

**MACQUARIE CENTRAL OFFICE CR REIT
19TH BOARD OF DIRECTORS MEETING
3 MARCH 2006**

The Board of Directors meeting was held at the office of Macquarie Property Advisors Korea Ltd., at the 6F Hanwha Building, 110 Sokong dong, Chung-Ku, Seoul Korea on 3 March 2006 commencing at 10:00 am.

Directors in attendance:

Kwan Young Kim (MBL)
Jeong Ho Kim (SAP)
Jong Pil Park (Samsung Life)
Woonglim Choi (Samsung F&M)
Jae Young Jeong (LG F&M)

Statutory Auditor

Dae-Sup Roh

Apology:

Joo Hyun Cho (MBL)

Invited :

Richard Han from Macquarie Property Advisors Korea and asset managers
Seungmi Yang from Woori Bank

Order of Business

Election of Chair for the Meeting

Kwan Young Kim acted as Chair for the meeting

Acceptance of Minutes of Board of Directors Meeting

It *resolved* to accept the minutes of the previous meeting as a true and accurate reflection of that meeting

Resolution One – Approval on audited Financial Statements, MOCT Investment Report and Annual Report for Fourth Fiscal Year ended on 31 December 2005

The Board reviewed the report from Internal Accounting Manager and Statutory Auditor on the operation of internal accounting management system of the Company for the fourth fiscal year.

The Board reviewed the draft Investment Report for MOCT/FSC and Annual Report for KSE/FSC as well as audited Financial Statements. After their review, Board *resolved* to

approve the reports and submit the reports to MOCT, FSC and KSE and to authorise the posting of the reports on the appropriate websites. Board approved the fee of Manager, Business Trustee and Asset Custodian based on the financial statements.

Resolution Two – Dividend payment

The Board *approved* the dividend payment plan as per the statements of appropriations of retained earnings of the Company. The dividend will be paid to shareholders on 28 March 2006. The Board will authorise the public disclosure of dividend payment plan of the Company for FY4.

Resolution Three – Business Plan approval for Year 2006 (FY5 & FY6)

The Board *resolved* to propose the shareholders meeting to approve the draft of business plan for Year 2006 which has been updated by the Asset Manager from the initial business plan approved by the inaugural meeting.

Other than the following items, MCO CR REIT will pursue same business plan that were approved from Inaugural Meeting at 12 December 2003.

1. Asset Management Plan

- Follow the initial asset management strategy with existing Kukdong Building.
- Focus on increasing occupancy of Kukdong Building with market competitive headline rent from high tenant retention rate and active lease marketing.
- Effective control of property operation cost
- Implementation of planned capital expenditure program

2. Operating Budget

	2006 Total	2006-01	2006-02	2006-03	2006-04	2006-05	2006-06
(Unit : KRW Mil, Net of VAT)							
Revenue	21,995	1,828	1,823	1,840	1,839	1,792	1,792
Property Operating Expenses	4,946	467	428	477	423	342	336
Gross Operating Income	17,048	1,361	1,395	1,363	1,415	1,450	1,455
Fund Operating Expenses	2,886	233	243	235	242	244	247
Operating Income	14,162	1,128	1,152	1,128	1,173	1,206	1,209
Non-Operating Income	200	17	17	17	17	17	17
Non-Operating Expense	5,035	441	384	427	413	427	413
Ordinary Income	9,327	704	785	718	777	796	813
Dividend from Legal Reserve	-	-	-	-	-	-	-
Dividend	9,327	704	785	718	777	796	813
DIVIDEND		FY5	FY6				
	9,327	4,593	4,734				
Dividend Rate	12.22%	6.02%	6.20%				
Annualised Dividend Rate	12.22%	12.04%	12.41%				

	2006-07	2006-08	2006-09	2006-10	2006-11	2006-12
(Unit : KRW Mil, Net of VAT)						
Revenue	1,816	1,848	1,837	1,851	1,864	1,865
Property Operating Expenses	378	443	499	386	390	377
Gross Operating Income	1,438	1,405	1,338	1,465	1,474	1,487
Fund Operating Expenses	241	235	231	244	247	246
Operating Income	1,197	1,171	1,107	1,221	1,227	1,241
Non-Operating Income	17	17	17	17	17	17
Non-Operating Expense	427	427	413	427	413	427
Ordinary Income	788	761	712	811	832	831
Dividend from Legal Reserve	-	-	-	-	-	-
Dividend	788	761	712	811	832	831

3. Capital expenditure program

1) Capital expenditure programs to be approved from Board for new CAPEX plan year 2006 in addition to the existing CAPEX plan in year 2005 are as follows.

Items	Schedule	Budget(mil.krw)
Replacement of handle of stairs in emergency exit	January	65
Replace pipe of fire pump	May	65
Replacement of loop pipe drain on 24 th floor ceiling	February	50
Replacement of lighting box in office space	September	450
Replacement of low voltage panel and renovation of transformer in rooftop	June	700
Replacement of sprinkler head in office zone	January	95
Total		1,425

- Manager's proposal for these refurbishment works are based upon the Due Diligence report from Hanmi Parsons and re-due diligence reports from SAMS, our property manager.

2) Funding plan of capital expenditure program in year 2006

- MCO CR REIT has no plan for issuing further interest bearing debt or additional issuance of capital to finance these capital expenditure programs for the moment.
- MCO CR REIT will finance the capital budget from operating cashflows from net income.

4. Board's estimate on the dividend rate schedules for investment period based on the dividend policy and business plan is follows.

	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
	2004-06	2004-12	2005-06	2005-12	2006-06	2006-12	2007-06	2007-12	2008-06	2008-12
Dividend KRW Mil)	3,502	3,683	4,643	4,814	4,593	4,734	4,316	4,415	4,789	10,953
Nominal Dividend ®	4.59%	4.83%	6.09%	6.31%	6.02%	6.20%	5.66%	5.79%	6.28%	14.36%
Annualised Dividend ®	8.27%	9.65%	12.27%	12.52%	12.04%	12.41%	11.31%	11.57%	12.55%	28.71%
Average Dividend ®	13.13%									

- FY5 & FY6 : Based on the business plan 2006
- FY7 to FY10 : Based on the reflecting the amended REIC Act into the initial business plan approved by Inaugural Meeting. (No legal reserve for net income and decrease of income tax thereafter).

Resolution Four – Convocation of General Shareholders’ Meeting

The Board *resolved* to convene a shareholders meeting of MCO CR REIT as follows.

- Date : 23 March 2006 at 10:00 AM
- Place: Conference room of Macquarie Property Advisors Korea Ltd.
6FL, 110 Sokong-dong, Chung-ku, Seoul, Korea
- Agenda :
 - 1.Approval of Financial Statements and dividend payment plan for FY4
 - 2.Business plan approval for Year 2006 (FY5 & FY6)
 - 3.Remuneration of directors (Nil, pursuant to the AOI)
 - 4.Remuneration of statutory auditor (KRW1million per month, pursuant to the AOI)

Receipt of Asset Management report

The Board noted the receipt of an asset management report of MCO CR REIT from Macquarie Property Advisors Korea Ltd for the period detailing key facts relating to the property for the Fourth fiscal year from 1 July 2005 to 31 December 2005 and approved the contents thereof.

Receipt of Compliance Review report

The Compliance Director noted the receipt of compliance review report of MCO CR REIT from the Macquarie Property Advisors Korea Ltd for the period from 1 July 2005 to 31 December 2005 and approved the contents thereof.

Appendices

1. Minutes of previous meeting
2. Audited Financial Statements and Audit Report, Sign-off report from Internal Accounting Manager
3. MOCT Investment Report / Annual Report
4. Asset Managers report
5. Compliance Review Report

Conclusion of Meeting