in Note 14 to the Financial Statements.

The interest rate profile of the Group's and Trust's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year are as follows:

	Group RM'000	Trust RM'000
2023		
Fixed rate instruments		
Deposits with licensed financial institutions	1,750	1,750
Bank borrowings	422,000	422,000
<hr/>		
Floating rate instrument		
Bank borrowings	262,700	262,700
<hr/>		
2022		
Fixed rate instruments		
Deposits with licensed financial institutions	1,200	1,200
Bank borrowings	422,000	422,000
<hr/>		
Floating rate instrument		
Bank borrowings	253,400	253,400
<hr/>		

A sensitivity analysis has been performed based on the outstanding floating rate borrowings of the Group and the Trust as at the reporting date. If interest rates increase or decrease by 50 basis points with all other variables held constant, the Group's and the Trust's income after tax and equity would decrease or increase by RM1,314,000 (2022: RM1,267,000) respectively, as a result of higher or lower interest expense on these borrowings.

(c) Liquidity risk

The Group and the Trust ensure that there are adequate funds to repay the revolving credit in a timely and cost-effective manner. Sources of funds can be via issuance of units, internally generated funds or borrowings. As timing of these arrangements is critical, the Group and the Trust may be exposed to the risk of its investment properties being foreclosed in the interim. However, the Manager is of the opinion that the facilities will be rolled over and remain available for the long term and there is no imminent obligation to repay.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Information regarding the Group's and the Trust's exposure to the abovementioned risks and the Group's and the Trust's risk management policies, which ensure compliance with the spirit of the REIT Guidelines, are set out below (continued):

(c) Liquidity risk (continued)

	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 to 5 years RM'000
Group				
2023				
Other payables	37,851	38,662	25,109	13,553
Bank borrowings	684,700	706,786	706,786	-
	722,551	745,448	731,895	13,553
2022				
Other payables	35,398	35,783	24,970	10,813
Bank borrowings	675,400	696,428	696,428	-
	710,798	732,211	721,398	10,813
Trust				
2023				
Other payables	37,622	38,433	25,060	13,373
Bank borrowings	684,700	706,786	706,786	-
	722,322	745,219	731,846	13,373
2022				
Other payables	35,169	35,554	24,928	10,626
Bank borrowings	675,400	696,428	696,428	-
	710,569	731,982	721,356	10,626

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2023

34. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain unitholder, creditor and market confidence and to sustain future development of the business. The Directors of the Manager monitor and determine an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

UOA REIT is permitted to procure borrowings of up to 50% of its total asset value pursuant to the REIT Guidelines.

Total borrowings compared to total asset value as at the reporting date is as follows:

	Group 2023	2022
Total asset value (RM'000)	1,737,718	1,729,100
Total borrowings (RM'000)	684,700	675,400
Total borrowings to total asset value (%)	39.4	39.1

ANALYSIS OF UNITHOLDINGS

DISTRIBUTION OF UNITHOLDERS AS AT 31 DECEMBER 2023

Unit Class	No. of Unitholders	%	No. of Units Held	%
Less than 100	122	1.56	1,184	0.00
100 to 1,000 units	1,646	21.11	969,272	0.14
1,001 to 10,000 units	3,929	50.38	20,243,184	3.00
10,001 to 100,000 units	1,755	22.51	58,628,360	8.68
100,001 to less than 5% of issued units	340	4.36	162,270,900	24.02
5% and above of issued units	6	0.08	433,486,176	64.16
Total	7,798	100.00	675,599,076	100.00

Classification of Unitholders as at 31 December 2023

Category of Unitholders	No. of Unitholders			No. of Units Held		
	Malaysian Bumiputra	Malaysian Non-Bumiputra	Foreign	Malaysian Bumiputra	Malaysian Non-Bumiputra	Foreign
1) Individual	192	5,085	59	1,748,700	109,498,069	1,950,901
2) Body Corporate						
a) Banks/Finance Companies	2	-	-	4,185,000	-	-
b) Investment Trusts/Foundation/Charities	1	2	-	10,000	288,000	-
c) Industrial and Commercial Companies	3	67	2	328,000	375,644,276	3,331,800
3) Nominees	1,703	532	55	81,053,430	93,300,400	4,260,400
4) Others	-	1	-	-	100	-
Total	1,901	5,687	116	87,325,130	578,730,845	9,543,101
Grand Total		7,704			675,599,076	

ANALYSIS OF UNITHOLDINGS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS AS AT 31 DECEMBER 2023

	Substantial Unitholders	Direct		Indirect		Direct+Indirect	
		Units	%	Units	%	Units	%
1	UOA Corporation Bhd ("UOA Corp")	48,000,000	7.10	254,652,076*	37.69	302,652,076	44.80
2	Desa Bukit Pantai Sdn Bhd ("Desa Bukit Pantai")	102,261,538	15.14	-	-	102,261,538	15.14
3	Rich Accomplishment Sdn Bhd ("Rich Accomplishment")	74,661,538	11.05	-	-	74,661,538	11.05
4	Wisma UOA Sdn Bhd ("Wisma UOA")	77,729,000	11.51	-	-	77,729,000	11.51
5	Dynasty Portfolio Sdn Bhd ("Dynasty")	63,326,600	9.37	-	-	63,326,600	9.37
6	UOA Holdings Sdn Bhd ("UOAH")	-	-	371,579,376 ¹	55.00	371,579,376	55.00
7	United Overseas Australia Ltd ("UOAL")	-	-	371,579,376 ¹	55.00	371,579,376	55.00
8	Transmetro Sdn Bhd ("Transmetro")	-	-	371,579,376 ²	55.00	371,579,376	55.00
9	Griyajaya Sdn Bhd ("Griyajaya")	-	-	371,579,376 ³	55.00	371,579,376	55.00
10	Kong Chong Soon @ Chi Suim	-	-	371,579,376 ⁴	55.00	371,579,376	55.00
11	Kong Pak Lim	-	-	371,579,376 ²	55.00	371,579,376	55.00
12	UOA Development Bhd	-	-	63,326,600 ⁵	9.37	63,326,600	9.37
13	UOA Properties Sdn Bhd	-	-	63,326,600 ⁵	9.37	63,326,600	9.37
14	Employees Provident Fund	67,507,500	9.9	-	-	67,507,500	9.99

Notes:

- * Deemed interested by virtue of Section 8 of the Companies Act 2016 ("the Act") held through Wisma UOA, Desa Bukit Pantai and Rich Accomplishment.
- 1. Deemed interested by virtue of the Act through its unit holdings in Damai Positif, Desa Bukit Pantai, Dynasty Portfolio Sdn Bhd ("Dynasty"), LTG Development Sdn Bhd ("LTG") (holding 5,600,700 units in 2 CDS accounts), Rich Accomplishment and Wisma UOA.
- 2. Deemed interested by virtue of the Act through its/his unit holdings in UOAL and Griyajaya which in turn has direct interest in UOAL and indirect interest in UOAH.
- 3. Deemed interested by virtue of the Act through its unit holdings in UOAL and indirect interest in UOAH.
- 4. Deemed interested by virtue of the Act through his unit holdings in Transmetro which in turn has direct interest in Griyajaya which in turn has direct interest in UOAL and indirect interest in UOAH.
- 5. Deemed interested by virtue of the Act through Dynasty Portfolio.

THIRTY (30) LARGEST UNITHOLDERS

AS AT 31 DECEMBER 2023

Unitholders	No. of Units	%
1) Desa Bukit Pantai Sdn Bhd	102,261,538	15.14
2) Wisma UOA Sdn Bhd	77,729,000	11.51
3) Rich Accomplishment Sdn Bhd	74,661,538	11.05
4) Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	67,507,500	9.99
5) Dynasty Portfolio Sdn Bhd	63,326,600	9.37
6) UOA Corporation Bhd	48,000,000	7.10
7) Lim Chee Meng	11,000,000	1.63
8) Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Loh Wee Hian (Pb)	10,600,000	1.57
9) Db (Malaysia) Nominee (Tempatan) Sdn Bhd Exempt An For AHAM Asset Management Berhad (Tstac/Clntt)	6,566,400	0.97
10) LTG Development Sdn Bhd	5,370,700	0.79
11) Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Ahmad Johari Bin Abdul Razak (Pb)	4,615,100	0.68
12) Amanah Raya Berhad - Kumpulan Wang Bersama	4,180,000	0.62
13) HLB Nominees (Tempatan) Sdn Bhd Ta Kin Yan (Csd Sin/Tky)	4,090,900	0.61
14) Citigroup Nominees (Tempatan) Sdn Bhd MCIS Insurance Berhad (Life Par Fd)	2,411,600	0.36
15) Yeap Ah Kau @ Yeap Chan Tooi	2,110,400	0.31
16) Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Yap Tian Tion (Pb)	2,000,000	0.30
17) RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sheldon Wee Tah Poh	1,900,000	0.28
18) CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad For Affin Hwang Multi-Asset Fund 2	1,818,100	0.27
19) Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner (Pf)	1,818,100	0.27
20) Wong Lee Yun	1,755,800	0.26

THIRTY (30) LARGEST UNITHOLDERS (CONTINUED)

AS AT 31 DECEMBER 2023

Unitholders	No. of Units	%
21) Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Loh Gim Ean Holdings Sdn Bhd (Pb)	1,620,000	0.24
22) Goh Thong Beng	1,545,200	0.23
23) Eagle Prosperity Sdn Bhd	1,513,700	0.22
24) Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management For Gnanalingam A/L Gunanath Lingam	1,506,000	0.22
25) Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Grace Yeoh Cheng Geok (Pb)	1,405,300	0.21
26) Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Lim Bee Eng (Pb)	1,400,000	0.21
27) Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management For Ooi Joon Leong	1,350,000	0.20
28) Yap Tian Tion	1,322,200	0.20
29) Cgs-CIMB Securities Sdn Bhd CIMB For Cheah Chin Heng	1,300,000	0.19
30) Maybank Investment Bank Berhad Govindarajoo A/L Ramasamy	1,300,000	0.19
Total	507,985,676	75.19

NOTICE OF TWELFTH ANNUAL GENERAL MEETING



REAL ESTATE INVESTMENT TRUST

UOA REAL ESTATE INVESTMENT FUND
(constituted in Malaysia under the Deed dated 28 November 2005 and the Amended and Restated Deed dated 1 August 2022 entered into between UOA Asset Management Sdn Bhd and RHB Trustees Berhad, companies incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting (“AGM”) of UOA Real Estate Investment Trust (“**UOA REIT**”) will be held at Spectrum, Level 3A, Connexion Conference & Event Centre@Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 18 April 2024 at 10.00 a.m. or at any adjournment, for the following purposes:

AGENDA

- To lay the Audited Financial Statements for the financial year ended 31 December 2023 together with the Trustee’s Report to the Unitholders issued by RHB Trustees Berhad, as trustee for UOA REIT and the Statement by the Manager issued by UOA Asset Management Sdn Bhd, as the manager of UOA REIT and the Independent Auditors’ Report thereon. (Refer note 2)

By Order of the Board of
UOA ASSET MANAGEMENT SDN BHD 200501015592 (692639-U)
The Manager of UOA Real Estate Investment Trust

YAP KAI WENG (MAICSA 74580)
WONG YOKE LENG (MAICSA 7032314)
Company Secretaries

Kuala Lumpur
29 February 2024

Notes:

1. Appointment of Proxy

- Only depositors whose names appear in the Record of Depositors as at 9 April 2024 shall be regarded as Unitholders and be entitled to attend and speak at the AGM.
- A Unitholder of UOA REIT (“Unitholder”) shall be entitled to attend and speak and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and speak in his/her stead.
- Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend and speak, and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and speak in its stead.
- Where a Unitholder is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with units of UOA REIT standing to the credit of the said Securities Account.
- Where a Unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy.
- The appointment of proxy shall be made in a hard copy form or by electronic means as follows:

In Hard Copy Form

The Hard Copy Form of Proxy shall be in writing under the hand of the appointer or of its attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised. The Form of Proxy shall be deposited at the Trust’s share registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof; or

By Electronic Means

The Form of Proxy can be electronically lodged via **TIIH Online** at <https://tiih.online> not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Notes for the 12th AGM on the procedures for electronic submission of Proxy Form via **TIIH Online**.

- Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- Last day and time for lodging the Proxy Form is **Tuesday, 16 April 2024 at 10.00 a.m.**

2. Audited Financial Statements for the Financial Year Ended 31 December 2023

This Agenda is meant for discussion only as the Audited Financial Statements do not require formal approval of Unitholders under the Securities Commission’s Guidelines on Listed Real Estate Investment Trusts. Hence, this matter will not be put forward for voting.

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PROXY FORM



REAL ESTATE INVESTMENT TRUST

CDS Account No.:
No. of Units held:

UOA REAL ESTATE INVESTMENT FUND
(constituted in Malaysia under the Deed dated 28 November 2005 and the Amended and Restated Deed dated 1 August 2022 entered into between UOA Asset Management Sdn Bhd and RHB Trustees Berhad, companies incorporated in Malaysia)

I/We _____ NRIC No./Company No. _____
of _____ Tel No. _____

being a Unitholder/Unitholders of UOA REIT, hereby appoint the following person(s) as my proxy:

No.	No. Name as per NRIC	NRIC No.	% Unitholding to be Presented
1.			
2.			

or failing him/her the Chairman of the Meeting as my/our proxy to participate on my/our behalf at the Twelfth Annual General Meeting ("AGM") of UOA REIT to be held at Spectrum, Level 3A, Connexion Conference & Event Centre@Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 18 April 2024 at 10:00 a.m., or any adjournment thereof.

Signature of Unitholder(s) / Common seal for Corporate Unitholder(s)

Date:

Notes:

- (i) Only depositors whose names appear in the Record of Depositors as at 9 April 2024 shall be regarded as Unitholders and be entitled to attend and speak at the AGM.
- (ii) A Unitholder of UOA REIT ("Unitholder") shall be entitled to attend and speak and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and speak in his/her stead.
- (iii) Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend and speak, and shall be entitled to appoint another person (whether a Unitholder or not) as its proxy to attend and speak in its stead.
- (iv) Where a Unitholder is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with units of UOA REIT standing to the credit of the said Securities Account.
- (v) Where a Unitholder appoints two (2) proxies, the appointment shall be invalid unless it specifies the proportions of its holdings to be represented by each proxy.
- (vi) The appointment of proxy shall be made in a hard copy form or by electronic means as follows:
 - In Hard Copy Form
The Hard Copy Form of Proxy shall be in writing under the hand of the appointer or of its attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised. The Form of Proxy shall be deposited at the Trust's share registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof; or
 - By Electronic Means
The Form of Proxy can be electronically lodged via **TIIH Online** at <https://tiih.online> not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Notes for the 12th AGM on the procedures for electronic submission of Proxy Form via **TIIH Online**.
- (vii) Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- (viii) Last day and time for lodging the Proxy Form is Tuesday, 16 April 2024 at 10.00 a.m.

Lastly, fold this flap for sealing

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AFFIX
STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD 197101000970 (11324-H)
(as Trust's Share Registrar for UOA Real Estate Investment Trust)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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UOA ASSET MANAGEMENT SDN BHD

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