

English Translation of a Report Originally Issued in Korean

Investment Report as of 31 December 2007

Macquarie Central Office CR REIT

20 March 2008

TO : Minister of Construction and Transportation

We submit the attached investment report as per the Article 37 of Real Estate Investment Company Act and the Article 40 of the Enforcement Decree, etc.

Company Name: Macquarie Central Office CR REIT
Representative Director: Kwan Young Kim, Joo Hyun Cho
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Prepared by: Woori Bank Business Trust Department, the Business Trustee of
MCO CR REIT
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Section 1. General condition of the company

I . Overview of the company

1) Company Name : Macquarie Central Office Corporate Restructuring Real Estate Investment Company

2) Incorporation Date : 12 December, 2003

3) Address : 110 Sokong-Dong, Chung-Ku, Seoul

4) The purposes of the Company:

The purpose of the Company is to invest and manage its assets by any of the following means and distribute the proceeds from the investments to shareholders in accordance with Real Estate Investment Company Act (the "Act"):

1. acquisition, management, improvement and disposition of real estate;
2. development of real estate;
3. lease of real estate;
4. sale and purchase of securities;
5. deposit of funds with financial institutions; or
6. acquisition, management and disposition of rights related to the use of real estate, including the right of superficies and leasehold rights.

5) Size of Asset and Equity:

As of 31 December 2007,

Total Asset : 172,975 (Million KRW)

Paid Equity : 76,303 (Million KRW)

6) Listing: Listed on Korea Exchange (KRX) as of 8 Jan, 2004 (Standard Code: KR707685000)

7) Duration and Dissolution of Company as per AOI

1. Duration : 5th anniversary of incorporation date

2. Events causing Dissolution :

- a) Expiration of corporate life of the Company;
- b) With a resolution of the General Shareholders' Meeting;
- c) Merger;
- d) Bankruptcy;
- e) Court order or judgment of dissolution; or
- f) Notice of revocation of approval of incorporation under Article 42 of the Act.

2. History of Company

1) History of Company

A. Incorporation and change thereafter

| | |
|--------------------------|---|
| ①. 30 Sep 2003 | Promoters Meeting |
| ②. 10 Nov 2003 | Pre-approval from MOCT |
| ③. 2 Dec 2003~3 Dec 2003 | IPO (KRW 35,151,500,000) |
| ④. 12 Dec 2003 | Inaugural Meeting and Incorporation |
| ⑤. 12 Dec 2003 | Asset Management Agreement (Macquarie Property Advisors Korea Ltd.) |
| ⑥. 12 Dec 2003 | Custodian Agreement (Woori Bank) |
| ⑦. 12 Dec 2003 | Business Trustee Agreement (Woori Bank) |
| ⑧. 12 Dec 2003 | Incorporation (Paid-in Capital: KRW 76,303,000,000) |
| ⑨. 23 Dec 2003 | Final-Approval from MOCT |
| ⑩. 8 Jan 2004 | Listed on Korea Exchange (KRX) |

B. Change of Company name : N/A

C. M&A : N/A

D. Major matters occurred related to management : N/A

2) Conglomerate by which the company is controlled

A. Introduction of Conglomerate : N/A

B. List of companies in the Conglomerate : N/A

C. Regulations specified in related laws. : N/A

3. Paid-in Capital

1) Change in Share Capital : N/A

2) Change in Paid-in Capital : N/A

3) Payment in kind : N/A

4. Shares

1) Total shares

【as of 31 Dec 2007】

| Shares to be issued | Shares issued | Remaining unissued |
|---------------------|---------------|--------------------|
| 61,042,400 | 15,260,600 | 45,781,800 |

2) Shares issued

[Par value : KRW 5,000]

【as of 31 Dec 2007】

| Type of Shares | Number of Shares | Share Capital (KRW) | Comments |
|----------------|------------------|---------------------|----------|
| Ordinary | 15,260,600 | 76,303,000,000 | |
| Sub total | 15,260,600 | 76,303,000,000 | |

3) Treasury Stock Acquisition

Not applicable

4) Stock Option

Not applicable

5. Shares with voting rights

(Unit: Shares)

| Category | Shares | |
|--|--------------|--|
| 1. Number of ordinary shares with voting rights [a-b] | [15,260,600] | |
| a. Issued shares | 15,260,600 | |
| b. Shares without voting rights | - | |
| 2. Shares of which voting right are restricted [a+b+c+d+e] | [-] | |
| a. restricted by Commercial Code | - | |
| b. restricted by Securities and Exchange Act | - | |
| c. restricted by Monopoly Regulation and Fair Trade Act | - | |
| d. restricted by Real Estate Investment Company Act | - | |
| e. restricted by other laws | - | |
| 3. Shares of which voting right are restored | [-] | |
| Number of shares with voting rights [1-2+3] | [15,260,600] | |
| ※ Participants to shareholders meeting (rate: %): | shares | |

6. Dividend

1) Dividend Payment Method

The Company plans to pay, in principle, 100% of the distributable income of each fiscal year as dividend in cash. Actual dividend amount will be decided by the resolution of the general meeting of shareholders pursuant to the Commercial Code.

The Company will operate for five years from December 12, 2003 (inception). The ordinary fiscal periods of the Company are from January 1 and July 1 to June 30 and December 31, respectively. However, the first fiscal period of the Company started from December 12, 2003 (inception) and ended on June 2004. If the real estate amounting to 50% or more of total assets of the Company is sold and sale proceeds are completely collected, the fiscal year ends on the date when the sale proceeds are fully collected, after which the disposal profit from the sale will be distributed immediately.

Dividend is paid to the shareholders of the Company who are legally registered in the shareholders registry at the end of each fiscal year. MCO CR-REIT plans to pay dividend within one week from the date of approval by the general meeting of shareholders unless the dividend payment will be made in some other date followed by the decision from general shareholder's meeting.

2) Dividend Payment for the recent 5 fiscal years

[Par value per share: KRW 5,000]

(Unit : thousand KRW)

| Category | 8 th Financial Year | 7 th Financial Year | 6 th Financial Year | 5 th Financial Year | 4 th Financial Year |
|--------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net Income | 5,524,342 | 5,304,623 | 5,272,511 | 4,736,100 | 4,814,312 |
| Earning per share | 362.00 | 347.60 | 328.60 | 310.35 | 315.47 |
| Distributable Income | 4,703,099 | 4,665,799 | 4,375,878 | 4,017,608 | 4,285,698 |
| Dividend in total | 5,524,342 | 5,487,042 | 5,014,702 | 4,914,242 | 4,814,312 |
| Payout Ratio | 1.00 | 1.03 | 0.95 | 1.04 | 1.00 |
| Dividend Rate | 7.24 | 7.19% | 6.57% | 6.44% | 6.31% |
| Annualized Dividend Rate | 14.36 | 14.50% | 13.04% | 12.99% | 12.52% |

- Distributable Income : Net Income - Legal Reserves – Carry Forwarded Loss - Amortization of stock issuance costs
- Payout Ratio : Total Dividend / Net Income
- Dividend Rate : “Dividend in total / [(beginning paid-in capital + ending paid-in capital)/2]”
- The excess dividend upto depreciation cost of each year is permissible pursuant to the Articles of Incorporation. Therefore the dividend amount is greater than the distributable Income under the Commercial Code and the payout ratio exceeds 1.

Section 2. Asset composition and details of changes

I . Total Asset Composition

1. Real Estate Investment Company

Not applicable

2. Corporate Restructuring Real Estate Investment Trust Company (CR-REIT)

1) Total Asset Composition (all assets included)

(Unit: million KRW , %)

| Items | | Preceding Quarter | | Current Quarter | | % of Total Asset | |
|-------------------------------------|---|-------------------|-------|-----------------|-------|------------------|-------|
| | | Total Amount | % | Total Amount | % | | |
| Corporate Restructuring Real Estate | Property and Equipment | 166,761 | 95.84 | 167,684 | 94.19 | 94.19 | 94.19 |
| | Property Use Rights including the right of superficies, the right of leases | - | - | - | - | - | |
| | Real Estate Development Projects | - | - | - | - | - | |
| Other Real Estate | Property and Equipment | - | - | - | - | - | |
| | Property Use Rights including the right of superficies, the right of leases | - | - | - | - | - | |
| | Real Estate Development Projects | - | - | - | - | - | |
| Real Estate Related Securities | | - | - | - | - | - | |
| Marketable Securities | | - | - | - | - | - | |
| Deposits at Financial Institutions | | 6,908 | 3.97 | 9,999 | 5.62 | 5.62 | |
| Other Assets | | 325 | 0.19 | 348 | 0.20 | 0.20 | |
| ① Total Asset | Stock Owner's Equity | 83,693 | 48.10 | 86,781 | 48.74 | 48.74 | 100.0 |
| | Liabilities | 90,301 | 51.90 | 91,250 | 51.26 | 51.26 | |

* Asset value is represented pursuant to the article 27 of Enforcement Decree of REIT Act, not from book value.

2) Total Asset Composition (excluding paid-in capital and subscription capital at the time of incorporation)

Not applicable

3) Status of assets purchased with funds from the paid-in capital at the time of incorporation

Not applicable

4) Status of assets purchased with funds from the newly-paid-in capital after the incorporation

Not applicable

II. Change in Total Assets

1. Real Estate Transaction

Not applicable

2. Marketable Securities Transaction related to real estate

Not applicable

3. Marketable Securities

Not applicable

4. Cash/Cash Equivalent in Financial Institutions

(Unit : million KRW)

| Financial Institutions | Kind | Interest | Preceding balance | Current balance |
|------------------------|--------------|--------------|-------------------|-----------------|
| Woori Bank | MMDA | 0%~4.60% | 3,281 | 6,501 |
| Woori Bank | Time Deposit | 2.50 %~4.80% | 1,962 | 1,866 |
| Kookmin Bank | Time Deposit | 5.30% | 1,500 | 1,500 |
| Total | | | 6,743 | 9,867 |

III. Net Asset Value per share

(Unit : shares, million KRW)

| | 31-Dec-07 | 30-Sep-07 | 30-Jun-07 | 31-Mar-07 |
|--|------------|------------|------------|------------|
| Total Asset Value per the Article 27 (3) of ED of Real Estate Investment Company Act (I) | 178,031 | 173,994 | 177,535 | 173,383 |
| Total liabilities per Balance Sheets (II) | 91,250 | 90,301 | 91,450 | 90,200 |
| Net Asset Value (III=I-II) | 86,781 | 83,693 | 86,085 | 83,183 |
| Number of Shares issued | 15,260,600 | 15,260,600 | 15,260,600 | 15,260,600 |
| Net Asset Value per share | 5,687 | 5,484 | 5,641 | 5,451 |

Section 3. Status of each properties under management

I . Status of each property under management; Present condition, price, rent and primary lessees for each real estate held

1. Overview of portfolio

| Name | Location | Construction Completed Year | Acquisition Date | Interest bearing Debt and Mortgage |
|------------------|---------------------------------------|-----------------------------|------------------|---|
| Kukdong building | 60-1, Chungmuro 3-Ga, Chung-gu, Seoul | 1978 | 26 Dec 2003 | Interest bearing Debt : 75,244 KRW Million Total of Kun-Mortgage : 104,368 KRW Million |

* Total Kun-Mortgage amount is related to the interest bearing debt and lease key money deposits from tenants.

2. Price of each portfolio

(Unit: KRW million)

| Portfolio | Acquisition amount | | Capital expenditures | | Revaluation gain/loss | | Property Value | | | Cumulative Depreciation | Book Value |
|------------------|--------------------|----------|----------------------|----------|-----------------------|----------|----------------|----------|---------|-------------------------|------------|
| | Land | Building | Land | Building | Land | Building | Land | Building | Total | | |
| Kukdong Building | 102,398 | 57,641 | - | 7,645 | - | - | 102,398 | 65,286 | 167,684 | 5,056 | 162,628 |

* The ending balance of the building includes 60 million KRW of equipment acquired for Kukdong building and construction in progress.

3. Lease status

| Portfolio | Gross Leasable Area(m ²) | Leased Area(m ²) | Occupancy Rate | Annual Rent (KRW m) | Number of Lease Contracts | Average annual rent per m ² (1,000 KRW) |
|------------------|--------------------------------------|------------------------------|----------------|---------------------|---------------------------|--|
| Kukdong building | 62,344 | 62,119 | 99.6% | 16,796 | 69 | 270,392 |
| | Vacancy | 225 | 0.4% | | | |
| Sub total | 62,344 | 62,344 | 100.0% | | | |

<Note>

* Annual Rental Income KRW 16,796,453,473= monthly rent KRW 1,399,704,456*12

(Annual CAM income KRW 6,576,385,404= KRW 548,032,117*12)

* Average annual rental income per m² = Annual Rent KRW 16,796,453,473 ÷ 62,119m²

* The monthly vacancy rate of Kukdong Building is as follows.

| 2007-04 | 2007-05 | 2007-06 | 2007-07 | 2007-08 | 2007-09 | 2007-10 | 2007-11 | 2007-12 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 3.9% | 4.1% | 2.5% | 5.2% | 5.2% | 3.2% | 2.6% | 2.6% | 0.4% |

II .Matters relating to development of real estate

Not applicable

Section 4. Total income amount, income structure and yield
(From 01 Jul 2007 to 31 Dec 2007)

I . Total Income Amount and Income Structure

1. Income amount by investment assets

| Category | | Amount (in KRW million) | % of total income | Notes |
|-----------------------|-------------------------------------|-------------------------|-------------------|-------|
| Real Estate | Rental Income | 7,980 | 64.33 | |
| | Income/Loss from Sale | - | - | |
| | Other Income related to Real Estate | 4,044 | 32.60 | |
| Marketable Securities | Income/Loss from Sale | - | - | |
| | Revaluation Income/Loss | - | - | |
| | Interest Income/ Dividend | - | - | |
| Other Income | | 381 | 3.07 | |
| Total Income | | 12,405 | 100.00 | |

※ Revaluation Income/ Loss reflects current fiscal incomes or losses only.

II . Income by Sector

1. Real Estate

1) Rental Income from Real Estate

| | Rental Income (in KRW million) | % of Total Income | Notes |
|------------------|--------------------------------|-------------------|-------|
| Kukdong Building | 7,980 | 100.00 | |

2) Income/ Loss from Sale of Real Estate

No incomes or losses from the sale of real estate properties have been incurred during this quarter.

3) Other Income related to Real Estate

| | Other Income (in KRW million) | % of Total Income | Notes |
|------------------|-------------------------------|-------------------|-------|
| Kukdong Building | 4,044 | 100.00 | |

* Other Income related to Real Estate: CAM, Parking Income, Tenant Reimbursement and Other Operating Revenue

2. Marketable Securities

No transaction incurred during this quarter

3. Other Income

| Category | Amount (in KRW million) | % | Notes |
|---------------------|-------------------------|--------|-------|
| Interest income | 180 | 47.24 | |
| Late Fee | 2 | 0.53 | |
| Penalty Income | 196 | 51.44 | |
| Other non-operating | 3 | 0.79 | |
| Other Income Total | 381 | 100.00 | |

III. Return on Equity

(Unit: %)

| Category | FY 8 2 nd Quarter | FY 8 1 st Quarter | FY 7 2 nd Quarter | FY 7 1 st Quarter |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Company (A) | 15.00 | 15.39 | 14.39 | 15.02 |
| Industry Average (B) | - | - | - | - |
| Excess in Rate of Return | - | - | - | - |

*Return on Equity : $\text{Net Income} / \text{Average Paid-in Capital}$

※Return on Equity represents an annualized accounting return on Equity. The calculation is shown as below.

$$1^{\text{st}} \text{ Quarter return on Equity} = \{1 + (\text{Net Income of the } 1^{\text{st}} \text{ Quarter} / [\text{Average Paid-in Capital}])\}^4 - 1$$

$$2^{\text{nd}} \text{ Quarter return on Equity} = \{1 + (\text{Net Income of the } 1^{\text{st}} \text{ Half} / [\text{Average Paid-in Capital}])\}^2 - 1$$

$$3^{\text{rd}} \text{ Quarter return on Equity} = \{1 + (\text{Net Income during } 1^{\text{st}} \text{ Quarter to } 3^{\text{rd}} \text{ Quarter} / [\text{Average Paid-in Capital}])\}^3 - 1$$

$$4^{\text{th}} \text{ Quarter return on Equity} = (\text{Net Income of the year} / [\text{Average Paid-in Capital}])$$

Section 5. Matters relating to expense including expenditure of real estate business, etc.
(From 01 Jul 2007 to 31 Dec 2007)

I . Total Operating Expenses

1) On-site Property Operating Expenses

| Items | Kukdong Building (in KRW million) |
|----------------------------------|-----------------------------------|
| Property Administration Expenses | 228 |
| Facility Maintenance Fees | 935 |
| Utility Expenses | 780 |
| Repairs and Maintenance | 522 |
| Property Taxes and Dues | 278 |
| Sub Total | 2,743 |

2) General Operating Expenses

| Items | Amount in KRW million |
|-----------------------------------|-----------------------|
| Remuneration to officers | 6 |
| Depreciation Costs | 658 |
| Amortization of Insurance Premium | 17 |
| National Tax and Dues | 36 |
| General Administration Fees | 11 |
| Professional Fees | 20 |
| Sub Total | 748 |

* Specific professional trustee fees not shown in the above table. Refer to **II . Professional Trustee Fees** table below for details.

II. Professional Trustee Fees

| Category | To | Fees and Calculation method | | Payment | Comments |
|--|----------------------------------|--------------------------------------|--|--------------------|---------------------|
| Asset Management Fee | Macquarie Real Estate Korea Ltd. | Adivisory fee on Acquisition | 1) 0.55% of net acquisition price for Kukdong building 2) Upto 1% of net acquisition price of an acquired real estate after incorporation | upon incorporation | <i>pro-rated</i> |
| | | AMC Basic Fee | applying such a applicable rate to the ordinary income before deduction of the basic AMC Fee “Applicable Percentage” is as follows 1 st FY : 0% 2 nd FY : 17.00% 3 rd -4 th FY : 11.00% 5 th -10 th FY : 11.30% | 6months basis | |
| | | Disposition Fee | 25% of the excess of the sales price of such Assets less costs related to such sale over the aggregate investments plus the capital expenditure (“Capital Gain”) under the condition that the IRR based on cash flow of net income over the 5 year period of ownership of the Assets is greater than 11.5% | upon liquidation | |
| | | Performance Fee | The performance fee shall be calculated as 40% of any excess over the IRR of 11.5% for the 5 year period, subject to the satisfaction of the requirements for the entitlement to disposition fee | upon liquidation | |
| Underwriting Fee to Securities Companies | Samsung Daewoo SK | 2.3% of IPO amount (KRW 808,484,500) | | upon incorporation | <i>down payment</i> |
| Custodian Fee | Woori Bank | 0.03% of total assets per annum | | quarterly | <i>pro-rated</i> |
| Business Trustee Fee | Woori Bank | 0.05% of total assets per annum | | quarterly | <i>pro-rated</i> |

※ Macquarie Real Estate Korea Ltd.: Macquarie Property Advisors Korea changed company name as of 30 January 2008.

Section 6. Matters relating to borrowing

I . Borrowing

(Unit: million KRW)

| Category | Begin | Increase | Pay-off | Outstanding | Note |
|--|--------|----------|---------|-------------|------|
| Short-term borrowing for funding for operating capital | - | - | - | - | |
| Assumption of Long-term borrowings mortgaged to the property | 75,244 | - | - | 75,244 | |
| National Housing Fund | - | - | - | - | |
| Borrowing for the stock refund, etc. | - | - | - | - | |

II . Borrowing Sources, etc.

(Unit: KRW, %)

| Borrowing | Draw-down | Borrowing Principal | Interest | Category | Amortization | Outstanding amount |
|---------------|-------------|---------------------|----------|------------------------|--------------------------------|--------------------|
| Samsung Life | 26 Dec 2003 | 45,898,840,000 | 6.90% | Longterm ¹⁾ | Lump sum repayment at maturity | 45,898,840,000 |
| Samsung F&M | 26 Dec 2003 | 12,791,480,000 | 6.90% | Longterm ¹⁾ | Lump sum repayment at maturity | 12,791,480,000 |
| LIG Insurance | 26 Dec 2003 | 10,534,160,000 | 6.90% | Longterm ¹⁾ | Lump sum repayment at maturity | 10,534,160,000 |
| Korea Life | 26 Dec 2003 | 6,019,520,000 | 6.90% | Longterm ¹⁾ | Lump sum repayment at maturity | 6,019,520,000 |
| Total | | 75,244,000,000 | | | | 75,244,000,000 |

Note 1) According to the Credit Facility Agreement, interest rate is 6.03% p.a. from the funding date, 26 December 2003 to the first anniversary date of the acquisition closing date, 26 December 2004 and 6.9% p.a. thereafter.

Section 7. Shareholder structure and present condition of primary shareholders

I . Present condition of securities possession;

(Applicable only to investment reports which are prepared at each fiscal year end);

1. Largest Shareholder and its special-related-parties

【as of 31 Dec 2007】

| Name | Relation | Stock | Number of shares (%) | | | | Note |
|------------------------------|-----------------------|----------|-----------------------|-------------------|----------|-----------------------|------|
| | | | Beginning | Increase | Decrease | Outstanding | |
| Macquarie Bank Limited | Largest Shareholder | Ordinary | 1,216,038 (7.97%) | - | - | 1,216,038 (7.97%) | |
| Macquarie Bank Limited - BPG | Largest Shareholder | Ordinary | 1,335,000 (8.75%) | 34,232 (0.22%) | - | 1,369,232 (8.97%) | |
| Macquarie Real Estate Korea | Special Related Party | Ordinary | 456,290 (2.99%) | - | - | 456,290 (2.99%) | |
| Sub total | | | 3,007,328 (19.71%) | 34,232 (0.22%) | - | 3,041,560 (19.93%) | |

2. Important Shareholders (3% or more)

【as of 31 Dec 2007】

| | Shareholders | Type of Stock | No. of Stock owned | Ratio(%) | Note |
|-------|-------------------------------|---------------|--------------------|----------|------|
| 1 | Samsung Life Insurance Ltd. | Common Stock | 1,520,000 | 9.96 | |
| 2 | AIAKOREA-STOCK | Common Stock | 1,000,000 | 6.55 | |
| 3 | Shinhan Life Insurance Ltd. | Common Stock | 979,810 | 6.42 | |
| 4 | Samsung Fire & Marine Co Ltd. | Common Stock | 760,000 | 4.98 | |
| 5 | LIG Insurance Co Ltd. | Common Stock | 600,000 | 3.93 | |
| Total | | | 4,859,810 | 31.85 | |

3. Distribution of shareholders – Small, Largest, Other shareholders

【as of 31 Dec 2007】

| Category | No. of Shareholders | Ratio (%) | No. of Stock owned | Ratio (%) | Note |
|---------------------|---------------------|-----------|--------------------|-----------|------|
| Largest Shareholder | 3 | 0.25 | 3,041,560 | 19.93 | |
| Major Shareholder | 5 | 0.43 | 4,859,810 | 31.85 | |
| Small Shareholder | 1,162 | 99.32 | 7,359,230 | 48.22 | |

| Category | No. of Shareholders | Ratio (%) | No. of Stock owned | Ratio (%) | Note |
|---------------|---------------------|-----------|--------------------|-----------|------|
| - Individuals | 1,132 | 96.75 | 5,852,100 | 38.35 | |
| - Corporate | 30 | 2.57 | 1,507,130 | 9.87 | |
| Total | 1,170 | 100.00 | 15,260,600 | 100.00 | |

4. Stock Administration

| Fiscal year Ending Date | 30 June, 31 December | Shareholders' meeting | March, September |
|---------------------------|--|-----------------------|---|
| Kind of share certificate | 1share-note, 5 share-note, 10share-note, 50share-note, 100share-note, 500share-note, 1,000share-note, 10,000share-note | Public notices | Maeil Business Newspaper and Korea Economic Daily |
| | | Stock Transfer Agent | Hana Bank |

Note 1) The 1st FY ends at 30 June 2004.

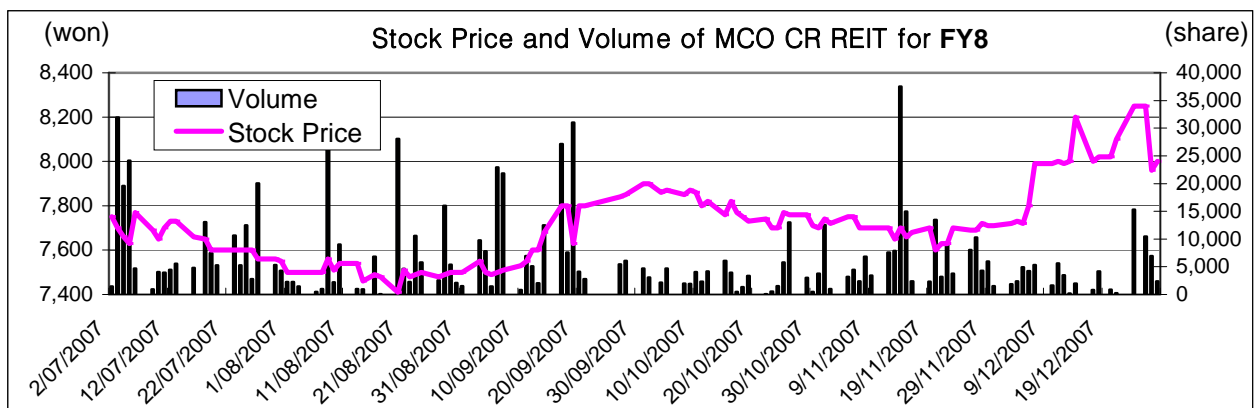
II. State of stock price change

(Unit: KRW, Shares)

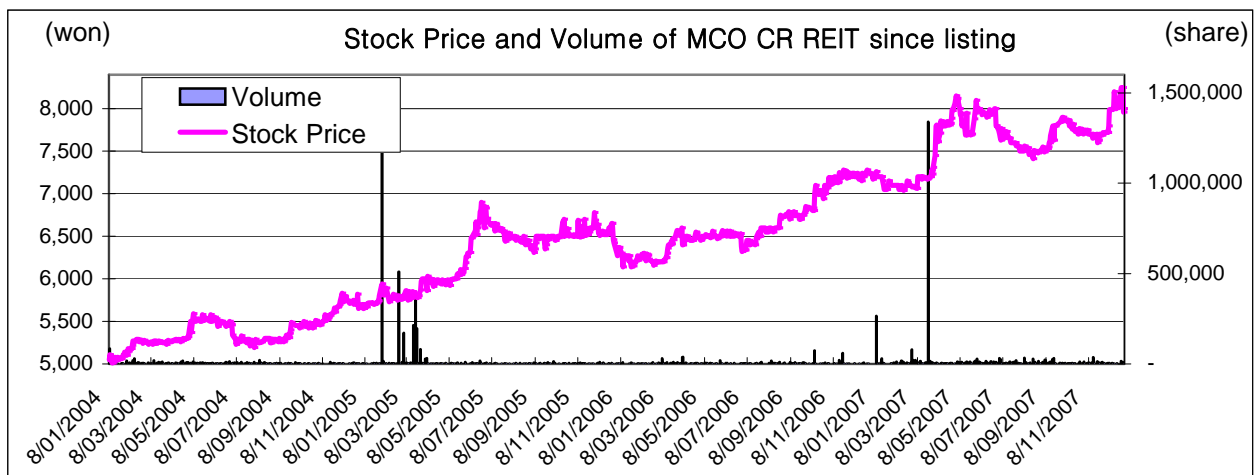
| Category | Jul 2007 | Aug 2007 | Sep 2007 | Oct 2007 | Nov 2007 | Dec 2007 |
|----------------------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|---------------------|
| High (Date) | 7,770 (06/07/2007) | 7,560 (08/08/2007) | 7,850 (28/09/2007) | 7,900 (02/10/07) | 7,750 (06/11/007) | 8,250 (26/12/07) |
| Low (Date) | 7,550 (31/07/2007) | 7,410 (20/08/2007) | 7,490 (05/09/2007) | 7,700 (23/10/07) | 7,600 (20/11/07) | 7,720 (03/12/07) |
| Monthly Trade Volume | 191,865 | 140,034 | 175,142 | 72,122 | 166,085 | 72,614 |
| Average Daily Trade Volume | 9,136 | 6,365 | 10,302 | 3,278 | 7,549 | 4,034 |

[Korea Exchange, Seoul]

< FY8: 01 July 2007 to 31 December 2007 >



< Since listing date 08 Jan 2004 to 31 December 2007 >



Section 8. Summarized balance sheet and income statement

I .Principles of B/S

1. Current Assets

(1) Accrued income:

Accrued income includes interest income receivable as of the end of this quarter.

(2) Account Receivables:

Account Receivables include rental income receivable as of the end of this quarter.

(3) Prepaid Expenses:

Prepaid Expenses include insurance premium paid less cumulatively expensed amortization of premium amount.

(4) Short-term financial instruments :

Short-term financial instruments include short-term time deposits and the money market deposits part of which are restricted.

2. Investment assets:

Investment assets includes long-term financial instruments which are comprised of time deposits of which maturity is more than 1 year as of balance sheet date.

3. Property investments:

Property investments include land, building, plant and equipment. The applied useful lives for buildings and equipments are 50 years and 5 years consecutively and the capital expenditures used under construction are expressed as construction in progress.

4. Current Liabilities :

Current liabilities represent account payables and accrued expenses incurred by the real estate holdings.

5. Long-Term Liabilities :

Long-term liabilities represent rental deposits and long-term borrowings.

6. Capital Stock :

Capital stock represents paid-in capital as of the end of this quarter.

7. Capital Adjustments :

The underwriting fees paid to securities company at the time of IPO is represented as Discounts on stock issuance in Capital Adjustments.

II. Violations of Korean GAAP

Not applicable

III. Other Recommendations

Not applicable

IV. Balance Sheets

Macquarie Central Office Corporate Restructuring Real Estate Investment Trust Balance Sheets December 31, 2007 and June 30, 2007

| <i>(in thousands of Korean)</i> | <u>2007.12</u> | <u>2007.06</u> |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | ₩ 7,935,584 | ₩ 9,169,182 |
| Short-term financial instruments (Note 3) | 1,931,893 | 2,550,427 |
| Other accounts receivables | 13,724 | 44,971 |
| Accrued income | 131,708 | 168,013 |
| Prepaid expense (Note 10) | 303,614 | 151,373 |
| Tax refund receivables | 30,294 | 24,306 |
| Total current assets | <u>10,346,817</u> | <u>12,108,272</u> |
| Property and equipment, net of accumulated depreciation of ₩ 5,056,403 thousand (2007.06: ₩ 4,398,189 thousand) (Notes 4, 5, 6 and 7) | 162,628,217 | 160,893,031 |
| Long-term prepaid expenses | - | 135,712 |
| Total assets | <u>₩ 172,975,034</u> | <u>₩ 173,137,015</u> |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Other accounts payable | ₩ 1,047,583 | ₩ 1,033,694 |
| Accrued expense (Note 10) | 85,345 | 263,564 |
| Advanced receipts | 320 | 4,572 |
| Withholdings payable | 28,900 | 28,900 |
| VAT payables | 397,634 | 473,169 |
| Current portion of long-term borrowings (Notes 7, 8 and 10) | 75,244,000 | - |
| Total current liabilities | <u>76,803,782</u> | <u>1,803,899</u> |
| Long-term borrowings, net (Notes 7, 8 and 10) | - | 75,244,000 |
| Deposits received (Notes 7 and 10) | 14,446,661 | 14,401,825 |
| Total liabilities | <u>91,250,443</u> | <u>91,449,724</u> |
| Commitments and contingencies (Note 9) | | |
| Shareholders' equity | | |
| Capital stock | | |
| Common stock, ₩5,000 par value per share; authorized 61,042,400 shares; issued and outstanding 15,260,600 shares (Note 1) | 76,303,000 | 76,303,000 |
| Appropriated retained earnings (Note 2) | 718,492 | 718,492 |
| Retained earnings before appropriations | 4,703,099 | 4,665,799 |
| Total shareholders' equity | <u>81,724,591</u> | <u>81,687,291</u> |
| Total liabilities and shareholders' equity | <u>₩ 172,975,034</u> | <u>₩ 173,137,015</u> |

V. Income Statements

Macquarie Central Office Corporate Restructuring Real Estate Investment Trust Statements of Income Six-Month Periods Ended December 31, 2007 and June 30, 2007

(in thousands of Korean)

| | 2007.12 | | 2007.06 |
|---|--------------------|---|-------------------|
| Operating Revenue | | | |
| Rental income (Notes 10 and 11) | ₩ 7,979,845 | ₩ | 7,707,271 |
| Common area maintenance income (Note 10) | 3,170,483 | | 3,160,971 |
| Parking income (Note 10) | 702,610 | | 694,866 |
| Tenant reimbursement (Note 10) | 124,802 | | 120,442 |
| Other operating revenue | 45,725 | | 54,579 |
| | <u>12,023,465</u> | | <u>11,738,129</u> |
| Operating Expenses | | | |
| Real estate expenses | | | |
| Property administration expenses (Note 9) | 228,014 | | 180,698 |
| Facility management fees (Note 9) | 934,871 | | 920,704 |
| Utilities | 780,607 | | 746,599 |
| Maintenance and repairs | 521,762 | | 529,176 |
| Local taxes and dues (Note 15) | 277,822 | | 233,614 |
| General operating expenses | | | |
| Remuneration to officers (Notes 10 and 15) | 6,000 | | 6,000 |
| Depreciation (Notes 5 and 15) | 658,214 | | 629,359 |
| Insurance premium (Note 10) | 16,785 | | 16,334 |
| National taxes and dues (Note 15) | 35,626 | | 28,856 |
| Fund administration fees | 11,421 | | 11,831 |
| Professional fees | 19,731 | | 29,472 |
| Asset management fees (Note 9) | 703,777 | | 675,786 |
| Asset custodian fees (Note 9) | 25,696 | | 25,656 |
| Business trustee fees (Note 9) | 42,826 | | 42,760 |
| | <u>4,263,152</u> | | <u>4,076,845</u> |
| Operating income | <u>7,760,313</u> | | <u>7,661,284</u> |
| Non-operating income | | | |
| Interest income (Note 15) | 180,082 | | 183,642 |
| Late fees | 2,618 | | 2,825 |
| Compensation for damages | 195,920 | | 28,531 |
| Other income | 2,663 | | 2,923 |
| | <u>381,283</u> | | <u>217,921</u> |
| Non-operating expenses | | | |
| Interest expenses (Notes 10 and 15) | 2,617,254 | | 2,574,582 |
| Net income | <u>₩ 5,524,342</u> | ₩ | <u>5,304,623</u> |
| Per share data (In Korean won) (Note 13) | | | |
| Earnings per share | ₩ 362 | ₩ | 348 |

VI. Statements of Appropriations of Retained Earnings (Annually)

Macquarie Central Office Corporate Restructuring Real Estate Investment Trust
Statements of Appropriations Of Retained Earnings
Six-Month Periods Ended December 31, 2007 and June 30, 2007
(Dates of Appropriations : March 18, 2008 and September 14, 2007 for
six-month periods ended December 31, 2007 and June 30, 2007, respectively)

| <i>(in thousands of Korean won)</i> | <u>2007.12</u> | <u>2007.06</u> |
|---|--------------------|--------------------|
| Retained earnings before appropriations | | |
| Unappropriated retained earning (accumulated deficit) carried over from prior years | ₩ (821,243) | ₩ (638,824) |
| Net Income | <u>5,524,342</u> | <u>5,304,623</u> |
| | 4,703,099 | 4,665,799 |
| Appropriations of retained earnings | | |
| Cash dividends (Note 14) | ₩ 5,524,342 | ₩ 5,487,042 |
| | <u>5,524,342</u> | <u>5,487,042</u> |
| Unappropriated retained earning (accumulated deficit) carried forward to the subsequent year | <u>₩ (821,243)</u> | <u>₩ (821,243)</u> |

VII. Statements of Cash flows (Annually)

Macquarie Central Office Corporate Restructuring Real Estate Investment Trust Statements of Cash Flows Six-Month Periods Ended December 31, 2007 and June 30, 2007

| <i>(in thousands of Korean)</i> | <u>2007.12</u> | <u>2007.06</u> |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Net Income | ₩ 5,524,342 | ₩ 5,304,623 |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation expense | 658,214 | 629,359 |
| Changes in operating assets and liabilities | | |
| (Increase) Decrease in other receivables | 31,247 | (31,947) |
| (Increase) Decrease in accrued income | 36,305 | (10,024) |
| Decrease in prepaid expenses | 18,367 | 47,543 |
| (Increase) in tax refund receivables | (5,988) | (5,639) |
| Decrease in other accounts payable | 13,888 | 283,154 |
| Increase (Decrease) in accrued expenses | (178,219) | 178,219 |
| (Decrease) in advanced receipts | (4,251) | (74,562) |
| Increase (Decrease) in VAT payables | (75,535) | 5,071 |
| Increase in deposits received | 44,835 | 754,882 |
| | <u>(119,351)</u> | <u>1,146,697</u> |
| Net cash provided by operating activities | <u>6,063,205</u> | <u>7,080,679</u> |
| Cash flows from investing activities | | |
| Decrease in short-term financial instruments | 682,818 | 1,614,940 |
| Increase in short-term financial instruments | (64,283) | (234,129) |
| Decrease in long-term prepaid expenses | - | 27,596 |
| Increase in long-term prepaid expenses | (34,896) | (92,280) |
| Acquisition of property, plant and equipment | (153,000) | - |
| Increase in construction-in-progress | (2,240,400) | (497,400) |
| Net cash used in investing activities | <u>(1,809,761)</u> | <u>818,727</u> |
| Cash flows from financing activities | | |
| Payment of dividends | (5,487,042) | (5,014,702) |
| Net cash used in financing activities | <u>(5,487,042)</u> | <u>(5,014,702)</u> |
| Net decrease in cash and cash equivalents | <u>(1,233,598)</u> | <u>2,884,704</u> |
| Cash and cash equivalents | | |
| Beginning of period | 9,169,182 | 6,284,478 |
| End of period | <u>₩ 7,935,584</u> | <u>₩ 9,169,182</u> |

VIII. Notes to Current Fiscal Year's Financial Statements

1. General

Macquarie Central Office Corporate Restructuring Real Estate Investment Trust (the Company) was incorporated on December 12, 2003. On December 24, 2003, it was approved as a CR-REIT company by the Ministry of Construction and Transportation of Korea under the Real Estate Investment Company Act of Korea. The Company is mainly engaged in the acquisition, development, management, improvement and sale of real estate and others.

On January 8, 2004, its shares of stock were listed on the Korea Exchange.

The Company's head office is in Sokong-dong, Chung-gu, Seoul in Korea, and as of December 31, 2007, its biggest shareholder is Macquarie Bank Limited, which owns 3,041,560 shares representing 19.93% of the total outstanding shares.

The Company will operate for five years from December 12, 2003, the date of inception, and its fiscal period consisting of six months starts from January 1 and ends on June 30, and from July 1 ending on December 31.

If the real estate properties of the Company amounting to 50% or more of the total assets are sold and proceeds are fully collected, the fiscal period ends on the date when the proceeds are fully collected. These proceeds are then immediately distributed. As of December 31, 2007, the details of capital stock of the Company are as follows:

| Authorized number of shares | Number of shares outstanding | Par value per share | Common stock |
|-----------------------------------|------------------------------------|------------------------|--------------|
| 61,042,400 | 15,260,600 | ₩ 5,000 | ₩ 76,303,000 |

As of December 31, 2007, the shareholders of the Company are as follows:

| Shareholders | Number of shares | Amount (in thousands) | Percentage of Ownership (%) |
|---|---------------------|--------------------------|--------------------------------|
| Macquarie Bank Limited | 3,041,560 | ₩ 15,207,800 | 19.93 |
| Samsung Life Insurance Co., Ltd. | 1,520,000 | 7,600,000 | 9.96 |
| American Intl. Assurance Co. Ltd. | 1,000,000 | 5,000,000 | 6.55 |
| Shinhan Life Insurance Co., Ltd.. | 979,810 | 4,899,050 | 6.42 |
| Samsung Fire & Marine Insurance Co., Ltd. | 760,000 | 3,800,000 | 4.98 |
| LIG Insurance Co., Ltd. | 600,000 | 3,000,000 | 3.93 |
| Others | 7,359,230 | 36,796,150 | 48.23 |
| Total | 15,260,600 | ₩ 76,303,000 | 100.0 |

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Company in the preparation of its interim financial statements for the six-month period ended December 31, 2007, are summarized below:

Basis of Financial Statement Presentation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in conformity with accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, or cash flows, is not presented in the accompanying

financial statements.

Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect amounts reported therein. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future, actual results may differ from those estimates.

Application of the Statements of Korean Financial Accounting Standards

The Korean Accounting Standards Board has published a series of Statements of Korean Financial Accounting Standards ("SKFAS"), which will gradually replace the existing financial accounting standards, established by the Korean Financial Supervisory Commission. As SKFAS Nos. 11, 21 through 23 became applicable to the Company on July 1, 2007, the Company adopted these statements in its interim financial statements as of and for the six-month period ended December 31, 2007. SKFAS No. 14 and No. 18 were excluded from application.

Revenue Recognition

The Company recognizes revenues from rental, common area maintenance, parking, tenant reimbursement and others upon delivery of the service.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as summarised below:

| | Estimated useful lives |
|-------------------------|-------------------------------|
| Buildings | 50 years |
| Machinery and equipment | 5 years |

Routine maintenance and repairs are charged to current operations as incurred. Betterments and renewals, enhancing the value of the assets over their recently appraised value, are capitalized.

Income Taxes

The Company recognizes deferred income tax assets and liabilities, which represent temporary differences between the financial reporting and tax bases of assets and liabilities. Deferred income tax assets and liabilities are computed on such temporary differences, including available net operating loss carry-forwards and tax credits, by applying enacted statutory tax rates applicable to the years when such differences are expected to reverse. Deferred tax effects on temporary differences are reflected in income tax expenses during the corresponding period, and deferred tax effects applicable to items in the shareholders' equity are directly reflected in the shareholders' equity account. Deferred tax assets are recognized when it is more likely that such deferred tax assets will be realized.

According to SKFAS No. 16 which was applicable starting December 31, 2004, the Company classified deferred tax assets and liabilities into current and non-current, and within each classification, amounts for deferred tax assets and liabilities are offset against each other and presented as net amount.

Legal Reserve

Under Article 28(1) of the Real Estate Investment Company Act, the Company is not required to appropriate legal reserves as previously mandated by the Commercial Code of the Republic of Korea.

Dividends

Under the Article 28(3) of the Real Estate Investment Company Act, the Company can declare dividends in excess of retained earnings, to include the amount of depreciation expense for the period.

3. Restricted Financial Instruments

Financial instruments whose withdrawals are restricted as of December 31, 2007 and June 30, 2007, are as

follows.

| <i>(in thousands of Korean won)</i> | Bank | 2007.12.31 | | 2007.06.30 | |
|---|------------|------------|------------------|------------|------------------|
| Short-term financial instruments | | | | | |
| Money market deposit account | Woori Bank | ₩ | 1,065,323 | ₩ | 1,588,501 |
| Time deposits | Woori Bank | | 166,570 | | 261,926 |
| Time deposits | Woori Bank | | 700,000 | | 700,000 |
| | | ₩ | <u>1,931,893</u> | ₩ | <u>2,550,427</u> |

As of December 31, 2007, the above short-term financial instruments are pledged as collaterals for the leasehold deposits.

4. Declared Value of Land

As of December 31, 2007, the value of land based on the posted price issued by the Korean tax authority is as follows:

| <i>(in thousands of Korean won)</i> | Size(m ²) | Book value | Posted value of land |
|-------------------------------------|-----------------------|----------------------|----------------------|
| Chungmu-ro 60-1, Jung-Gu, Seoul | 7,942.50 | <u>₩ 102,397,913</u> | <u>₩ 84,984,750</u> |

5. Property and Equipment

Changes in property and equipment for the six-month period ended December 31, 2007 and six-month period ended June 30, 2007, are as follows:

2007.12.31

| <i>(in thousands of Korean won)</i> | July 1, 2007 | Acquisition/ capital expenditures | Disposal | Depreciation expense | Transfer | December 31, 2007 |
|-------------------------------------|----------------------|---|------------|-------------------------|-------------|----------------------|
| Land | ₩ 102,397,913 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ 102,397,913 |
| Buildings | 57,974,918 | 153,000 | - | 652,214 | 2,732,500 | 60,208,204 |
| Equipment | 22,800 | - | - | 6,000 | - | 16,800 |
| Construction-in-Progress | 497,400 | 2,240,400 | - | - | (2,732,500) | 5,300 |
| Total | <u>₩ 160,893,031</u> | <u>₩ 2,393,400</u> | <u>₩ -</u> | <u>₩ 658,214</u> | <u>₩ -</u> | <u>₩ 162,628,217</u> |

2007.06.30

| <i>(in thousands of Korean won)</i> | January 1, 2007 | Acquisition/ capital expenditures | Disposal | Depreciation expense | Transfer | June 30, 2007 |
|-------------------------------------|-----------------|---|----------|-------------------------|----------|---------------|
| Land | ₩ 102,397,913 | ₩ - | ₩ - | ₩ - | ₩ - | ₩ 102,397,913 |
| Buildings | 58,598,277 | - | - | 623,359 | - | 57,974,918 |
| Equipment | 28,800 | - | - | 6,000 | - | 22,800 |

| | | | | | | |
|--------------------------------------|----------------------|------------------|------------|------------------|------------|----------------------|
| Construction- in-Progress | - | 497,400 | - | - | - | 497,400 |
| Total | <u>₩ 161,024,990</u> | <u>₩ 497,400</u> | <u>₩ -</u> | <u>₩ 629,359</u> | <u>₩ -</u> | <u>₩ 160,893,031</u> |

6. Insurance

As of December 31, 2007, the Company has the following insurance policies covering buildings and equipment:

| Description | Insurance Company | Amount Insured | Period |
|------------------------|---|---|------------|
| Building & machinery | | ₩ 93,664 million | 2007.12.24 |
| Advance Loss of Profit | | ₩ 24,129 million | |
| General liability | Samsung Fire & Marine Insurance Co., Ltd. | US\$ 5,000,000 per each occurrence and others | ~ |
| Gas insurance | | ₩ 300 million per accident ₩ 80 million per person | 2008.12.24 |

7. Collateralized Assets

The property investments pledged as security to its lenders and tenants as of December 31, 2007 and June 30, 2007, are as follows:

| <i>(in thousands of Korean won)</i> | Collateralized amounts | | Related Liabilities |
|---|------------------------|----------------------|----------------------|
| | 2007.12.31 | 2007.06.30 | |
| Samsung Life Insurance Co., Ltd. | | | |
| Samsung Fire & Marine Insurance Co., Ltd. | ₩ 97,817,200 | ₩ 97,817,200 | Long-term borrowings |
| LIG Insurance Co., Ltd. | | | |
| Korea Life Insurance Co., Ltd. | | | |
| Korea Life Insurance Association | 759,885 | 759,885 | Leasehold deposits |
| Dong Ah Construction Industrial Co., Ltd. | 621,096 | 621,096 | Leasehold deposits |
| OTIS LG Elevator | 871,097 | 871,097 | Leasehold deposits |
| Shinhan Bank | 2,042,495 | 2,042,495 | Leasehold deposits |
| Samsung Card Co., Ltd. | 108,492 | 108,492 | Leasehold deposits |
| Prudential Life Insurance Co., Ltd. | 224,960 | 152,448 | Leasehold deposits |
| Korea PF Financing | 173,188 | 173,188 | Leasehold deposits |
| Shinsegae Co., Ltd | 669,686 | 669,686 | Leasehold deposits |
| Shinsegae Mart Co., Ltd | 274,174 | 274,174 | Leasehold deposits |
| Nonghyup Logistics Co., Ltd | - | 107,977 | Leasehold deposits |
| Korea Labor Welfare Corporation | 805,460 | 805,460 | Leasehold deposits |
| | <u>₩ 104,367,733</u> | <u>₩ 104,403,198</u> | |

8. Long-Term Borrowings

Long-term borrowings as of December 31, 2007 consist of the following:

| <i>(in thousands of Korean won)</i> | Annual interest rates (%) as of Dec. 31, 2007 | Maturity date | 2007.12.31 |
|---|---|---------------|--------------|
| Samsung Life Insurance Co., Ltd | 6.9% | 2008-12-26 | ₩ 45,898,840 |
| Samsung Fire & Marine Insurance Co., Ltd. | 6.9% | 2008-12-26 | 12,791,480 |
| LIG Insurance Co., Ltd. | 6.9% | 2008-12-26 | 10,534,160 |
| Korea Life Insurance Co., Ltd. | 6.9% | 2008-12-26 | 6,019,520 |
| | | | ₩ 75,244,000 |

The long term borrowings will mature on December 26, 2008. As of December 31, 2007, land, buildings and the short-term financial instruments are pledged as collaterals for the above long-term borrowings (Notes 3 and 7).

9. Commitments and Contingencies

As of December 31, 2007, the Company has the following contracts:

Asset Management Contract

The Company has an asset management contract with Macquarie Real Estate Korea Ltd. (the MREK), where in MREK manages and invests the securities and financial instruments of the Company, and manages, sells, develops and leases out the real estate properties of the Company. In turn, the Company pays basic fees, commissions and performance fees for MREK's services. Details of the contract are as follows:

| | |
|------------------------|---|
| Basic Fee | 11.3% of the ordinary income that does not include the basic compensation payable to MREK(from the 5 th fiscal period) (1 st fiscal period: 0%, 2 nd : 17%, 3 rd & 4 th : 11%) |
| Commission | 25% of the excess of the sales price of such assets less costs related to such sale over the aggregate investments plus the capital expenditure during the said period only if the sales price of such assets less costs related to such sale exceeds the aggregate investments by the Company at the time of incorporation and an internal rate of return on such assets over a 5 year period of ownership of the assets is greater than 11.5% |
| Performance Fee | 40% of any excess over the IRR of 11.5% for the 5-year period, subject to the satisfaction of the requirements for the entitlement of commission |

Business Trust Contract

The Company has a contract with Woori Bank for the maintenance of the stock and transfer records as well as for the bookkeeping of accounts and other administrative services. The Company pays Woori Bank quarterly fees equivalent to 0.05% of the total assets for the services.

Asset Custodian Contract

The Company has a contract with Woori Bank for the custodial services of the Company's assets. The Company pays Woori Bank quarterly fees equivalent to 0.03% of the total assets.

Property Management Contracts

The Company has a contract with SAMS property management, which includes rental, budget management and maintenance, and facilities management, which includes security and management of parking lots and facilities.

10. Related Party Transactions

The Company has no parent company or any subsidiary.

The compensation for the Company's key management includes salaries of ₩ 6 million for the six-month period ended December 31, 2007. The Company's key management consists of officers, who have authority and responsibilities for the Company's plans, operations and control.

Details of the Company's transactions with the related parties for the six-month periods ended December 31, 2007 and June 30, 2007, are summarized as follows:

| <i>(in thousands of Korean won)</i> | Transactions | |
|---|--------------|--------------|
| | 2007. 12. 31 | 2007. 06. 30 |
| Samsung Life Insurance Co., Ltd. | | |
| Interest expense | ₩ 1,596,525 | ₩ 1,570,495 |
| Rental income | 389,749 | 389,749 |
| Common area maintenance income | 148,532 | 148,532 |
| Parking income | 44,909 | 36,909 |
| Tenant reimbursement | 328 | 322 |
| Samsung Fire & Marine Insurance Co., Ltd. | | |
| Interest expense | 444,933 | 437,679 |
| Insurance premium | 16,785 | 16,334 |
| LIG Insurance Co., Ltd. | | |
| Interest expense | 366,416 | 360,441 |

Related account balances as of December 31, 2007 and June 30, 2007, are as follows:

| <i>(in thousands of Korean won)</i> | Receivables and Payables | |
|---|--------------------------|--------------|
| | 2007. 12. 31 | 2007. 06. 30 |
| Samsung Life Insurance Co., Ltd. | | |
| Accrued expenses | ₩ 52,061 | ₩ 43,384 |
| Current portion of long-term borrowings | 45,898,840 | - |
| Long-term borrowings | - | 45,898,840 |
| Leasehold deposits | 324,450 | 324,450 |
| Samsung Fire & Marine Insurance Co., Ltd. | | |
| Prepaid expenses | 40,376 | 15,882 |
| Accrued expenses | 14,509 | 12,091 |
| Current portion of long-term borrowings | 12,791,480 | - |
| Long-term borrowings | - | 12,791,480 |
| LIG Insurance Co., Ltd. | | |
| Accrued expenses | 11,948 | 9,957 |
| Current portion of long-term borrowings | 10,534,160 | - |
| Long-term borrowings | - | 10,534,160 |

11. Rental Income

The Company does not project its future rental income due to the nature of the business. It adjusts the rental rates on its rental contracts based on the consumer price index.

12. Income Taxes

There are no income tax expenses for the six-month periods ended December 31, 2007 and June 30, 2007.

The income tax effect of temporary differences, including available net operating loss carry-forwards and tax credits, comprising the deferred income tax assets and liabilities as of December 31, 2007 and June 30, 2007, are as follows:

| <i>(in thousands of Korean won)</i> | 2007. 12. 31 | | 2007. 06. 30 | |
|-------------------------------------|---------------------|------------------|---------------------|------------------|
| Accrued income | ₩ | 168,014 | ₩ | 157,990 |
| Accrued expenses | | - | | 192,443 |
| Prepaid expenses | | 271,202 | | - |
| Total (I) | | <u>439,216</u> | | <u>350,433</u> |
| Accrued income | | (131,709) | | (168,014) |
| Accrued expenses | | (192,443) | | - |
| Prepaid expenses | | (263,237) | | (271,202) |
| Total (II) | | <u>(587,389)</u> | | <u>(439,216)</u> |
| Total (I + II = III) | ₩ | <u>(148,173)</u> | ₩ | <u>(88,783)</u> |

Changes in cumulative temporary differences for the six-month periods ended December 31, 2007 and June 30, 2007, are as follows:

2007.12.31

| <i>_(in thousands of Korean won)</i> | 2007.7.1 | Increase | Decrease | 2007.12.31 |
|--|------------------|--------------------|--------------------|-------------------|
| Accrued income | ₩ (168,014) | ₩ (168,014) | ₩ (131,709) | ₩ (131,709) |
| Accrued expenses | 192,443 | 192,443 | - | - |
| Prepaid expenses | (271,202) | (271,202) | (263,237) | (263,237) |
| Total | <u>(246,773)</u> | <u>₩ (246,773)</u> | <u>₩ (394,946)</u> | <u>(394,946)</u> |
| Income tax rate | 27.5% | | | 27.5% |
| Deferred income tax assets (liabilities) | ₩ - | | | ₩ - |

2007.06.30

| <i>_(in thousands of Korean won)</i> | 2007.1.1 | Increase | Decrease | 2007.06.30 |
|--|-----------------|-----------------|-----------------|-------------------|
| Accrued income | ₩ (157,990) | ₩ (157,990) | ₩ (168,014) | ₩ (168,014) |
| Accrued expenses | - | - | 192,443 | 192,443 |
| Prepaid expenses | - | - | (271,202) | (271,202) |
| Total | (157,990) | ₩ (157,990) | ₩ (246,773) | (246,773) |
| Income tax rate | 27.5% | | | 27.5% |
| Deferred income tax assets (liabilities) | ₩ - | | | ₩ - |

The Company can pay dividends in excess of its profits under Article 28(3) of the Real Estate Investment Company Act. And according to Article 51(2) of the corporate income tax law, if the Company distributes more than 90% of income available for dividends, the amount is exempted from the income tax. The board of directors of the Company will decide on the dividend amount considering net income, taxable income, capital expenditure plan and cash balance available for dividends. Therefore, the Company estimated that no income tax will be incurred and did not recognize any deferred income tax asset (liability).

The income tax rate applicable to the Company is 27.5% including resident tax, for the six-month periods ended December 31, 2007 and June 30, 2007. However, the effective tax rate for the six-month periods ended December 31, 2007 and June 30, 2007, was not calculated as the Company has not incurred any income tax expense for the period, due to the amendment of the Real Estate Investment Company Act in Korea and the Articles of Incorporation of the Company.

13. Earnings Per Share

Basic earnings per share for the six-month periods ended December 31, 2007 and June 30, 2007, are calculated as follows:

| <i>(in Korean won, except per share amounts)</i> | 2007.12.31 | 2007.06.30 |
|--|-------------------|-------------------|
| Net income allocated to common stock | ₩ 5,524,341,826 | ₩ 5,304,623,066 |
| Weighted average number of common shares outstanding during the year | 15,260,600 shares | 15,260,600 shares |
| Basic earnings per share | ₩ 362 | ₩ 348 |

As the Company has not issued any common stocks during the six-month periods ended December 31, 2007 and June 30, 2007, the weighted average number of common shares outstanding during the period is the same as the number of issued common stocks.

Diluted earnings per share for the six-month periods ended December 31, 2007 and June 30, 2007, is identical to the basic earning per share since the Company has not issued any dilutive securities as of December 31, 2007 and June 30, 2007.

14. Dividends

Computation of dividends for shareholders' equity for the six-month periods ended December 31, 2007 and June 30, 2007, are as follows:

| | 2007.12.31 | 2007.06.30 |
|-----------------------------|-------------------|-------------------|
| Dividends | ₩ 5,524,341,826 | ₩ 5,487,042,245 |
| Number of stock issued | 15,260,600 shares | 15,260,600 shares |
| Dividends per share | ₩ 362 | ₩ 360 |
| Par value per share | 5,000 | 5,000 |
| Dividend rates ¹ | 7.24% | 7.19% |

¹ The dividend rates of the Company are calculated for six-month period, and annualized dividend rates of the Company for the six-month periods ended December 31, 2007 and June 30, 2007, are 14.36% and 14.50%, respectively.

Dividends propensity for the six-month periods ended December 31, 2007 and June 30, 2007, is as follows:

| <i>(in thousands of Korean won)</i> | 2007.12.31 | 2007.06.30 |
|-------------------------------------|-------------------|-------------------|
| Dividends | ₩ 5,524,342 | ₩ 5,487,042 |
| Net income | 5,524,342 | 5,304,623 |
| Dividends propensity | 100.00 % | 103.44 % |

Dividend income rates for the six-month periods ended December 31, 2007 and June 30, 2007, are as follows:

| <i>(in Korean won)</i> | 2007.12.31 | 2007.06.30 |
|---|-------------------|-------------------|
| Dividends per share | ₩ 362 | ₩ 360 |
| Closing price at the end of fiscal year | 8,000 | 7,800 |
| Dividend income rates ² | 4.53% | 4.61% |

² The dividend income rates of the Company are calculated for six-month period, and annualized dividend income rates of the Company for the six-month periods ended December 31, 2007 and June 30, 2007, are 8.98% and 9.30%, respectively.

15. Value added information

Details of accounts included in the computation of value added taxes for six-month periods ended December 31, 2007 and June 30, 2007, are as follows:

| <i>(in thousands of Korean won)</i> | 2007.12.31 | 2007.06.30 |
|-------------------------------------|--------------------|--------------------|
| Remuneration to officers | ₩ 6,000 | ₩ 6,000 |
| Depreciation | 658,214 | 629,359 |
| Taxes and dues | 313,448 | 262,470 |
| Net financial costs | 2,437,172 | 2,390,940 |
| | <u>₩ 3,414,834</u> | <u>₩ 3,288,769</u> |

16. Major Management Performance for the Second Half of Fiscal Period

Details of major management performance for the second half of fiscal period From October 1, 2007 to December 31, 2007, are as follows:

| <i>(in thousands of Korean won, except per share amount)</i> | 2007.10.1 ~ 2007.12.31 | |
|---|-------------------------------|-----------|
| Operating revenue | ₩ | 6,062,124 |
| Operating expenses | | 2,184,318 |
| Operating income | | 3,877,806 |
| Net income for the second half of fiscal period | | 2,744,629 |
| Net income per share for the second half of fiscal period <i>(in Korean won)</i> | ₩ | 180 |

17. Supplemental Cash Flow Information

Cash in the statement of cash flows is identical to the cash and cash equivalents in the balance sheets. Significant transactions not affecting cash flows for six-month periods ended December 31, 2007 and June 30, 2007, are as follows:

| <i>(in thousands of Korean won)</i> | 2007.12.31 | 2007.06.30 |
|---|-------------------|-------------------|
| Re classification of construction-in-progress to buildings | ₩ 2,732,500 | ₩ - |
| Transfer from long-term prepaid expenses to current portion | 170,607 | - |
| Transfer from long-term borrowings to current portion | 75,244,000 | - |

18. Approval of Financial Statements

The December 31, 2007 audited financial statements were approved by the Board of Directors on February 26, 2008.

IX. Auditor's Opinion

- External Auditor's Opinion

The financial statements referred to above present fairly, in all material respects, the financial position of Macquarie Central Office Corporate Restructuring Real Estate Investment Trust as of December 31, 2007 and the results of its operations, the changes in its retained earnings, its cash flows and changes in shareholders' equity for six-month periods then ended in conformity with accounting principles generally accepted in the Republic of Korea.

Samil PricewaterhouseCoopers

- Statutory Auditor's Opinion

The Financial Statements adequately reflect the company's financial status and comply with the Real Estate Investment Company Act, Articles of Incorporation and Korean GAAP, etc.

Statutory Auditor Dae-Sup Roh

Section 9. Other matters relating to asset management that are prescribed by the Minister of Construction and Transportation.

I . Summary on disclosures and reports

| Date | Contents | Disclose to |
|-------------|---|-------------|
| 14 Dec 2007 | Temporary closing of shares registry | FSS, KRX |
| 14 Nov 2007 | Half year report for FY8 | FSS, KRX |
| 18 Sep 2007 | Annual Report for FY 7 | FSS, KRX |
| 14 Sep 2007 | Disclosures of general shareholders' meeting for FY7 | FSS, KRX |
| 29 Aug 2007 | Convocation of general shareholder's meeting and public announcements | FSS, KRX |
| 27 Aug 2007 | Submission of Audit Report for FY7 | FSS, KRX |
| 24 Aug 2007 | Resolution for Dividend payment | FSS, KRX |
| 24 Aug 2007 | Resolution for holding a general shareholders' meeting | FSS, KRX |

II .States of important lawsuits that are connected with management of the company

Not applicable

III.Present condition of transactions falling under the provision of Article 30 of the Act

Not applicable

IV. Penalty

Not applicable

V. Compliance to the regulated restricted Investment

| Regulation | Compliance |
|---|------------|
| 1. 70% or more of a company's total assets shall be composed of real estates for corporate restructuring, etc for the seller. | Complied |
| 2. With respect to investment in securities, MCO CR REIT shall not acquire any securities exceeding 10% of the total issued and outstanding voting stocks of another company, except for the allowance under the Real Estate Investment Company Act of Korea (the "Act"). | Complied |

| Regulation | Compliance |
|---|------------|
| <p>3. With respect to the investment in securities, MCO CR REIT shall not acquire any securities issued by a single entity in excess of 5% of MCO CR REIT's total assets, except for national bonds, local or municipal bonds or such other securities whose acquisition in such amounts is permitted under the Enforcement Decree promulgated under the Act.</p> | Complied |
| <p>4. MCO CR REIT shall not engage in any transactions falling within the categories listed, as follows, with directors and officers and their respective related persons (as defined in Article 21(1) of the Real Estate Investment Company Act of Korea (the "Act")), and any shareholder who owns and holds 10% or more of the shares in MCO CR REIT and its respective related persons, except for the circumstances under the Act.</p> | Complied |
| <p>5. MCO CR REIT and its related person shall not engage in the sale and purchase of real property or the trading of securities with the AMC and its related persons, except in the following circumstances: If MCO CR REIT is forced to dispose of its securities (other than shares) because it temporarily faces difficulty in making payment of purchase price or repurchase price of shares due to substantial number of appraisal or repurchase claims; General sale, competitive bidding or any similar transaction; Transactions (other than with the directors, officers and employees of the AMC and their respective related persons) where MCO CR REIT rents its property at a rate higher than that determined by the Board; or Unavoidable transactions as a result of merger, liquidation, spin-off or merger by a spin-off entity.</p> | Complied |