

English Translation of a Report Originally Issued in Korean

**Annual Report for the
Tenth Fiscal Year
From 1 Jul 2008 to 31 Dec 2008
Macquarie Central Office CR REIT**

27 March 2009

TO: Financial Supervisory Commission and Korea Exchange

We submit the attached operation report as per the Article 186-3 of Securities and Exchange Act
(the “Act”)

Company Name: Macquarie Central Office CR REIT
Representative Director: Jeong Ho Kim, Joo Hyun Cho
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Prepared by: Woori Bank Trust Business Department, the Business Trustee of
MCO CR REIT
(Tel.) 822-2002-5413

Sign-off Page of Representative Directors, etc.

Representation

26 February 2009

As the Representative Directors and Officer in charge of Reporting, we personally confirmed and reviewed by paying proper attention that;

- 1) There is no omission of statement or presentation, or false statement or presentation, of important items, which may gravely affect the reasonable investment decision of investors or value of securities in relation with the company or the securities,
- 2) No items, which give rise to grave misunderstanding of the user of the statement or presentation shown in the report, are stated or presented
- 3) The internal accounting management system is being operated pursuant to the Article 2-2 and Article 2-3 of the Act on External Audit of Joint Stock Companies if the corporation is subject to external audit pursuant to Article 2 of the same Act.

Macquarie Central Office CR REIT

Representative Director: Jeong Ho Kim, Joo Hyun Cho (signature)

Woori Bank, the Business Trustee of MCO CR REIT

Officer in charge of Reporting: Kwang Ho Jung (signature)

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I. Company Overview

Section 1. Purposes of Company

1. Business Purposes

Business Purposes of Company	Notes
<ul style="list-style-type: none">- Acquisition, management, improvement and disposition of real estate;- Lease of real estate;- Deposit of funds at financial institutions- Real estate development;- Sale and purchase of securities;- Acquisition, management and disposition of rights related to the use of real estate, including superficies and leasehold interests.	

2. Business Purposes Performed by Subsidiaries

Not applicable

3. New Additional Business Plan

No plan for new additional business as of the date of the submission of this report.

Section 2. History of Company

1. History of Company

(1) Establishment and Post-establishment History

- 30 Sep 2003 Promoters Meeting
- 10 Nov 2003 Pre-approval from MOCT
- 2 Dec 2003~3 Dec 2003 IPO (KRW 35,151,500,000)
- 12 Dec 2003 Inaugural Meeting and Incorporation
Asset Management Agreement (Macquarie Real Estate Korea Ltd., formerly known as Macquarie Property Advisors Korea Ltd.,)
Custodian Agreement (Woori Bank)
Business Trustee Agreement (Woori Bank)
- 12 Dec 2003 Incorporation (Paid-in Capital KRW 76,303,000,000)
- 23 Dec 2003 Final-Approval from MOCT
- 08 Jan 2004 Listed on Korea Exchange (KRX)
- 04 Dec 2008 Extension of Fund for 7 years
- 08 Dec 2008 Approval of MLTM of Extension of Fund

(2) Company Name Change

The Company name has not been changed.

(3) Merger, Acquisition or Takeover

Not applicable

(4) Change of Manufacturing Facilities

Not applicable

(5) Important Matters Regarding Management Activities

Not applicable

2. Group to which the Company is affiliated

Not applicable

Section 3. Capital Change

1. Changes in Share Capital

No change for Share Capital.

2. Changes in Paid-in Capital Scheduled

No plan for change.

3. Convertible Bonds

Not issued.

4. Bonds with Warrants

Not issued.

5. Payment in Kind

Not applicable.

Section 4. Shares

1. Total Number of Shares Authorized

(As of 31 Dec 2008)

(Unit: share)

Shares authorized	Shares issued	Shares unissued
61,042,400	15,260,600	45,781,800

2. Total Number of Shares Issued

(As of 31 Dec 2008)

(Unit: KRW, share)

Registered/ Unregistered	Type	Number of Shares	Total Face Value of Share Capital	Par Value per share	Notes
Registered	Common Stock	15,260,600	76,303,000,000	5,000	-
Total		15,260,600	76,303,000,000	5,000	

3. Acquisition and Disposition of Treasury Stock

Type of Shares	Number of Shares	Share Capital (KRW)	Comments
Ordinary	1,953,329	17,220,040,598	2008.12.26 (Acquisition Date)
Sub total	1,953,329	17,220,040,598	

4. Status of Employee Stock Ownership

Not applicable

5. Stocks other than common stocks

Not applicable

6. Redemption of shares

Not applicable

7. Convertible stocks

Not applicable

Section 5. Shares with Voting Rights

(As of 31 Dec 2008)

(Unit: share)

Category	No. of Shares	Notes
1. Number of ordinary shares with voting rights [a-b]	[13,307,271]	
a. Issued shares	15,260,600	
b. Shares without voting rights	1,953,329	
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]	[13,307,271]	

Section 6. Dividends

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 can pay dividend in excess of its net income pursuant to article 28(3) of the Real Estate Investment Company Act. The board of directors of the Company will decide on the excess dividend amount by considering the Company's net income, taxable income, capital expenditure plan and cash balance available for dividends for each fiscal year.

The Company will operate for seven 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 3 fiscal years

(Unit: KRW)

Classification		10 th FY	9 th FY	8 th FY
Par Value per share		5,000	5,000	5,000
Net income		5,986,360,430	6,299,172,617	5,524,341,826
Earning Per Share		394	413	362
Distributable Income		4,506,850,525	5,477,929,756	4,703,098,965
Dividend Payout Ratio (%)		100.00	110.45	100.00
Cash Dividend	Dividend Per Share	450	362	360
	Total Dividend Amount	5,986,360,430	5,524,341,826	5,487,042,245
	Dividend Yield (%)	6.30	4.53	4.61
Stock Dividend	Stock Dividend Rate (%)	-	-	-
	Number of Stock Dividends Per Share	-	-	-

2. Bonds with Income Participation Rights

Not applicable

II. REAL ESTATE BUSINESS

Section I. Business Overview

1. Industry Overview

The Company is one of the Corporate Restructuring Real Estate Investment Trust (CR-REIT) Companies in Seoul Korea.

As of 31 December 2008, there are 18 CR-REITs companies in operation, 1 CR-REITs companies in liquidation and 5 CR-REITs have been liquidated and 6 REITs externally advised in Korea.

2. Business Overview

(1) Business Overview and Business Segment

A. Business Overview

The Company is a paper company incorporated in accordance with the Real Estate Investment Company Act. The purpose of this company is to attract funds from various institutions and individual investors and purchase the real estates from corporations under corporate restructuring. Through the sale of their real estates, the distressed corporations are able to expedite the restructuring process and improve the financial structure. Furthermore, the investors are also able to evade risks of direct investment in real estates and gain competitive investment income. Therefore, the Company benefits both the investors and distressed corporations by providing profitable investment incomes and rehabilitation opportunities, respectively.

B. Business Segment

- Real Estate Leasing Business

94% of initial total assets of the Company, which is around KRW 160 billion, was invested to purchase the properties called Kukdong Building located in CBD Seoul. The main business of the Company is to distribute the cash flows from managing the purchased properties by such means as leasing, maintenance and resale. Therefore, most funds are invested in real estates and additional funds incurred from existing investments will be managed in cash or be invested in securities.

As of 31 December 2008, the Company has no plan for other new businesses.

(2) Market Share

At a very initial stage of the market, it is not meaningful to measure a market share.

(3) Market Characteristics

CR-REIT companies are functioning to activate the real estate indirect investment system and enhance the transparency of the real estate market in Korea, by investing its funds, which are drawn from various institutions or individuals, in real estates held by corporations under restructuring, etc. The CR-REIT companies enable the corporations under restructuring to improve their financial structure from disposition of the properties while providing investors with opportunities of more stable and profitable real estate-related financial products using tax-preferred investment vehicles and professional real estate asset management systems.

(4) Prospects of new business

Not applicable

Section 2. Current Business

1. Guidelines on Investment

- (1) The asset management company of MCO CR REIT, Macquarie Real Estate Korea Ltd. will try to achieve the dividend yield as projected in the information memorandum provided to investors. Macquarie Real Estate Korea Ltd. will seek to maximize the dividend over the investment term to the investors in MCO CR REIT.
- (2) The acquisition of real property shall be decided upon by a general meeting of shareholders of MCO CR REIT or the Board, based on the due diligence report on the subject assets prepared by Macquarie Real Estate Korea Ltd. and the due diligence reports on the subject assets prepared by a third party such as an independent real property investment consulting firm or the appraisal reports prepared by an appraisal company. Macquarie Real Estate Korea Ltd. if necessary, shall appoint and establish business relationships with a qualified company as an appraisal company after examining such company in consultation with an independent real property investment consulting firm. The methodology described above shall be incorporated in the evaluation of any future asset acquisition by MCO

CR REIT.

- (3) In order to examine the structural safety and durability of the relevant real property, an investigation into the physical structure of the real property shall be conducted before the acquisition of real property. The methodology described above shall be incorporated in the evaluation of any future asset acquisition by MCO CR REIT.

MCO CR REIT is pursuing a two-pronged investment strategy with an aim to maximize the returns to its investors.

- MCO CR REIT acquires a Building in the CBD of Seoul that has sustainable high-income flow and capital appreciation potential in a medium-long holding period of 3 to 5 years.
- MCO CR REIT is structured to focus on enhancing steady income to investors, maintaining the quality of assets and providing market liquidity for shareholders through listing of securities on Korea Exchange (“KRX”).

2. Portfolio Composition and Change in Asset Value

(1) Portfolio Composition

(Unit: KRW million, %)

Classification		Real Estate*	Real Estate Related Securities	Other Securities	Cash and Deposits	Others	Total Asset*
FY10	Asset Value	168,385	-	-	10,383	275	179,043
	%	94.04	-	-	5.80	0.16	100.00
FY9	Asset Value	168,199	-	-	11,988	298	180,485
	%	93.19	-	-	6.64	0.17	100.00
FY8	Asset Value	167,684	-	-	9,999	348	178,031
	%	94.19	-	-	5.61	0.20	100.00

* The amount of real estate is represented in costs at acquisition before depreciation. The total asset above is bigger than the book value by accumulated depreciation amount of property.

(2) Change in Asset Value

A. Trend in the change in asset value for the recent one year

(Unit: KRW million)

Quarter	2Q FY10	1Q FY10	2Q FY9	1Q FY9
Total Asset	179,043	177,165	180,485	176,459

B. Trend in the change in asset value for the recent five years

(Unit: KRW million)

Quarter	FY10 (1 Jul 08 to 31 Dec 08)	FY9 (1 Jan 08 to 30 Jun 08)	FY8 (1 Jul 07 to 31 Dec 07)	FY7 (1 Jan 07 to 30 Jun 07)	FY6 (1 Jul 06 to 31 Dec 06)
Total Asset	179,043	180,485	178,031	177,535	175,469

(3) Net Asset Value per share

(Unit: share, KRW million)

	31 Dec 2008	31 Sep 2008	30 Jun 2008	31 Mar 2008
Total Asset Value per the article 27 of ED of Real Estate Investment Company Act	179,043	177,165	180,485	176,459
Total liabilities per Balance Sheets (II)	108,355	92,579	92,271	91,618
Net Asset Value (III=I-II)	70,688	84,586	88,214	84,841
Number of Shares issued	15,260,600	15,260,600	15,260,600	15,260,600
Net Asset Value per share (KRW)	4,632	5,543	5,781	5,559

3. Details of Investment

(1) Real Estate

(Unit: KRW million, %)

Classification	Name	Location	Usage	Cost at acquisition	Property Value	% of Total Asset
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Current	Real Estate	Kukdong building	60-1, Chungmuro 3-Ga, Chung-gu, Seoul	Office, commercial	168,385	168,385	94.04
Preceding	Real Estate	Kukdong building	60-1, Chungmuro 3-Ga, Chung-gu, Seoul	Office, commercial	167,684	167,684	94.19

<Note> Transaction cost is included in the acquisition amount.

(2) Securities

Not applicable

(3) Other Assets

Other assets of the Company include cash, deposits and prepaid expenses.

4. Real Estate Development Projects

Not applicable

5. Leasing Business

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	59,544	95.50%	17,827	63	299,378
	Vacancy	2,800	4.50%			
Sub total	62,344	62,344	100.0%			

<Note>

* Annual Rental Income KRW 17,826,137,878 = monthly rent KRW 1,485,511,490*12

(Annual CAM income KRW 7,413,536,760= KRW 617,794,730*12)

* Average annual rental income per m² = Annual Rent KRW 17,826,137,878 ÷ 59,544m²

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

2008-04	2008-05	2008-06	2008-07	2008-08	2008-09	2008-10	2008-11	2008-12
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.5%

6. Investment plan

(1) Capital expenditures for 5 Years after closing

MCO CR REIT was approved to carry out refurbishment capital expenditure program with budget KRW 5.7billion for 5 years after closing of acquisition of Kukdong Building from the Inaugural Meeting of the Company. The approved initial business plan on capital expenditures program was based on the due diligence of Kukdong building at the stage of the acquisition including the Due Diligence report from Hanmi Parsons.

Manager of MCO CR REIT has prepared the specific plan based on the initially approved plan and engineering Due Diligence report of SAMS, current Property Management Company annually and implement the plan after approval from Shareholders Meeting and Board Meeting of MCO CR REIT.

- Replacement of the fan-coil units in the office area and rehabilitation of the epoxy floors at the parking lots have been completed under the approval of the BOD as of 30 June 2008.

7. Performance of Portfolio

(1) Income Analysis

(Unit: KRW million, %)

Classification		Revaluation Gains/ Losses			Disposition Gains/ Losses			Rent Income	Other Income/ Loss	Operating Income Total
		Real Estate	Real Estate Related Securities	Securities	Real Estate	Real Estate Related Securities	Securities			
FY10	Amount	-	-	-	-	-	-	8,779	△394	8,385
	%	-	-	-	-	-	-	104.70	4.70	100.00
FY9	Amount	-	-	-	-	-	-	8,610	△44	8,566
	%	-	-	-	-	-	-	100.51	0.51	100.00
FY8	Amount	-	-	-	-	-	-	7,979	△219	7,760
	%	-	-	-	-	-	-	102.82	2.82	100.00

* Other income/loss includes CAM, Parking income, other operating revenue and operating expenses.

* For detail, please refer to the financial information section.

(2) Return on Equity (ROE)

Below ratio is indicating the annualized return on equity measured by dividing net income out of paid-in capital.

A. Annualized ROE

	FY10 (01 Jul 2008 to 31 Dec 2008)	FY9 (01 Jan 2008 to 30 Jun 2008)	FY8 (01 Jul 2007 to 31 Dec 2007)
MCO CR REIT	15.69%	16.51%	14.48%
Index	-	-	-

B. Cumulative Annualized ROE

	Upto FY10 (12 Dec 2003 to 31 Dec 2008)	Upto FY9 (12 Dec 2003 to 30 Jun 2008)	Upto FY8 (12 Dec 2003 to 31 Dec 2007)
MCO CR REIT	13.15%	12.87%	12.42 %
Index	-	-	-

8. Guidelines on Asset Management

(1) Basic Guidelines on Asset Management

As a general rule, taking into consideration market conditions and environment surrounding real property markets and financial markets, MCO CR REIT shall make its investment in income-generating properties consisting primarily of commercial office buildings and shall manage its excess funds in such a way as to earn market interest income.

(2) Asset Management Plan

① Real Property Management Strategy

- a) MCO CR REIT shall mainly invest in income-generating properties such as commercial office buildings sold by a corporation which is in the course of

corporation reorganization proceedings or intends to repay its debt obligations with the sales proceeds, and when it purchases such income-generating properties, MCO CR REIT shall endeavor to purchase undervalued real properties at a price lower than the replacement cost.

- b) If the purchased real property is old and deteriorated, MCO CR REIT shall try to increase rents, generate more cash inflows, and increase the value of the real property.
- c) Asset Manager of MCO CR REIT shall continuously examine the possibility of early disposal of the real property even before the end of MCO CR REIT's corporate life and make recommendations to MCO CR REIT where it believes such early disposal can produce significant premium returns for investors.
- d) MCO CR REIT shall seek to control costs whilst maintaining tenant satisfaction with the ultimate goal of maximizing the rate of return to the investors.
- e) MCO CR REIT shall endeavor to dispose of its real properties within the defined life span of the MCO CR REIT in a manner which maximizes the returns to the investors.
- f) MCO CR REIT shall assess the rate of return of real property on a quarterly basis.

② Management Strategy with respect to surplus cash

MCO CR REIT's surplus cash shall be managed in accordance with the management plan regarding such funds as stipulated in Article 51 of the Articles of Incorporation of MCO CR REIT.

③ Management Strategy of Cash and Liquid Assets

- (a) MCO CR REIT shall maintain cash and liquid assets above certain level to ensure that it can meet its cash outflow needs.
- (b) For the distribution of dividends, MCO CR REIT shall maintain certain level of cash and liquid assets.

(3) Exit Strategy

- A MCO CR REIT is structured with the features commonly associated with international REITS that focus on enhancing steady income to investors, maintaining a high quality portfolio and providing market liquidity for shareholders. The shares of MCO CR REIT have been listed on the Korea Exchange from 8 January 2004.

- B The main attribute of the MCO CR REIT investment structure is the ability for investors to share in the capital gain potential of the Property and not be restricted by an exit price guarantee mechanism, which is common in other CR REITs, which leaves the investor exposed to default by the party providing the guarantee. Investors will be investing in listed securities with market value reflecting the income generating ability and capital growth potential of the Property.

- C MCO CR REIT believes that the key to ensuring that there is capital growth potential for the Property is to demonstrate to the market that the Property can generate a sustainable dividend yield.

- D Exit may take the form of:
 - (a) Third party sale of the Property at or before the end of the life of MCO CR REIT
 - (b) Consolidation with other CR-REIT
 - (c) Potential conversion of MCO CR REIT to an ordinary REIT

- E In addition, Macquarie believes that the creation of a listed CR-REIT with the features common to international REITS will encourage the market to duplicate the structure in future listed CR-REITs. The continued growth of the CR-REIT market that converges with international common practice would attract increasing investment interests from both international and domestic investors, which would in turn increase the liquidity of listed MCO CR REIT shares and enhance the exit options of shareholders.

9. Restrictions on Asset Management

In managing MCO CR REIT's assets, Macquarie Real Estate Korea Ltd., shall comply

with each of the following requirements:

(1) 70% or more of the total assets of MCO CR REIT shall consist of the following:

- A Real properties sold by a corporation to repay its liabilities, including its loan obligations to its creditor financial institutions.
- B Real properties sold by a corporation which has entered into an agreement for its financial restructuring with its creditor financial institutions in order to comply with such agreement.
- C Real properties sold by a corporation in accordance with corporate reorganization proceedings under the Corporate Reorganization Act of Korea or composition plan under the Composition Act of Korea; or
- D Other real properties the acquisition of which by MCO CR REIT is deemed necessary by the FSC to assist in corporate reorganization.

(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 following circumstances:

- A If MCO CR REIT acquires shares in a company established for the development of certain real property which has a definite term of corporate life;
- B If such purchase of securities is for the purpose of merging MCO CR REIT with another company;
- C If MCO CR REIT acquires all of the business of another company; or
- D If necessary to attain specified goals in the exercise of its rights.
- E It is deemed to be non-detrimental to protecting investors' interests or the stable management of its asset as set forth in the Presidential Decree.

(3) If MCO CR REIT acquires shares in another company in excess of 10% of the total issued and outstanding voting stocks of such other company, under the circumstances (B) through (D) above, MCO CR REIT shall comply with the investment limitation as

required under applicable rules and regulations within six (6) months of the date of such acquisition.

- (4) 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 Real Estate Investment Company Act of Korea (the "Act").
- (5) If securities owned and held by MCO CR REIT exceed the limitation as provided in Item 4 above, MCO CR REIT shall comply with the investment limitations under applicable rules and regulations within six (6) months of the date of such acquisition.
- (6) MCO CR REIT shall not engage in any transactions falling within the categories listed in Article 21 of the Act with the officers and their respective related persons, 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 following circumstances:
 - A General sale, competitive bidding or any similar transactions;
 - B Transactions (other than with the officers and employees of MCO CR REIT and their respective related persons) where MCO CR REIT rents its real property at a rate higher than the rate determined by the Board; or
 - C Unavoidable transactions as a result of merger, dissolution, split or split-merger.
- (7) MCO CR REIT and its related person shall not engage in the sale and purchase of real property or the trading of securities with Macquarie Real Estate Korea Ltd. (formerly known as Macquarie Property Advisors Korea Ltd), except in the following circumstances:
 - A 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;
 - B General sale, competitive bidding or any similar transaction;
 - C Transactions where MCO CR REIT rents its property at a rate higher than that

determined by the Board; or

D Unavoidable transactions as a result of merger, dissolution, split or split-merger.

(8) Limitations on borrowing

A. A REITs Company may borrow monies or issue bonds in accordance with Article 33 of Presidential Decree of Real Estate Investment Company Act for the purpose of investing and managing its assets or repaying its existing indebtedness or redeeming its outstanding bonds.

B The amount of such borrowings and bonds under (A) shall not exceed two hundred percent (200%) of the shareholders' equity of the REITs Company.

10. Investment Risk

An investment in the shares of MCO CR REIT involves a high degree of risk. Prospective investors should carefully consider the following risk factors in connection with an investment in such shares.

(1) MCO CR REIT may be unable to pay dividends at the expected rates

MCO CR REIT's expected dividend rates are based on a number of assumptions, including assumptions relating to future operations of MCO CR REIT. These assumptions concern, among other matters, continued property occupancy and creditworthiness of tenants, the amount of future capital expenditures and expenses relating to MCO CR REIT's property, the level of leasing activity and future rental rates, the strength of the office real estate market in Seoul, competition, the costs of compliance with environmental and other laws and the amount of uninsured losses. A number of the assumptions relate to matters that are beyond the control of MCO CR REIT and The Manager or are not capable of being foreseen or accurately predicted. Accordingly, no assurance can be given that MCO CR REIT will be able to pay dividends at the expected rates.

(2) MCO CR REIT is subject to risks inherent in commercial real estate business

A. General. Investments in MCO CR REIT are subject to the risks generally incident to the ownership and operation of real estate, including risks associated with changes in general economic or local market conditions, competition for tenants, changes in

market rental rates, inability to collect rents and other payments from tenants due to bankruptcy, insolvency or other financial difficulties of tenants or otherwise and the need to periodically renovate, repair and relet space and to pay the costs thereof. In addition, real estate investments are relatively illiquid which may tend to limit the ability of MCO CR REIT to react promptly in response to changes in economic or other conditions.

B. Tenant defaults. Most of MCO CR REIT's income is expected to be derived from rental income from the Property, and consequently, MCO CR REIT's distributable cash flow and ability to pay expected dividends to shareholders would be adversely affected if a significant number of tenants of the Property failed to meet their lease obligations. At any time, a tenant of MCO CR REIT could seek the protection of the bankruptcy laws, which could result in delays in rental payments or in the rejection and termination of such tenant's lease. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if any tenants file, that they will affirm their leases and continue to make rental payments in a timely manner. In addition, a commercial tenant from time to time may experience a downturn in its business which may weaken its financial condition and result in the failure to make rental payments when due.

C. Lease terminations. MCO CR REIT is subject to the normal risks associated with leasing property, including the risk that upon expiration of leases for space located in its building, the leases may not be renewed, the space may not be relet or the terms of renewal or leasing (including any cost of required renovations or concessions to tenants) may be less favourable than current lease terms. If MCO CR REIT is unable promptly to relet or renew leases for a significant portion of its space or if the rental rates upon renewal or reletting are significantly lower than expected rates, then MCO CR REIT's earnings and ability to make expected distributions to shareholders will be adversely affected.

D. Decrease in value of buildings. The underlying value of MCO CR REIT's building and the price at which MCO CR REIT will be able to dispose of it may be adversely affected by adverse changes in national or local economic conditions, competition from other properties, changes in interest rates and in the availability, cost and terms of mortgage financing, changes in real estate tax rates and adverse changes in governmental regulations, including environmental and zoning laws affecting the buildings, and other factors which are beyond the control of MCO CR REIT. No assurances can be made that the fair market value of MCO CR REIT's real estate

assets will not decrease in the future.

(3) MCO CR REIT's alternative exit strategies may not be viable

Anticipated changes to the Act permitting transformation of a CR REIT into an ordinary REIT may not take place within the life span of MCO CR REIT, and it may not be possible for MCO CR REIT to merge with another CR REIT during this period, thus limiting MCO CR REIT's exit strategies to disposition of the asset through market sale only.

(4) MCO CR REIT's insurance will not cover all losses

MCO CR REIT maintains comprehensive insurance on its building, including liability and fire and extended coverage, in amounts sufficient to permit the replacement of the improvements thereon in the event of a total loss, subject to applicable deductibles. MCO CR REIT will endeavour to obtain coverage of the type and in the amount customarily obtained by owners of real estate similar in nature in the areas where such real estate is located. There are certain types of losses, however, generally of a catastrophic nature, such as earthquakes, floods and hurricanes, which may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by MCO CR REIT, if any, might not be adequate to restore MCO CR REIT's investment with respect to the affected Property.

(5) MCO CR REIT may suffer adverse impact from leverage

MCO CR REIT is subject to the risks normally associated with debt financing, including the risk that MCO CR REIT's cash flow will be insufficient to meet required payments of principal and interest and the risk that necessary capital expenditures for such purposes as renovations and reletting space cannot be financed on favourable terms, if at all. The Property will be mortgaged to secure payment of the Loan, and if MCO CR REIT defaults under the Loan, the Property could be lost through foreclosure or transfer to the mortgagee with a consequent loss of income and asset value to MCO CR REIT. Independent accountant's report indicates that in case that vacancy rate increases to 24.6%, MCO CR REIT may not be able to service the debt.

(6) Failure to maintain status as a CR-REIT could have adverse tax consequences

In order to maintain its qualification as a CR-REIT under the Act, MCO CR REIT must continually satisfy certain tests primarily with respect to the nature of its assets. In addition, in order not to be taxed on its income, MCO CR REIT must distribute at least 90% of its distributable income to shareholders. If MCO CR REIT fails to qualify as a CR REIT in any tax year or fails to distribute at least 90% of its distributable income, it would be taxed as a regular domestic corporation. In such a case, MCO CR REIT would be subject to income tax on its taxable income at regular corporate rates, and distributions to MCO CR REIT's shareholders would not be deductible by MCO CR REIT in computing its taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to MCO CR REIT's shareholders, which in turn could have an adverse impact on the value of, and trading prices for, the shares.

(7) The market for MCO CR REIT shares may not be liquid

Although the shares will be listed on the Korea Exchange, there is no assurance that an active trading market will develop or be sustained following the offering of the shares or that at any time the shares may be resold at or above the initial offering price.

(8) Potential change to tax exempt status of CR REIT

Amendments to the Tax Benefit Limitation Act are currently being considered by the National Assembly. Under these amendments, for the additional acquisition of property after 1 January 2004, MCO CR REIT would be liable to pay 50% of registration tax and 50% of acquisition tax with respect to such purchases or capital expenditures.

11. Dividend Payment

(1) Distribution Policy

Pursuant to the amended Real Estate Investment Company Act effective from 23 April 2005, the requirement to reserve 10% of dividend payable as legal reserve has been eliminated from the third financial year. The Company can pay dividend in

excess of its net income pursuant to article 28(3) of the Real Estate Investment Company Act, article 32 of the Enforcement Decree of Real Estate Investment Company Act and article 56(3) of the Articles of Incorporation. The dividend from current net income for a financial year shall be distributed once in every 6 months and the Company plans to pay, in principle, 100% of the distributable income of each fiscal year as dividend in cash. The Actual dividend amount will be decided by the resolution of the general meeting of shareholders pursuant to the Commercial Code.

The Company's initial estimate about dividend rate disclosed by the offering circular at underwriting was as follows.

	2004-06	2004-12	2005-06	2005-12	2006-06	2006-12	2007-06	2007-12	2008-06	2008-12
	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
Nominal Dividend Rate	3.38%	3.58%	4.18%	3.81%	4.53%	4.15%	5.21%	4.81%	5.76%	17.48%
Annualized Dividend Rate	6.75%	7.15%	8.36%	7.62%	9.07%	8.30%	10.42%	9.62%	11.52%	34.95%
Average for 5years	11.38%									

Under the current accounting policy of the company, the Company's revised dividend rate of the 9th fiscal year and the estimate of the 10th fiscal year after reflecting the amendment effects of Real Estate Investment Company Act, effective from 22 April 2005, are as follows.

	2004-06	2004-12	2005-06	2005-12	2006-06	2006-12	2007-06	2007-12	2008-06	2008-12
	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
Nominal Dividend Rate	4.59%	4.83%	6.09%	6.31%	6.44%	6.57%	7.19%	7.24%	9.12%	15.59%
Annualized Dividend Rate	8.29%	9.65%	12.27%	12.52%	12.99%	13.04%	14.50%	14.36%	18.29%	31.20%
Average for 5years	13.38%									

The estimate of dividend rate can be varied according to the change of market environment, change of vacancy rate, and other changes including accounting principal applied. Although due care and attention has been exercised in the preparation of forecast information, the estimates, by their very nature, are subject to contingencies many of which are outside the control of MCO CR REIT.

Investors are advised to do his/her financial analysis and consider obtaining financial, legal and taxation advice before making an investment decision. Also, investor should know that investments in MCO CR REIT are neither deposits nor liabilities of the Company and its servicers.

Actual dividend amount of each fiscal year shall be finally determined by the resolution of the general meeting of shareholders, pursuant to the Commercial Code of Korea, which shall be proposed by the Board based on the actual financial performances in each fiscal year.

(2) Payment of Dividend

The Company will operate for seven 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 legally registered in the shareholders registry as at end of each accounting period, as approved by the resolution of the general meeting of shareholders. Company plans to pay dividend within one week from the date of its approval by the general meeting of shareholders unless otherwise determined by the general meeting of shareholders which approved the dividend.

12. Method of Asset Evaluation and Disclosure

(1) Method of asset evaluation

A. Real estate is evaluated and disclosed at the historical acquisition costs.

However, from one year after its acquisition, Company can evaluate the property at the appraisal value which the certified appraiser who is licensed per the Act on Public Disclosure of Land Price and Evaluation of Land, etc evaluates the property and appraises pursuant to Article 9 of the Enforcement Decree of the Real Estate Investment Company Act.

B. Securities are evaluated by adopting Paragraphs 2 and 3 of Article 29 of the Enforcement Decree of the Securities Investment Company Act.

C. Deposits at financial institutions are evaluated at the principal plus interests accrued up to the evaluation basis date.

- D. Other assets are evaluated at the figures that are shown on the balance sheet as of the evaluation basis date.

(2) Method of disclosure

- A. Frequency of calculation: Self-evaluation of real estate can be done once a year and net asset value per share will be calculated every quarter.
- B. Time of disclosure: In principle, disclosure is done every quarter by way of investment report. If necessary, however, eg drastic change in asset value, immediate disclosure will be done.
- C. Method and Place of disclosure:
 - (a) Investment Report and other important information: Head Office and website of Macquarie Real Estate Korea Ltd. (formerly known as Macquarie Property Advisors Korea Ltd.), and WooriBank, and website of MOCT (www.moct.go.kr)
 - (b) Annual Reports will be posted in the electronic disclosure website of FSS (www.dart.fss.or.kr), the website of the Asset Manager (www.macquarie.com/kr) and the website of Business Trustee (www.woorisamu.com).

Section 3. Financing

1. Principles of Financing

At the time of establishment, the Company raised total KRW 76,303,000,000 from stockholders - KRW 41,151,000,000 from promoters and other shareholders and KRW 35,152,000,000 through IPO.

2. Summary of Financing

(Unit : KRW million)

Sources	Beginning	Increase	Outstanding
IPO	35,152	-	35,152
Promoters' and private offering	41,151	-	41,151
Sub-total	76,303	-	76,303
Specially - related Parties	-	-	-
Total	76,303	-	76,303

3. Summary of Borrowing

<Details of Borrowing>

(Unit: KRW million)

Classification	Beginning	Increase	Pay-off	Outstanding
Short-term borrowing for operating capital	-	-	-	-
Long-term borrowings mortgaged to the property	75,244	-	-	75,244
National Housing Fund	-	-	-	-
Borrowing for the stock refund, etc.	-	-	-	-

<Lenders>

(Unit: KRW)

Lenders	Draw-down	Borrowing Principal	Interest	Classification	Outstanding amount
Samsung Life	26 Dec 2008	45,898,840,000	8.50%	Longterm ¹⁾	45,898,840,000
Samsung F&M	26 Dec 2008	12,791,480,000	8.50%	Longterm ¹⁾	12,791,480,000
LIG Insurance	26 Dec 2008	10,534,160,000	8.50%	Longterm ¹⁾	10,534,160,000
Korea Life	26 Dec 2008	6,019,520,000	8.50%	Longterm ¹⁾	6,019,520,000
Total		75,244,000,000			75,244,000,000

Note 1) According to the Credit Facility Agreement, 8.5% p.a. of interest rate has been applied from 26 Dec 2008 due to extend the maturity (Samsung F&M - 2 years, Other lenders - 1 year) of 5 years and 6.9% p.a. from the initial funding date.

Section 4. Major Contracts

1. Managerial Important Contracts

Not applicable

2. M&A or Business Take-over Contracts

Not applicable

3. Business Entrustment Engagement

(1) Asset Management Agreement

A. Overview of Asset Management Agreement

(a) Servicing Period

From 12 December 2003 until the date of the dissolution of MCO CR REIT

(b) Compensation

Classification	Fee of Macquarie Real Estate Korea Ltd.,	Payment
Acquisition Fee	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
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 fiscal period : 17.00%, 3 rd -4 th fiscal period : 11.00%, and the ordinary income includes gains on disposal of asset)	semi-annual 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 the dissolution

Classification	Fee of Macquarie Real Estate Korea Ltd.,	Payment
Performance fee	40% of any excess over the cash flows that make equity IRR 11.5% less already calculated Disposal Fee.	upon the dissolution

(c) Payment Method

- Basic Fee: The basic fee to Macquarie Real Estate Korea Ltd(formerly known as Macquarie Property Advisors Korea Ltd.) shall be payable on a semi-annual basis within 7 days of the submission of the auditor’s opinion on the fiscal period-end report and the approval of its board of directors.
- Performance Fee: Upon dissolution

(d) Work Scope

- Preparing and submitting to MCO CR REIT annual business plans and borrowing plans for Asset Management Services that set forth the acquisition and disposition of assets, including real estate, securities and any rights related to use of real estate, and the servicing of assets acquired;
 - ① The acquisition, administration, improvement and disposition of real estate with the approval of MCO CR REIT’s board of directors
 - ② The leasing of real estate
 - ③ The sale and purchase of investment securities
 - ④ The acquisition and disposal of superficies, leases or other rights related to the use of real estate
 - ⑤ The development of real estate
 - ⑥ Arranging advisory and assessment services, if necessary, from real estate investment advisory companies in respect of the Asset Management Services;
- Providing relevant data to help the Business Trustee prepare quarterly and fiscal period-end investment reports and financial statements;
- In the event MCO CR REIT issues shares, providing evaluation data on MCO CR REIT’s capital needs, market conditions and other relevant information, providing recommendations as to the conduct of the share issuance, appointing a lead manager, negotiating and executing relevant agreements on behalf of MCO CR REIT and preparing a prospectus;
- Providing (i) data necessary for applications for approvals, reports or public notices required in connection with the Asset Management Services or otherwise under the Act and other applicable laws and regulations and (ii) prior

consultation with relevant governmental offices necessary for applications for approvals; and

- Preparing and providing to MCO CR REIT the draft Basic Guideline and, where it has been agreed, draft Detailed Guideline.
- Providing Asset Management Services as instructed by a liquidator or an inspector of dissolution, in the event of dissolution or dissolution of MCO CR REIT.

(e) Other real estate advisory business performed by Manager pursuant to the Article 22-3 of Real Estate Investment Company Act and Article 22 of its Presidential Decree.

As new REIC Act legislation has been effective from 23 April 2005, Macquarie Real Estate Korea Ltd., (formerly known as Macquarie Property Advisors Korea Ltd.) is performing additional business in addition to the investment and management services for REITs externally advised or CR-REITs as follows.

① Additional business

- Advisory business entrusted from other company in relation to acquisition, management and disposal of real estates
- Real estate advisory business in relation to acquisition, management, improvement and disposal of real estates

② Effective from 29 April 2005

B. Asset Management Company

(a) Company Overview

- ① Company: Macquarie Real Estate Korea Ltd.,(formerly known as Macquarie Property Advisors Korea Ltd.)
- ② Address: 110 Sogong-Dong, Jung-Gu, Seoul
- ③ Date of Authorization of AMC: 30 June 2003
- ④ Shareholder

	Investment Amount (KRW)	No. of Shares Subscribed	% of total
Macquarie Bank Ltd.	7,000,000,000	1,400,000	100.00

Total	7,000,000,000	1,400,000	100.00
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⑤ Asset Management Method:

The management of REIT has been entrusted to Macquarie Real Estate Korea Ltd.,(formerly known as Macquarie Property Advisors Korea Ltd.) an authorized AMC in accordance with the provisions of the Article 21 and Article 22-3 of Real Estate Investment Company Act.

(b) Summary of Financial Information for the recent two years

① Balance Sheets

(Unit: KRW 1,000)

Items	31 Mar 2007	31 Mar 2008
I. Assets	9,875,130	19,551,273
1. Current Assets	6,377,819	15,325,604
2. Non-Current Assets	3,497,311	4,225,669
II. Liabilities	1,515,194	5,952,965
III. Stockholders' Equity	8,359,936	13,598,308
IV. Total Stockholders' Equity and Liabilities	9,875,130	19,551,273

② Income Statements

(Unit: KRW 1,000)

Items	31 Mar 2007	31 Mar 2008
Operating Revenue	2,390,414	12,629,695
Operating Expenses	3,156,604	6,181,312
Operating Profit & Loss	(-)766,190	6,448,383
Non-Operating Income	1,084,325	774,028
Non-Operating Expenses	516,798	38,476
Ordinary Income	(-)198,663	7,183,935
Income Taxes	(-)7,692	2,071,277
Net Profit	(-)190,971	5,112,658

(c) Company Group to which Macquarie Real Estate Korea Ltd is affiliated

Not applicable

(d) Asset Portfolio under Management as of the end of the period

As of 31 December 2008, Macquarie Real Estate Korea Ltd has been entrusted to manage Macquarie NPS REIT (Asset scale at opening: 220.3 billion) along with Macquarie Central Office CR REIT.

(e) Asset management and advisory records as of the end of the period

Dividend per share and Dividend Ratio (Par Value) are KRW 1,991 and 39.82% for Macquarie NPS REIT as of 30 September 2008.

(f) Qualified Asset Managers (As of 31 December 2008)

Name	Title	Education and Qualification	Experience
<i>Michael Moon</i>	<i>Senior Vice President, Transaction Management</i>	BA at Northwestern State University of Louisiana.	Macquarie Real Estate Korea Ltd Macquarie International Limited, Seoul Branch Daewoo E&C Real Estate Investment Division Daewoo E&C Sydney Branch, etc.
<i>SangHo Lee</i>	<i>Senior Manager, Asset Management</i>	<ul style="list-style-type: none"> • BA from Hong Ik University • US. Certified Public Accountant 	Macquarie Real Estate Korea Ltd KORAMCO Co., Ltd Daewoo E&C Real Estate Investment Division, etc.
<i>YoonJu Lee</i>	<i>Manager, Transaction Management</i>	<ul style="list-style-type: none"> • MBA from Yeonsei University • US. Certified Public Accountant 	Macquarie Real Estate Korea Ltd Samil PricewaterhouseCoopers KPMG Financial Services Inc.
<i>JungHye Oh</i>	<i>Manager, Asset Management</i>	<ul style="list-style-type: none"> • MA from Seoul National University, Urban Planning 	Macquarie Real Estate Korea Ltd Jones Lang LaSalle Korea Hanwah Investment Trust Management
<i>HyungJoo Kim</i>	<i>Manager, Operations</i>	<ul style="list-style-type: none"> • BCom from Auckland University • US. Certified Public Accountant 	Macquarie Real Estate Korea Ltd Morgan Stanley Properties Korea

Name	Title	Education and Qualification	Experience
<i>Byung Ho Kang</i>	<i>Manager, Transaction Management</i>	<ul style="list-style-type: none"> • BA from Carnegie Mellon University 	Macquarie Real Estate Korea Ltd AMN Amro Asia KPMG Financial Advisory Services
<i>Chol Woo Shin</i>	<i>Manager, Asset management</i>	<ul style="list-style-type: none"> • MA from British Columbia University, Architecture 	<i>Macquarie Real Estate Korea Ltd</i> <i>AON Real Estate</i> <i>Jones Lang LaSalle Korea</i>

(g) Indemnification

Not applicable

(h) Other Necessary Information

Not applicable

(2) Underwriting Agreement

A. Overview of Underwriting Agreement

Samsung Securities Co. Ltd., Daewoo Securities Co. Ltd., and SK Securities Co. Ltd., have been selected as the co-lead underwriters of the Company to underwrite the common shares. The fee was KRW 808.5 million, which was 2.3% of the total publicly offered share amount of KRW 35,151.5 million.

B. Underwriter

<Daewoo Securities>

(a) Overview

- ① Name : Daewoo Securities Co., Ltd.
- ② Address: 34-3, Youido-Dong, Yeongdungpo-ku, Seoul (150-716), Korea (Head Office)

(b) Branches

(Unit: branches)	
	Branch
Domestic	117

Overseas	3
Total	120

(c) Key Performance

① Beneficiary Certificate

(Unit: 100 Million)				
Year	2006	2005	2004	2003
Balance	63,402	58,280	43,748	26,400

② Real Estate Investment Company Shares Sales

(Unit: 100 million)				
Year	2006	2005	2004	2003
Balance	0	0	85	107.5

<Samsung Securities>

(a) Overview

- ① Name: Samsung Securities Co., Ltd.
- ② Address: #6, Jongno 2-Ga, Jongno-ku, Seoul, Korea (Head Office)

(b) Branches

(Unit: branches)			
	Branch	Sales Office	Total Offices
Domestic	79	7	86
Overseas	-	1	1
Total	79	8	87

(c) Key Performance

① Beneficiary Certificate

(Unit: 100 Million)					
Year	31 Dec 2002	31 Dec 2003	31 Dec 2004	31 Dec 2005	31 Dec 2006
Balance	246,172	180,321	196,979	193,427	161,683

<Note>

Based on outstanding balance of the date (Including Mutual Fund)

② Commitment Underwriting and Share Sales

(Unit: KRW million)			
	1 Apr 2006 ~ 31 Mar 2007		
	Advisory	Underwriting	Fee
IPO	148,998	108,791	2,207
Share Sales	32,965	32,965	505

③ Corporate Bond

(Unit: KRW million)			
	1 Apr 2006 ~ 31 Mar 2007		
	Lead Manager	Underwriting	Fee
Corporate Bond	1,558,836	757,817	1,704

<SK Securities>

(a) Overview

① Name : SK Securities Co., Ltd.

② Address: #23-10, Yeouido-Dong, Youngdungpo-ku, Seoul, Korea (Head Office)

(b) Branches

(Unit: branches)				
	Branch	Sales Office	Other Office	Total
Domestic	50	-	-	50

Foreign	-	-	-	-
Total	50	-	-	50

(c) Key Performance

① Beneficiary Certificate

(Unit: 100 Million)					
Year	31 Dec 2002	31 Dec 2003	31 Dec 2004	31 Dec 2005	31 Dec 2006
Balance	24,710	18,393	21,833	22,163	24,221

<Note>

Based on outstanding balance of the date (Including Mutual Fund)

② Commitment Underwriting and Share Sales

(Unit: KRW million)			
	1 Apr 2002 ~ 31 Dec 2006		
	Advisory	Underwriting	Fee
IPO	143,154	141,659	2,398
REITs	68,402	37,950	931

③ Corporate Bond

(Unit: KRW million)			
	1 Apr 2002 ~ 31 Dec 2006		
	Lead Manager	Underwriting	Fee
Corporate Bond	15,126,700	14,629,700	33,559

(d) Other Necessary Information

Not applicable

(3) Custodian Agreement

A. Summary of the Agreement

- (a) Term: From date of contract signing to date of registration of dissolution of the Company.
- (b) Fee: 0.03% per annum of total asset value

- (c) Payment: Quarterly in arrears. In case the period is less than three months, fees will be based on daily pro rate calculation.
- (d) Main role: The main roles of the custodian are the custody of the Property as trustee entrusted with such assets and other matters related to such custody, in accordance with the Act. Upon MCO CR REIT's registration as the owner of the Property, the Property must be entrusted to the custodian. The custodian must maintain custody of the buildings separately from its own assets or other assets entrusted to it by third parties.

B. Custodian Company

(a) Overview

- ① Name: Woori Bank Co., Ltd.
- ② Address: 203 Hoehyon-dong 1 ga Chung -ku, Seoul
- ③ Current Status

Date of the Establishment	Equity	Employees
January 30, 1899	31,798 KRW 100 million	12,884 Persons

C. Other Necessary Information

Not applicable

(4) Business Trustee Agreement

A. Summary of the Agreement

- (a) Term: From date of contract signing to date of registration of dissolution of the Company.
- (b) Fee: 0.05% per annum of total asset value
- (c) Payment: Quarterly in arrears. In case the period is less than three months, fees will be based on daily pro rate calculation.
- (d) Main role:
 - ① the registration of transfers of MCO CR REIT shares;
 - ② the issuance of shares;
 - ③ the operation of MCO CR REIT;
 - ④ accounting;
 - ⑤ individual or public notices made pursuant to the articles of incorporations or relevant laws or regulations;

- ⑥ the convocation and administration of Board meetings and shareholders' meetings;
- ⑦ other matters delegated to it by MCO CR REIT. An affiliate of MCO CR REIT or the Manager may not act as the business trustee.

B. Trustee Company

(a) Overview

- ① Name: Woori Bank Co., Ltd.
- ② Address: 203 Hoehyon-dong 1 ga Chung -ku, Seoul
- ③ Current Status

Date of the Establishment	Equity	Employees
January 30, 1899	31,798 KRW 100 million	12,884 Persons

(5) Other Business Entrustment Agent
Not applicable

(6) Service Fee Summary

Classification	Servicer	Fee	Payment	Notes
Asset Management	Macquarie Real Estate Korea Ltd.	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
		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 fiscal period : 17%, 3 rd -4 th fiscal period : 11%, and the ordinary income includes gains on disposal of asset)	semi-annual basis

Classification	Servicer	Fee		Payment	Notes
		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 11.50%	upon the dissolution	
		Performance fee	40% of any excess over the cash flows that make equity IRR 11.5% less already calculated Disposal Fee.	upon the dissolution	
Co lead manager/Underwriter	Samsung Daewoo SK	2.3% of IPO amount (KRW 808,484,500)		upon Incorporation	
Custodian	Woori Bank	0.03% of total assets per annum		quarterly	
Business Trustee	Woori Bank	0.05% of total assets per annum		quarterly	

* Macquarie Property Advisors Korea Ltd has changed the company name to Macquarie Real Estate Korea Ltd.

Section 5. Other Matters for Investment Decision

1. Shareholder Rights

(1) Voting right

Shareholders have the right to exercise one vote for each share they hold, and are allowed to have their agents exercise the right on behalf of them. Agents are required to submit to the Company prior to the start of the shareholders’ meeting written evidence showing that they are given the power of attorney.

(2) Exercise of voting right through written submission

Shareholders are allowed to exercise their voting rights through written submission without attending the shareholders' meeting, as the Company will include a form and reference materials necessary for the exercise of the right when sending out a notice for the convocation of the shareholders' meeting or whenever shareholders make such requests. Shareholders who wish to exercise a voting right through the written submission should fill out required items on the form sent to them and submit it to the Company by one day prior to the meeting. The number of votes cast through written submission will be counted together with the votes cast by shareholders during the meeting. In this case, submitted forms will be displayed at the Head Office for 6 months after the shareholders' meeting.

(3) Distribution of remaining assets

Upon disposition of the Company due to expiration of its life, retained earnings and paid-in capital from the business year immediately preceding to the disposition year will be distributed together with remaining assets. In this case, remaining assets can be distributed in several installments.

(4) Access to accounting books and documents and right to request for transcripts

During business hours, shareholders and creditors of the Company shall be allowed to have an access to the settlement documents, audit report, articles of incorporation, shareholders' meeting records, shareholder registry and board of directors' meeting records. They can also request for a transcript of such documents.

2. Taxation

(1) Taxation on the issuer

A. Acquisition and registration taxes on the acquisition of properties

If a CR REIT company acquired a real estate property by 31 December 2003, it was exempt from registration tax levied on the registration of ownership transfer and acquisition tax on the basis of provisions in Article 120, Paragraph 4 of the same law. However, due to amendments to the Tax Benefit Limitation Act effective from 1 Jan 2004, additional acquisition of property after 1 January 2004 of MCO CR REIT would be liable to pay 50% of registration tax and 50% of acquisition tax with respect to such purchases or capital expenditures.

B. Registration tax on the registration of incorporation

For the registration of a CR REIT company's incorporation, 4/1,000 of the

company's total par value of capital (company's initial equity) is applied as the registration tax on the basis of provisions in Article 119, Paragraph 7 of the Restriction of Preferential Taxation Act and Article 137, Paragraph 1, Subparagraph 1 of the Local Tax Act. Provisions in Article 260-3, Paragraph 1, Subparagraph 1 of the Local Tax Act also requires the imposition of 20% local education tax on such registration tax.

C. Income tax

A CR REIT company is required to add the earned surplus carried forward to and deduct the deficit carried forward from its net income by the provisions in Article 51-2, Paragraph 1, Subparagraph 4 of the Corporation Tax Act and Article 86, Paragraph 1 of the same law's Enforcement Decree. If a CR REIT company distributes 90/100 of the available income for dividend payment or more in dividends the amount of dividend paid can be deducted from the income calculated for the current business year. Thus, provided that there is no gap in the amounts of income calculated on the basis of accounting and taxation standards, if a CR REIT company distributes all of its available income dividend payment, income tax will be calculated only for the amount after reflecting the deducted available dividend income.

D. Taxation on the possession of properties

(a) Aggregate Real Estate Tax

A CR REIT company is not required to pay aggregate real estate tax on land it owns. As the lands owned by a CR REIT company are subject to separate taxation as of June 1 of each year on the basis of Article 182, Paragraph 1, Subparagraph 3 and Article 132 of the Enforcement Decree on Local Tax Act.

(b) Property Tax

A CR REIT company is required to pay property tax on the buildings and land it owns. The amount of such property tax is calculated by applying the tax rates specified on the Local Tax Act on the value of commercial buildings it owns as of June 1 of each year.

(c) Local Education Tax

If a CR REIT company pays the above property tax, it also bears an obligation to pay local education tax according to the provisions in Article 260-2 of the Local Tax Act. The local education tax amount is calculated by applying a 20/100 tax rate on the amount of property tax as provided in Article 260-3, Paragraph 1, Subparagraph 4 of the Local Tax Act.

(d) Urban Planning Tax

If a CR REIT company owns real estate properties subject to the taxation of aggregate land tax or property tax, it also bears an obligation to pay urban planning tax according to Article 235-2 of the Local Tax Act. Urban planning tax amount is calculated by applying a 2/1,000 tax rate on the value of a property as provided in Article 237 of the same law.

(e) Community Facility Tax

A CR REIT company has a obligation to pay community facility tax on the buildings it owns as provided in Article 239 of the Local Tax Act. The tax amount is calculated by applying pre-established progressive rates on the value of buildings as provided in Article 240, Paragraph 1 of the Local Tax Act.

(2) Taxation implications for domestic shareholders

A. Dividend income

On the basis of the provisions in Article 55-2, Paragraph 5 of the Restriction of Preferential Taxation Act, dividend income that residents receive from a CR REIT company prior to 31 December 2003 is not included in the computation of global income tax provided in Article 14, Paragraph 4 of the Income Tax Act.

When residents receive dividend income from their investment in the shares of CRREIT companies listed and traded on either the Korea Exchange (“KRX”) or KOSDAQ markets through “long-term securities savings products”, they are exempt from the dividend income tax on the basis of provisions in Article 87-3, Paragraph 2 of the Restriction of Preferential Taxation Act. No special tax for rural development is levied on the exempt dividend income tax on the basis of Article 4, Paragraph 4 of the Special Tax for Rural Development Act.

B. Capital gains

On the basis of Article 55-2, Paragraph 5 of the Restriction of Preferential Taxation Act, capital gains that residents earn by selling the stocks of a CRREIT company they acquired through their investment in the company prior to 31 December 2003 are exempt from capital gains tax required in Article 94, Paragraph 1, Subparagraph 3 of the Income Tax Act. However, residents are required to pay a 20% special tax for rural development on the above exempt amount on the basis of Article 5, Paragraph 1, Subparagraph 1 of the Special Tax for Rural Development Act.

If residents sell shares of a CRREIT company listed either on the KRX or KOSDAQ market under the Securities and Exchange Act through a transaction in

the KRX or KOSDAQ markets, they are exempt from the capital gains tax on the basis of Article 94, Paragraph 1, Subparagraph 3, Item Ga and Na of the Income Tax Act.

(3) Taxation on other related companies or subsidiaries

Not applicable

(4) Others

A Real Estate Investment Company for Corporate Restructuring (CR REIT company) is required by Article 13, Paragraph 1, Subparagraph 2 of the Urban Railroad Act and Article 12, Paragraph 1 of the Enforcement Decree of the same Act to purchase urban railroad bonds, as part of corporate registration, in the amount equivalent to 1/1,000 of the value of capital.

A CR REIT company, in accordance with Article 173, Paragraph 1 of the Local Tax Act, is not considered a corporation with an office or business site located within a city and/or country, and therefore is not required to report and/or pay Corporate Parity Inhabitant Tax as stipulated in Article 177, Paragraph 1 of the same Act.

A CR REIT company, in accordance with Article 244 of the Local Tax Act, is not considered a business with a business site located within a city and/or county, and therefore is not required to report and/or pay Property Parity Business Site Tax as stipulated by Article 250, Paragraph 3 of the same Act.

A CR REIT company, in accordance with Article 249, Paragraph 1 of the Local Tax Act, is considered a company with fifty (50) or less employees, and therefore is not required to report and/or pay Employee Parity Business Site Tax, as stipulated by Article 250, Paragraph 2 of the same Act.

3. Matters on Court Jurisdiction

In the event a dispute arises concerning the operation of the Company, the court of jurisdiction shall be the Seoul District Court.

Seoul District Court

Address: 1701-1 Seocho 3-dong, Seocho-ku, Seoul, 137-737

Contact Info. Operator: (02) 530-1114, 530-2609 (Civil Affairs Information)
 Depository Civil affairs (02) 530-1707 / FAX (02) 3477-8102

4. Indemnification

Asset management company, underwriter, Business Trustee and asset custodian (the “related entrusted companies”) shall indemnify the CR REITs company if the CR REITs company incurred losses as a result of the related entrusted companies’ negligence.

If the director or internal auditor of the related entrusted company or other related entrusted companies are also liable for the losses the related entrusted company should indemnify the CR REITs company or a third party, they should jointly indemnify.

5. Conflict of Interest

The company is SPC that shall trust its management to Asset Management Company, Business Trustee and asset custodian (the “related entrusted companies”), which causes the Company to be exposed to the agent risk. The related entrusted companies will try their best efforts and due cares in their services, however there can be a conflict of interest in some cases.

6. Duration and Dissolution of Company as per the AOI

1. Duration: 7th anniversary of incorporation date

2. Events causing Dissolution:

- 1) Expiration of corporate life of the Company;
- 2) With a resolution of the General Shareholders’ Meeting;
- 3) Merger;
- 4) Bankruptcy;
- 5) Court order or judgment of dissolution; or
- 6) Notice of revocation of approval of incorporation under Article 42 of the Act.

7. Methods of Cashing Funds invested by shareholders

The funds of shareholders may be cashed by selling their shares in KRX because the shares of MCO CR REIT has been listed on KRX since 8 Jan, 2004 as per the Articles

of Incorporation pertaining to investment cashing methods.

8. Other Matters Concerning Public Notice

A. Investment Report, etc.

Quarterly financial statements and investment reports incorporating items relevant to asset management will be created and be made available for public notice via the websites of various organizations for shareholders and creditors to access. The items relevant to asset management mentioned above include the following: Company overview, current asset portfolio and details of changes, total income/income structure and rate of return, real estate sales cost, status/price/lease rate/major lessee information for each real estate asset owned, status of securities owned, real estate development projects, major shareholder list and information on investment reports created in each settlement period, borrowing status, share price fluctuations, summary balance sheet/income statement, progress of lawsuits important to Company management, and transaction/trade status stipulated in the caveat of Article 30 of the REIT Act.

B. Articles of Incorporation

The Company will keep copies of its Articles of Incorporation to the headquarters of the asset management company and general administrative service provider.

C. Contract

The copies of the asset management contract will be kept to the headquarters of the asset management company; the sales agreement to the head office and branches of the distributor; and the asset custody and general administrative service contract to the headquarters of the custodian and general administrative service provider.

D. Net asset value per share

a) Valuation period

The calculation of net asset value per share shall be done every quarter.

b) Timing of the notice

Public disclosure shall in principle be made every quarter. However, in the event there is significant change in asset value, the disclosure shall be made immediately following the change.

c) Method of disclosure

In the office and websites of Macquarie Real Estate Korea Ltd and general administrative service provider.

d) Place of disclosure:

Headquarters and website of Macquarie Real Estate Korea Ltd (formerly known as Macquarie Property Advisors Korea Ltd.) (www.macquarie.com/kr),

Headquarters and website of Woori Bank (www.woorisamu.com)

E. Other books/documents

Other books and documents of the Company will be kept by the AMC, asset custodian, underwriter, or business trustee depending on the category of each information.

III. Financial Overview

Section 1. Summary of Financial Statements

(Unit :KRW million)

Items	FY10	FY9	FY8	FY7	FY6
[Current Assets]	10,624	12,686	10,347	12,108	10,279
• Quick Assets	10,624	12,686	10,347	12,108	10,279
• Inventories	-	-	-	-	-
[Non-current Assets]	162,040	162,484	162,628	161,029	161,421
• Investments	35	-	-	136	396
• Property, Plant, & Equipment	162,005	162,484	162,628	160,893	161,025
• Intangible Assets	-	-	-	-	-
Total Asset	172,664	174,770	172,975	173,137	171,700
[Current Liabilities]	63,683	77,156	76,804	1,804	1,412
[Long-term Liabilities]	44,673	15,115	14,446	89,646	88,891
Total Liabilities	108,355	92,271	91,250	91,450	90,303
[Stockholder's Equity]	76,303	76,303	76,303	76,303	76,303
Retained Earnings	5,225	6,196	5,422	5,384	5,094
[Capital Adjustments]	17,220	-	-	-	-
Total Shareholders' Equity	64,308	82,499	81,725	81,687	81,397
Revenue	13,307	13,195	12,023	11,738	11,059
Operating Income	8,385	8,566	7,760	7,661	7,438
Net Income	5,986	6,299	5,524	5,305	5,273

Section 2. Notes in Using Financial Statements

1. Principles of Financial Statements

- (1) The Company maintains its official accounting records in Korean Won and prepares statutory financial statements in the Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea.
- (2) The Company has not been required a corrective measure nor modification adjustment order from FSC.

2. Violations of Korean GAAP

- (1) Violations, which require modifications in Balance Sheets
Not applicable
- (2) Violations, which do not require modifications in Balance Sheets
Not applicable

3. Other Recommendations

Not applicable

Section 3. Accounting Information

1. Allowances for Doubtful Receivables

Not applicable

2. Holding of Inventories and its due diligence

Not applicable

3. Change of Accounting Policies for the Recent 5 Years and Reason for the Change

Not applicable

4. Any Fiscal Year with Net Loss and Primary Causes for the Recent 5 Years

Not applicable

5. Any Fiscal Year with Increase or Decrease of Net Loss by More Than 30%, or Any Fiscal Year with Turnaround from Net Loss into Net Income and Primary Causes for the Recent 5 Years

Not applicable

6. Valuation of Non-Marketable Equity Investments Securities of this Fiscal Year

Not applicable

Section 4. Financial Statements

1. BALANCE SHEETS

(in thousands of Korean won)

	<u>December 2008</u>	<u>June 2008</u>
Assets		
Current assets		
Cash and cash equivalents	₩ 8,600,262	₩ 10,185,568
Short-term financial instruments	1,729,959	1,721,920
Other accounts receivables	266	-
Accrued income	52,621	80,063
Prepaid expense	199,125	266,570
Tax refund receivables	41,845	32,231
Total current assets	<u>10,624,078</u>	<u>12,286,352</u>
Property and equipment, net of accumulated depreciation of ₩ 6,379,937 thousand (June 2008: ₩ 5,714,670 thousand)	162,004,683	162,484,150
Long-term prepaid expense	34,975	-
Total assets	<u>₩ 172,663,736</u>	<u>₩ 174,770,502</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Other accounts payable	₩ 822,971	₩ 1,055,693
Accrued expense	338,392	266,380
Advances received	134,931	76,283
Withholdings payable	28,900	28,900
VAT payables	518,072	484,279
Current portion of long-term borrowings, net	61,839,241	75,244,000
Total current liabilities	<u>63,682,507</u>	<u>77,155,535</u>
Long-term borrowings, net	12,664,796	-
Deposits received	14,773,937	15,115,545
Long-term account payable	17,220,041	-
Long-term accrued expense	14,153	-
Total liabilities	<u>108,355,434</u>	<u>92,271,080</u>
Commitments and contingencies		
Shareholders' equity		
Capital stock		
Common stock, ₩5,000 par value per share; authorized 61,042,400 shares; issued 15,260,600 shares	76,303,000	76,303,000
Capital adjustment		
Treasury stock	(17,220,041)	-
Retained earnings		
Legal reserve	718,492	718,492
Retained earnings before appropriations	4,506,851	5,477,930
Total shareholders' equity	<u>64,308,302</u>	<u>82,499,422</u>
Total liabilities and shareholders' equity	<u>₩ 172,663,736</u>	<u>₩ 174,770,502</u>

2. INCOME STATEMENTS

(in thousands of Korean won)

	December 2008		June 2008	
Operating Revenue				
Rental income	₩	8,778,585	₩	8,609,880
Common area maintenance income		3,691,440		3,697,438
Parking income		644,255		695,238
Tenant reimbursement		144,764		129,535
Other operating revenue		47,910		63,449
		<u>13,306,954</u>		<u>13,195,540</u>
Operating Expenses				
Real estate expenses				
Property administration expenses		204,192		326,008
Facility management fees		1,011,047		985,870
Utilities		802,666		791,829
Maintenance and repairs		158,433		623,116
Local taxes and dues		319,532		236,886
Fund operating expenses				
Remuneration to officers		6,000		7,000
Depreciation		665,267		658,267
Insurance premium		28,505		25,135
National taxes and dues		38,208		37,475
Fund administration fees		37,847		15,415
Professional service fees		818,989		50,727
Asset management fees		762,636		802,488
Asset custodian fees		25,784		25,938
Business trustee fees		42,973		43,230
		<u>4,922,079</u>		<u>4,629,384</u>
Operating income		<u>8,384,875</u>		<u>8,566,156</u>
Non-operating income				
Interest income		271,458		240,517
Late fees		450		2,139
Compensation for damages		-		79,016
Other income		451		151
		<u>272,359</u>		<u>321,823</u>
Non-operating expenses				
Interest expenses		2,670,873		2,588,806
Net income	₩	<u>5,986,361</u>	₩	<u>6,299,173</u>
Per share data (In Korean won)				
Earnings per share	₩	394	₩	413

3. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Korean won)

	Capital stock	Capital adjustments	Other cumulative comprehensive income	Accumulated earnings	Total
Shareholders' equity, January 1, 200	₩ 76,303,000	₩ -	₩ -	₩ 5,421,591	₩ 81,724,591
Dividends paid	-	-	-	(5,524,342)	(5,524,342)
Net income	-	-	-	6,299,173	6,299,173
Shareholders' equity, June 30, 2008	₩ 76,303,000	₩ -	₩ -	₩ 6,196,422	₩ 82,499,422
Shareholders' equity, July 1, 2008	₩ 76,303,000	₩ -	₩ -	₩ 6,196,422	₩ 82,499,422
Dividends paid	-	-	-	(6,957,440)	(6,957,440)
Acquisition of treasury stock	-	(17,220,041)	-	-	(17,220,041)
Net income	-	-	-	5,986,361	5,986,361
Shareholders' equity, December 31, 2008	₩ 76,303,000	₩ (17,220,041)	₩ -	₩ 5,225,343	₩ 64,308,302

4. STATEMENT OF CASHFLOWS

(in thousands of Korean won)

	<u>December 2008</u>	<u>June 2008</u>
Cash flows from operating activities		
Net income	₩ 5,986,361	₩ 6,299,173
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation expense	665,267	658,267
Amortization of discount on borrowings	12,477	-
	<u>677,744</u>	<u>658,267</u>
Changes in current assets and liabilities		
Decrease (Increase) in other receivables	(266)	13,724
Decrease in accrued income	27,442	51,646
Decrease in prepaid expenses	67,445	37,044
Increase in tax refund receivables	(9,614)	(1,937)
Increase (Decrease) in other accounts payable	(232,722)	8,111
Increase in accrued expenses	72,012	181,035
Increase in advances received	58,648	75,962
Increase in VAT payables	33,793	86,644
Increase (Decrease) in deposits received	(341,608)	668,884
Increase in long-term accrued expense	14,153	-
	<u>(310,717)</u>	<u>1,121,113</u>
Net cash provided by operating activities	<u>6,353,388</u>	<u>8,078,553</u>
Cash flows from investing activities		
Decrease in short-term financial instruments	-	954,198
Increase in short-term financial instruments	(8,039)	(744,225)
Increase in long-term prepaid expenses	(34,975)	-
Acquisition of property and equipment	(185,800)	-
Payment for construction-in-progress	-	(514,200)
Net cash used in investing activities	<u>(228,814)</u>	<u>(304,227)</u>
Cash flows from financing activities		
Payment of dividends	(6,957,440)	(5,524,342)
Payment of financing fee	(752,440)	-
Net cash used in financing activities	<u>(7,709,880)</u>	<u>(5,524,342)</u>
Net increase(decrease) in cash and cash equivalents	(1,585,306)	2,249,984
Cash and cash equivalents		
Beginning of period	10,185,568	7,935,584
End of period	<u>₩ 8,600,262</u>	<u>₩ 10,185,568</u>

5. Notes to Current Fiscal Year's Financial Statements

1. The Company

Macquarie Central Office Corporate Restructuring Real Estate Investment Trust (the "Company") was incorporated on December 12, 2003. On January 8, 2004, its shares of stock were listed on the Korea Exchange. The Company is mainly engaged in the acquisition, development, management, improvement and sale of real estate and others.

The Company's head office is in Sokong-dong, Jung-gu, Seoul in Korea, and as of December 31, 2008, its biggest shareholder is Macquarie Bank Limited, which owns 3,041,560 shares representing 19.93% of the total outstanding shares.

Under the Articles of Incorporation, the original legal life of the Company was five years. However, this was extended to seven years through an amendment of the Articles of Incorporation, as approved by the shareholders on December 4, 2008, and by the Ministry of Land, Transport and Maritime Affairs on December 8, 2008. Its fiscal period starts from January 1 and ending on June 30, and from July 1 ending on December 31, except for the first fiscal period, which ended on June 30, 2004. Although the life of the Company has not expired, its fiscal period will end on the date when 50% or more of the real property owned by the Company is sold and the proceeds are fully collected. Once this sale transaction is executed, gain on sale of the real property will be immediately distributed to the shareholders of the Company.

As of December 31, 2008, 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 (in thousands of Korean won)
61,042,400	15,260,600	₩ 5,000	₩ 76,303,000

As of December 31, 2008, the shareholders of the Company are as follows:

Shareholders	Number of shares	Amount (in thousands)	Percentage of Ownership (%)
Macquarie Bank Limited	2,585,270	₩ 12,926,350	16.94
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	5,862,191	29,310,955	38.41
Sub Total	13,307,271	₩ 66,536,355	87.20
Treasury Stock	1,953,329	9,766,645	12.80
Total	15,260,600	₩ 76,303,000	100.00

2. Summary of significant accounting policies

The significant accounting policies followed by the Company in the preparation of its financial statements for the six-month periods ended December 31, 2008 and June 30, 2008, are summarized below:

Basis of 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.

The following is a summary of significant accounting policies followed by the Company in the preparation of its financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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. The Company adopted SKFAS from No. 1 to No. 23 in its financial statements as of December 31, 2008, and for the six-month period then ended. SKFAS No. 14 and No. 18 were excluded from the application. These Standards were the same as those adopted in financial statements as of and for six-month period ended June 30, 2008.

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, which includes acquisition cost, production cost and other costs required to prepare the asset for its intended use. It also includes the present value of the estimated cost of dismantling and removing the asset, and restoring the site after the termination of the asset's useful life, provided that it meets the criteria for recognition of provisions

Property and equipment are stated net of accumulated depreciation calculated based on the following depreciation method and estimated useful lives:

	<u>Estimated useful lives</u>	<u>Depreciation Method</u>
Buildings	50 years	Straight-line method
Machinery and equipment	5 years	Straight-line method

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

Income tax expense includes the current income tax under the relevant income tax law and the changes in

deferred tax assets or liabilities. Deferred tax assets and liabilities represent temporary differences between financial reporting and the tax bases of assets and liabilities. Deferred tax assets are recognized for temporary differences which will decrease future taxable income or operating loss to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred tax effects applicable to items in the shareholders' equity are directly reflected in the shareholders' equity.

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.

Excess 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.

Approval of financial statements

The December 31, 2008 audited financial statements were approved by the Board of Directors on February 26, 2009.

3. Restricted financial instruments

Financial instruments whose withdrawals are restricted as of December 31, 2008 and June 30, 2008, are as follows:

<i>(in thousands of Korean won)</i>	Bank	2008.12.31	2008.06.30
Short-term financial instruments			
Money market deposit account	Woori Bank	995,281	987,242
Time deposits	Woori Bank	700,000	700,000
Time deposits	Woori Bank	34,678	34,678
		₩ 1,729,959	₩ 1,721,920

As of December 31, 2008, the above short-term financial instruments are pledged as collaterals for the leasehold deposits.

4. Public value of land

As of December 31, 2008, the public value of land, announced by the Korean Tax Authority, which the Company owns, is as follows:

<i>(in thousands of Korean won)</i>	Size(Sq.m.)	Book value	Public value of land
Chungmu-ro 60-1, Jung-Gu, Seoul	7,942.50	₩ 102,397,913	₩ 94,515,750

5. Property and equipment

Changes in property and equipment for the six-month periods ended December 31, 2008 and June 30, 2008, are as follows:

2008.12.31

<i>(in thousands of Korean won)</i>	Land	Buildings	Equipment	Construction in progress	Total
Balance as of July 1, 2008	₩ 102,397,913	₩ 59,561,237	₩ 10,800	₩ 514,200	₩ 162,484,150
Acquisition	-	19,300	-	166,500	185,800
Disposal	-	-	-	-	-
Depreciation	-	(659,267)	(6,000)	-	(665,267)
Reclassification	-	680,700	-	(680,700)	-
Balance as of December 31, 2008	<u>₩ 102,397,913</u>	<u>₩ 59,601,970</u>	<u>₩ 4,800</u>	<u>₩ -</u>	<u>₩ 162,004,683</u>
Acquisition cost	₩ 102,397,913	₩ 65,926,707	₩ 60,000	₩ -	₩ 168,384,620
Accumulated depreciation	-	(6,324,737)	(55,200)	-	(6,379,937)

2008.06.30

<i>(in thousands of Korean won)</i>	Land	Buildings	Equipment	Construction in progress	Total
Balance as of January 1, 2008	₩ 102,397,913	₩ 60,208,204	₩ 16,800	₩ 5,300	₩ 162,628,217
Acquisition	-	-	-	514,200	514,200
Disposal	-	-	-	-	-
Depreciation	-	(652,267)	(6,000)	-	(658,267)
Reclassification	-	5,300	-	(5,300)	-
Balance as of June 30, 2008	<u>₩ 102,397,913</u>	<u>₩ 59,561,237</u>	<u>₩ 10,800</u>	<u>₩ 514,200</u>	<u>₩ 162,484,150</u>
Acquisition cost	₩ 102,397,913	₩ 65,226,707	₩ 60,000	₩ 514,200	₩ 168,198,820
Accumulated depreciation	-	(5,665,470)	(49,200)	-	(5,714,670)

6. Insurance

As of December 31, 2008, the Company has the following insurance policies:

Description	Insurance Company	Amount Insured	Period
Property & machinery damage	Samsung Fire & Marine Insurance Co., Ltd.	₩ 133,197 million	December 24, 2008 to December 24, 2009
Business Interruption		₩ 24,887 million	
General liability		US\$ 5,000,000 per each occurrence and others	
Gas insurance		₩ 300 million per accident	
		₩ 80 million per person	
Directors' & officers' liability	Hyundai Marine & Fire Insurance	₩ 5,000 million	May 1, 2008 to May 1, 2009

7. Collateralized assets

The property investments pledged as security to its lenders and tenants as of December 31, 2008 and June 30, 2008, are as follows:

<i>(in thousands of Korean won)</i>	Collateralized amounts		Related Liabilities
	2008.12.31	2008.06.30	
Samsung Life Insurance Co., Ltd., Samsung Fire & Marine Insurance Co., Ltd., LIG Insurance Co., Ltd. and Korea Life Insurance Co., Ltd.	₩ 97,817,200	₩ 97,817,200	Current portion of long-term borrowings & long-term borrowings
Korea Life Insurance Association	415,545	415,545	Deposits received
Dong Ah Construction Industrial Co., Ltd.	-	652,151	Deposits received
OTIS Elevator	871,097	871,097	Deposits received
Shinhan Bank	2,296,410	2,296,410	Deposits received
The Investigative Commission on Pro-Japan Collaborators' Property	738,333	693,168	Deposits received
Prudential Life Insurance Co., Ltd.	187,580	187,580	Deposits received
Standard Chartered Capital Korea Co., Ltd.	109,523	109,523	Deposits received
	63,665	63,665	Deposits received
Shinsegae Co., Ltd	669,686	669,686	Deposits received
Shinsegae Mart Co., Ltd.	149,509	149,509	Deposits received

Korea Labor Welfare Corporation	805,460	805,460	Deposits received
Woori Financial Co., Ltd.	159,795	-	Deposits received
	<u>₩ 104,283,803</u>	<u>₩ 104,730,994</u>	

8. Long-term borrowings and current portion of long-term borrowings

Long-term borrowings and current portion of long-term borrowings as of December 31, 2008, consist of the followings:

<i>(in thousands of Korean won)</i>	Annual interest rates (%) as of December 31, 2008	Maturity date	2008.12.31	2008.6.30
Samsung Life Insurance Co., Ltd	8.5%	2009-12-25	₩ 45,898,840	₩ 45,898,840
Samsung Fire & Marine Insurance Co., Ltd.	8.5%	2010-12-25	12,791,480	12,791,480
LIG Insurance Co., Ltd.	8.5%	2009-12-25	10,534,160	10,534,160
Korea Life Insurance Co., Ltd.	8.5%	2009-12-25	6,019,520	6,019,520
			<u>75,244,000</u>	<u>75,244,000</u>
Less : Current portion of long-term borrowings			<u>(62,452,520)</u>	<u>(75,244,000)</u>
			<u>₩ 12,791,480</u>	<u>₩ -</u>

The Company has extended the maturity date of borrowings during the current fiscal period, and has paid 1% of the face value of borrowings as maturity extension fee. As the fee is a direct cost related to the borrowings and considered material, it is accounted for as discount on long-term borrowings and in the balance sheet as listed below:

<i>(in thousands of Korean won)</i>	Face value	Discount on long-term borrowings	Book value	Period	Effective interest rate
Current portion of long-term borrowings	₩ 62,452,520	₩ 613,279	₩ 61,839,241	2008.12.26~ 2009.12.25	9.91%
Long-term borrowings	12,791,480	126,684	12,664,796	2008.12.26~ ~2010.12.25	9.36%
Total	<u>₩ 75,244,000</u>	<u>₩ 739,963</u>	<u>₩ 74,504,037</u>		

The Company amortises discount on long-term borrowings using effective interest rate method over the remaining life of the borrowings, and this amortisation of long-term borrowings is added to interest expenses. As of December 31, 2008, land, buildings and the short-term financial instruments are pledged as collaterals for these long-term borrowings (Notes 3 and 7).

9. Treasury Stock

On December 26, 2008, the Company purchased treasury stock as a result of exercising its stock option rights as requested by the shareholders. As the payment for the acquired treasury stock is deferred until the Company disposes of its real property, the unpaid amount is recorded as long-term other accounts payable which is subject to 6% interest per annum. The unpaid interest is accounted for under long-term accrued expense. According to the Article 84(3) of the Enforcement Decree of Securities and Exchange Act, the treasury stock should not be resold within six months after acquisition. Also, the treasury stock has no a voting rights according to the Article 369 of the Korean Commercial Act.

As of December 31, 2008, the Company has 1,953,329 treasury shares amounting to ₩ 17,720 million, accounted for as capital adjustment in the shareholders' equity.

As of December 31, 2008, a case is pending filed by five shareholders claiming payment for the treasury stock repurchased by the Company for 758,650 treasury shares amounting to ₩ 6,688 million (Note 10).

10. Commitments and contingencies

As of December 31, 2008, the Company has the following contracts:

Asset management contract

The Company has an asset management contract with Macquarie Real Estate Korea Ltd.(MREK), wherein 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 fee, disposal fee and performance fee 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%, and the ordinary income includes gains on disposal of asset)
Disposal 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 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 cash flows that make equity IRR 11.5% minus the calculated disposal fee

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.

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.

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.

Litigation

The Company is a defendant in a lawsuit, the ultimate outcome which could not be determined as of December 31, 2008.

Description	Plaintiff	Defendant	Amount (in thousands)	Jurisdiction	Status
Request for proceeds of stock repurchase	5 plaintiffs including Endeavor Co., Ltd.	The Company	₩ 6,688,061	Seoul Central District Court	Pending

The Company recorded the amount of unpaid treasury stock, including the subject amount of the case above, as long-term other accounts payable (Note 9).

11. 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, 2008. 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, 2008 and June 30, 2008, are summarized as follows:

<i>(in thousands of Korean won)</i>	Transactions	
	2008.12.31	2008.06.30
Samsung Life Insurance Co., Ltd.		

<i>(in thousands of Korean won)</i>	Transactions	
	2008. 12.31	2008.06.30
Interest expense	₩ 1,616,862	₩ 1,579,172
Rental income	424,093	424,093
Common area maintenance income	167,706	167,706
Parking income	33,491	44,182
Tenant reimbursement	296	383
Samsung Fire & Marine Insurance Co., Ltd.		
Interest expense	449,528	440,097
Insurance premium	21,005	20,527
LIG Insurance Co., Ltd.		
Interest expense	371,083	362,433

Related account balances as of December 31, 2008 and June 30, 2008, are as follows:

<i>(in thousands of Korean won)</i>	Receivables and payables	
	2008. 12.31	2008. 06. 30
Samsung Life Insurance Co., Ltd.		
Accrued expenses	₩ 64,133	₩ 43,384
Current portion of long-term borrowings ¹	45,448,117	45,898,840
Leasehold deposits	338,800	338,800
Samsung Fire & Marine Insurance Co., Ltd.		
Prepaid expenses	51,528	19,850
Accrued expenses	145,788	12,091
Current portion of long-term borrowings ¹	-	12,791,480
Long-term borrowings ¹	12,664,796	-
LIG Insurance Co., Ltd.		
Accrued expenses	120,061	9,957
Current portion of long-term borrowings ¹	10,430,715	10,534,160

¹ Long-term borrowings and current portion of long-term borrowings are recorded as book value, which is deducted discount on borrowings from face value.

12. 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.

13. Income taxes

There are no income tax expenses for the six-month periods ended December 31, 2008 and June 30, 2008.

Reconciliations between income before tax and income tax expense for the six-month periods ended December 31, 2008 and June 30, 2008, are as follows:

<i>(in thousands of Korean won)</i>	2008. 12.31		2008. 06. 30	
Income before income taxes	₩	5,986,360	₩	6,299,173
Expected taxes at statutory rate	₩	1,584,885	₩	1,792,721
Reconciliation				
Non-taxable income and non-deductible expenses		-		-
Deductible dividends paid		1,584,885		1,792,721
Changes in deferred tax assets(liabilities)		-		-
Total		1,584,885		1,792,721
Income tax expense ¹		₩		₩
		-		-
Effective tax rate ²		-		-

¹The Company has no income tax following a special rule, the Article 51(2) of the Corporate Income Tax Law, which provides that if a company pays dividends, it is exempted from taxable income.

²The effective tax rates for the six-month periods ended December 31, 2008 and June 30, 2008 were not calculated since the Company has no taxable income after adjustment computed based on the Corporate Income Tax Law, the Company did not recognize any income tax expense during the current period.

Changes in cumulative temporary differences for the six-month periods ended December 31, 2008 and June 30, 2008, are as follows:

2008.12.31

<i>_(in thousands of Korean won)</i>	2008.07.01		Decrease		Increase		2008.12.31	
Accrued income	₩	(80,063)	₩	(80,063)	₩	(52,621)	₩	(52,621)
Accrued expenses		195,259		195,259		-		-
Prepaid expenses		(234,329)		(234,329)		(177,655)		(177,655)

Total	(119,133)	₩ (119,133)	₩ (230,276)	(230,276)
Income tax rate	27.5%			27.5%
Deferred income tax assets (liabilities)	₩		₩	
	-			-

2008.06.30

<i>_(in thousands of Korean won)</i>	2008.01.01	Decrease	Increase	2008.06.30
Accrued income	₩ (131,709)	₩ (131,709)	₩ (80,063)	₩ (80,063)
Accrued expenses	-	-	195,259	195,259
Prepaid expenses	(263,237)	(263,237)	(234,329)	(234,329)
Total	(394,946)	₩ (394,946)	₩ (119,133)	(119,133)
Income tax rate	27.5%			27.5%
Deferred income tax assets (liabilities)	₩		₩	
	-			-

As stated in Note 2, the Company can pay dividends in excess of its profits under the Real Estate Investment Company Act and has a plan to do so within the current depreciation expense amount. 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. Therefore, as there were no deferred income tax assets (liabilities) and income tax, the Company did not recognize any deferred income tax asset (liability).

When the cumulative temporary differences reverse, the expected income tax rates of 24.2% and 22.0% should be applied for 2009, 2010 and thereafter, respectively. However, it is not necessary to compute tax effects of the cumulated temporary differences since the Company did not recognize any deferred income tax assets or liabilities as of December 31, 2008.

14. Earnings per share

Basic earnings per share for the six-month periods ended December 31, 2008 and June 30, 2008, is calculated as follows:

Weighted Average Number of Common Shares Outstanding

	2008.12.31		
	Number of	Number of	Weighted
	shares	days	number of

		<u>outstanding</u>	<u>outstanding</u>	<u>shares</u>
July 1~Dec. 31, 2008	-	15,260,600	184	2,807,950,400
Dec. 26 ~ Dec. 31,2008	Treasury stock	<u>(1,953,329)</u>	6	<u>(11,719,974)</u>
		<u>13,307,271</u>		<u>2,796,230,426</u>

Weighted-average number for the six-month period ended Dec. 31, 2008: 2,796,230,426/184=15,196,904

		<u>2008.06.30</u>		
		<u>Number of</u>	<u>Number of</u>	<u>Weighted</u>
		<u>shares</u>	<u>days</u>	<u>number of</u>
		<u>outstanding</u>	<u>outstanding</u>	<u>shares</u>
Jan. 1 ~ June 30, 2008	-	<u>15,260,600</u>	182	2,777,429,200

Weighted-average number for the six-month period ended June 30, 2008 : 2,777,429,200/182=15,260,600

<i>(in Korean won, except per share amounts)</i>	<u>2008.12.31</u>		<u>2008.06.30</u>	
Net income allocated to common stock	₩	5,986,360,430	₩	6,299,172,617
Weighted average number of common shares outstanding during the period		15,196,904 shares		15,260,600 shares
		<u>₩</u>		<u>₩</u>
Basic earnings per share		<u>394</u>		<u>413</u>

Diluted earnings per share for the six-month periods ended December 31, 2008 and June 30, 2008, is identical to the basic earning per share since the Company has not issued any dilutive securities as of December 31, 2008 and June 30, 2008.

15. Comprehensive income

Comprehensive income for the six-month periods ended December 31, 2008 and June 30, 2008, consists of:

<i>(in thousands of Korean won)</i>	<u>2008.12.31</u>		<u>2008.06.30</u>	
Net Income	₩	5,986,361	₩	6,299,173
Other comprehensive income		-		-
	₩	<u>5,986,361</u>	₩	<u>6,299,173</u>

16. Dividends

Computation of dividends for the six-month periods ended December 31, 2008 and June 30, 2008, follows:

<i>(in Korean won, except per share amounts and dividends rate)</i>	2008.12.31	2008.06.30
Dividends	₩ 5,986,360,430	₩ 6,957,439,661
Number of stock issued ¹	13,307,271 shares	15,260,600 shares
	₩	₩
Dividends per share	450	456
Par value per share	5,000	5,000
Dividend rates ²	9.00%	9.12%

¹ The number of treasury stocks is deducted from total number of stocks issued as of December 31, 2008.

² The dividend rates of the Company are calculated for the six-month period. The annualized dividend rates of the Company for the six-month periods ended December 31, 2008 and June 30, 2008, are 17.85% and 18.29%, respectively.

Dividend propensity for the six-month periods ended December 31, 2008 and June 30, 2008, are as follows:

<i>(in Korean won)</i>	2008.12.31	2008.06.30
Dividends	₩ 5,986,360,430	₩ 6,957,439,661
Net income	5,986,360,430	6,299,172,617
Dividend propensity	100.00%	110.45 %

Dividend income rates for the six-month periods ended December 31, 2008 and June 30, 2008, are as follows:

<i>(in Korean won)</i>	2008.12.31	2008.06.30
	₩	₩
Dividends per share	450	456
Closing price at the end of fiscal year	7,140	9,940
Dividend income rate ¹	6.30%	4.59%

¹ The dividend income rates of the Company are calculated for the six-month period. The annualized dividend income rates of the Company for the six-month periods ended December 31, 2008 and June 30, 2008, are 12.50% and 9.20%, respectively.

17. Changes in Accounting Estimates

The Company paid lump-sum insurance premium and leasing fees, which are amortised proportionately over the contract period. Unamortised insurance premium and leasing fees as of balance sheet dates have been accounted for as prepaid expenses and long-term prepaid expenses. However, as the life of the Company has been extended to December 12, 2010, the insurance premium and leasing fees were recalculated based on

earlier expired date of the Company or the contracts of insurance and leasing, whichever comes sooner. These changes in accounting estimates are to reflect the matching of revenues and related expenses, and the substance of transaction and economic reality in the financial statements accurately. These changes result in decreases in insurance premium and leasing fees for current fiscal period by ₩ 4,981 thousand and ₩ 46,678 thousand, respectively compared to previous fiscal period.

18. Value added information

Details of accounts included in the computation of value added taxes for six-month periods ended December 31, 2008 and June 30, 2008, are as follows:

<i>(in thousands of Korean won)</i>	2008.12.31	2008.06.30
Remuneration to officers	₩ 6,000	₩ 7,000
Depreciation	665,267	658,267
Taxes and dues	357,739	274,361
Net financial costs	2,399,415	2,348,289
	<u>₩ 3,428,421</u>	<u>₩ 3,287,917</u>

19. Major results of operations for the second half of the fiscal period

Details of major results of operations for the second half of the fiscal periods from October 1, 2008 to December 31, 2008 and from April 1, 2008 to June 30, 2008, are as follows:

<i>(in thousands of Korean won)</i>	2008.10.1~2008.12.31	2008.4.1~2008.6.30
Operating revenue	₩ 6,633,070	₩ 6,615,170
Operating expenses	2,440,171	2,465,962
Operating income	<u>₩ 4,192,899</u>	<u>₩ 4,149,208</u>
Net income for the second half of fiscal period	<u>₩ 2,989,231</u>	<u>₩ 3,044,025</u>
Net income per share for the second half of the fiscal period <i>(in Korean won)</i>	₩ 198	₩ 199

20. Supplemental cash flow information

Cash and cash equivalents in the statement of cash flows is identical to the cash and cash equivalents in the balance sheet. Significant transactions not affecting cash flows for six-month periods ended December 31,

2008 and June 30, 2008, are described below:

<i>(in thousands of Korean won)</i>	2008.12.31	2008.06.30
Reclassification of construction-in-progress to buildings	₩ 514,200	₩ 5,300
Reclassification from the current portion of long-term borrowings to long-term borrowings	12,791,480	-
Long-term account payable for treasury stock	17,220,041	-

21. Uncertainty of Going Concern

The financial statements of the Company have been prepared, assuming that the Company will continue in operation as going concern over the duration of the Company, defined in the Articles of Incorporation of the Company. Therefore, the Company recorded its transactions based on the assumption that assets and liabilities could be realized or redeemed through ordinary operating activities. However, as of December 31, 2008, current liabilities exceed current assets by ₩ 53,058 million, and the Company is unable to repay the current portion of its long-term borrowings and account payable using its current assets in the ordinary activities due to a subsequent cancellation of a sale and purchase contract of its real property. These matters indicate a material uncertainty that may cast significant doubts on the Company's capability to continue as a going concern. The Company will plan to early dispose the real property, owned by the Company, or to extend the maturity date of long-term borrowings. Therefore, there is uncertainty that the full payment of long-term borrowings is dependent on the success of disposal of the real property, owned by the Company.

If the Company's plans fail resulting in uncertainty of going concern, its assets and liabilities may not be realized or redeemed as book value through ordinary operating activities. Its financial statements do not include the adjustments about assets, liabilities and income statement items related to classification, which might be brought from this uncertainty of going concern.

6. Financial Statements Before and After Adjustments

Not applicable

Section 5. Consolidated Financial Statements

1. Summary of Consolidated Financial Statements

Not applicable

2. Notes in Using Consolidated Financial Statements

Not applicable

3. Consolidated Financial Statements

Not applicable

4. Company excluded from the Consolidation

Not applicable

Section 6. Financial Status by Sector

1. Financial Information by Business Unit

Not applicable

2. Financial Information by Region

Not applicable

Section 7. Pre and Post-Merger Financial Statements

1. Merger-Related Information

Not applicable

2. Pre and Post-Merger Financial Statements

Not applicable

3. Matters relating to Merger

Not applicable

IV. Auditor's Opinion

Section 1. Auditor's Opinion

1. Auditor (CPA)'s Opinion

(1) Auditor

FY10	FY9	FY8
Samil PwC	Samil PwC	Samil PwC

2. Summary of Current Audit Report

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, 2008 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.

3. Audit Opinion

Fiscal Year	Auditors opinion and special notes
FY10	-
FY9	-
FY 8	-

4. Special Notes

Fiscal Year	Special Notes
FY10	Not Applicable.
FY9	Not Applicable.
FY 8	Not Applicable.

Section 2. Remuneration to Independent Auditor for the Recent 3 Years

1. Audit Service Agreement

(Unit: Million KRW)

Fiscal Year	Auditor	Service	Remuneration	Total Service Hours
FY10	Samil PwC	Quarterly Review and Year-end Audit (excl. tax service)	15.0	417
FY9	Samil PwC	Quarterly Review and Year-end Audit (excl. tax service)	15.0	550
FY 8	Samil PwC	Quarterly Review and Year-end Audit (excl. tax service)	15.0	599

2. Service Agreement Other Than Audit Service with Independent Auditor

Not applicable

3. Others

Not applicable

V. Corporate Governance and Related Companies

Section 1. Overview of Corporate Governance Structure

1. Board of Directors

(1) Structure of the Board of Directors

A. Resolutions from the Board of Directors

- Convening of the General Meeting of Shareholders;
- Operation of real estates, including acquisition or disposition thereof;
- Acquisition or disposition of the securities worth at least certain amount as set forth in the Enforcement Decree of the Act;
- Borrowing of money;
- Determination of investment into, and approval for the business plan for, the real estate development project;
- Selection of contractors to be involved in a real estate development project, or change of such contractors;
- Execution of the business trust agreement with the business trustee regarding general affairs of the Company, and change thereto;
- Execution of any distribution agreements regarding the Company's stocks with securities companies, and change thereto;
- If any shareholder waives or loses his/her preemptive right, or if fractional shares are left in the allocation of new shares, disposition of such shares;
- Capital increase by public offering, as specified in Article 189-3 of the SEA;
- Issuance of new stocks;
- Retirement of shares (*Ee-ik so-gak*);
- Establishment and revision of internal control regulation;
- Appointment and removal of the Representative Director;
- Appointment and removal of the chairman of the Board of Directors;
- Execution of the property management agreement with property manager, and change thereto;
- Approval of annual capital expenditure plans or expenses of repair work or revenue expenditure plan involving expenditure of an aggregate amount of 100,000,000 Korean Won in a single instance
- Other important matters related to management of the Company.

B. Public Disclosure of Personal Information on the Candidates for the Board of Directors/
Recommendation by Shareholders

- Disclosed personal career profile through offering circular and disclosure about
- Each director has been recommended by major financial institution shareholders

C. Outside Director Candidate Recommendation Committee

Not applicable

D. Outside Directors

Not applicable

E. Indemnification Insurance Policy for the Board of Directors

Not applicable

(2) Operation of the Board of Directors

A. Operational Regulations

- The meetings of the board of directors shall be convened by the representative director. The date, time and place of the meeting is determined by the representative director.
- 1 week prior to the date set for the meeting, the representative director notifies the detailed agenda of the meeting to each director. Such notice may, however, be omitted if all of the directors and statutory auditors consent thereto.
- The quorum for a meeting shall constitute three quarters or more of all directors of the Company.
- All resolutions passed at a meeting of the board of directors shall be adopted by the affirmative vote of three quarters or more of directors present at the meeting, if not otherwise prescribed in the Real Estate Investment Company Act, the Corporate Law, other related laws or Articles of Incorporation.
- Any director who has a personal interest in the matters to be resolved at a meeting of the board of directors shall not be entitled to vote at the meeting.

3. Major Board Meeting Agenda

	Date of Meeting	Agenda	Passed/ Failed	Notes
1 st Meeting in Yr 2008	14 Feb 2008	1. Approval on draft of Financial Statements for FY8 and MLTM Quarterly Investment Report	Passed	
2 nd Meeting in Yr 2008	26 Feb 2008	1. Approval on Audited Financial Statements, MOCT Investment Report, and Annual Report for FY7 and Sign-off report from Internal Accounting Manager 2. Approval on Dividend payment 3. Approval on business plan of FY9 and FY10 4. Approval of Amendment to Articles of Incorporation 5. Approval of Method, Procedure and Schedule of Asset Disposal 6. Re-appointment of Directors 7. Convocation of General Shareholders' Meeting for FY8	Passed Passed Passed Passed Passed Passed	
3 rd Meeting in Yr 2008	18 Mar 2008	1. Approval of closing date of Register of Shareholders and Record Date for Extraordinary Shareholders' Meeting	Passed	
4 th Meeting in Yr 2008	22 Apr 2008	1. Appointment of new Board of Director 2. Approval of additional CAPEX items for 2008 3. Convocation of Extraordinary Shareholders' Meeting	Passed Passed Passed	
5 th Meeting in Yr 2008	14 May 2008	1. Approval on draft of Financial Statements for FY9 and MLTM Quarterly Investment Report	Passed	
6 th Meeting in Yr 2008	02 June 2008	1. Dispatch official letter to Asset Management Company	Passed	

	Date of Meeting	Agenda	Passed/ Failed	Notes
7 th Meeting in Yr 2008	02 July 2008	1. Approval of Resumption of Sale Process for Kukdong Building 2. Approval of Budgets for Advisory Service Contracts in connection with Sale of Kukdong Building and Liquidation of the Company	Passed Passed	
8 th Meeting in Yr 2008	14 August 2008	1. Approval on draft of Financial Statements for FY9 and MLTM Quarterly Investment Report	Passed	
9 th Meeting in Yr 2008	25 August 2008	1. Approval on selection of preferred bidder 2. Approval on payment of professional fee to BKL	Passed	
10 th Meeting in Yr 2008	02 September 2008	1. Approval on Audited Financial Statements, MLTM Investment Report, and Annual Report for FY9 and Sign-off report from Internal Accounting Manager 2. Approval on Dividend payment 3. Re-appointment of Directors 4. Convocation of Extraordinary Shareholders' Meeting	Passed Passed Passed Passed	
11 th Meeting in Yr 2008	18 September 2008	1. Approval of closing date of Register of Shareholders and Record Date for Extraordinary Shareholders' Meeting	Passed	
12 th Meeting in Yr 2008	19 September 2008	1. Approval of Amendment on Asset Management Agreement	Passed	
13 th Meeting in Yr 2008	23 September 2008	1. Re-appointment of Representative Directors	Passed	
14 th Meeting in Yr 2008	30 September 2008	1. Approval of Sale of Kukdong Building 2. Approval of Disclosure on Asset Management Fee Ratio	Passed	
15 th Meeting in Yr 2008	09 October 2008	1. Convocation of Extraordinary Shareholders' Meeting	Passed	

	Date of Meeting	Agenda	Passed/ Failed	Notes
16 th Meeting in Yr 2008	23 October 2008	1. Approval of cancellation of Extraordinary General Shareholder' Meeting on 30 Oct 2008 2. Approval of extension of fund maturity 3. Approval of closing date of Register of Shareholders and Record Date for Extraordinary Shareholders' Meeting	Passed Passed Passed	
17 th Meeting in Yr 2008	14 November 2008	1. Approval on Amendment of AOI 2. Approval of Senior Loan Extension	Passed Passed	
18 th Meeting in Yr 2008	17 November 2008	1. Approval on draft of Financial Statements for FY10 and MLTM Quarterly Investment Report	Passed	
19 th Meeting in Yr 2008	26 December 2008	1. Appraisal Right Price Notice and Public Disclosure 2. Appointment of Representative Directors	Passed Passed	

C. Major activities of outside directors

Not applicable

D. Composition of Committee Members and Activities

Not applicable

2. Statutory Auditors

(1) Audit System

A. Audit Committee and Composition

- One non-standing statutory auditor shall be elected.
- Responsibilities of statutory auditor: The statutory auditor shall examine the accounts and business of the Company.
- Authorities of statutory auditor;
 - (a) The statutory auditor may attend meetings of the board of directors and express their opinions.

- (b) The statutory auditor shall have the right to request an extraordinary meeting of the board of directors to be convened by submitting in writing the purposes thereof and the reasons for the convening of the meeting to the board of directors.
- (c) The statutory auditor shall have the right to request an asset management company, an asset custodian or a distribution company entrusted with affairs of the Company, or the trustee to report accounting information related to the affairs of the Company.

B. Internal Mechanism for the Auditor’s Access to Necessary Information

Statutory auditor shall have the right to request an asset management company, an asset custodian or a distribution company entrusted with affairs of the Company, or the trustee to report accounting information related to the affairs of the Company.

C. Information of Audit Committee (Statutory Auditor)

Name	Currently Serving At	Notes
Jong -Hee Lee	KICPA	

(2) Major Activities of Audit Committee (Auditor)

The auditor of the Company, Jong-Hee Lee attends the board meetings and reviews financial statements and investment report.

3. Shareholders’ Voting Rights

(1) Cumulative Voting System

In accordance with the Article 24 of the Articles of Incorporation of the Company, Cumulative Voting System is not adopted.

(2) Voting in Writing

In accordance with the Article 28 of the Articles of Incorporation, shareholders not present at the meeting may exercise their voting rights in writing.

(3) Minority Shareholder’s Voting Right

Not applicable

4. Remuneration for Board Members

(1) Remuneration of Directors (including outside directors) and Audit Committee (Auditor)

Classification	Actual Payment	Approved Amount	Average Amount/ person	Notes
Auditor	KRW 6,000,000	KRW 6,000,000/ FY	KRW 6,000,000	

(2) Stock Option

Date	Type	Beneficiary	Type of Shares	# of Shares	# of exercised Shares	# of Shares Outstanding	Period	Exercised Price
2008.12.26	Appraisal Right Exercise	MCO CR REIT	Ordinary	15,260,600	1,953,329	13,307,271	2008.12.04 ~ 2008.12.24	8,815.74

Section 2. Related Companies

1. Investment in Related Companies or Affiliates

Not applicable

2. Performance of Related Companies or Affiliates

Not applicable

Section 3. Investment in Other Corporations

Not applicable

VI. Shares

Section 1. Distribution of Shares

1. Share holdings by Largest Shareholder and Specially-Related Parties

(As of 31 Dec 2008)

(Unit: Share, %)

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	1,369,232 (8.97%)	-	-	1,369,232 (8.97%)	
Macquarie Real Estate Korea	Special Related Party	Ordinary	456,290 (2.99%)	-	-	456,290 (2.99%)	
Macquarie Central Office CR REIT	Treasury Stock	Ordinary	-	1,953,329 (12.80%)	-	1,953,329 (12.80%)	
Sub total			3,041,560 (19.93%)	1,953,329 (12.80%)	-	4,994,889 (32.73%)	

Largest Shareholder: Macquarie Bank Limited

No. of Related Entity: 1

2. Shareholders Holding More Than 5%

(As of 31 Dec 2008)

(Unit: Share, %)

	Name (Company Name)	Common		Preferred		Sub Total	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
1	Samsung Life Insurance	1,520,000	9.96	-	-	1,520,000	9.96
2	AIAKOREA-STOCK	1,000,000	6.55	-	-	1,000,000	6.55
3	Shinhan Life Insurance	979,810	6.42	-	-	979,810	6.42
Total		3,499,810	22.93	-	-	3,499,810	22.93

3. Shareholder Distribution

(As of 31 Dec 2008)

Category	Shareholders	Ratio (%)	No. of Stock owned	Rate (%)	Note
Small Shareholders in Total	1,251	99.28	5,405,901	35.42	
- Corporate	24	1.90	1,497,917	9.81	
- Individuals	1,227	97.38	3,907,984	25.61	
Largest Shareholders	4	0.32	4,994,889	32.73	
Major Shareholders	5	0.40	4,859,810	31.85	
Total	1,260	100.00	15,260,600	100.00	

Section 2. Stock Administration

Pre-emptive Rights in the Articles of Incorporation	<p>Article 13. Pre-emptive Rights</p> <p>(1) The Company's shareholders shall have pre-emptive right to subscribe for new shares issued by the Company in proportion to their shareholding ratios. However, if any shareholder waives or loses his/her preemptive right, or if fractional shares are left in the allocation of new shares, such shares shall be disposed of in accordance with the resolution of the Board of Directors.</p>
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	<p>(2)Notwithstanding the provisions of Paragraph (1) of this Article, the Company may exclude or restrict the preemptive right of any existing shareholder by a resolution of the Board of Directors in any of the following cases;</p> <ol style="list-style-type: none"> 1. If the Company offers new shares for subscription in order to newly list or register with KSDA new shares up to a maximum of 30/100 of the total number of issued and outstanding shares; 2. If the Company issues new shares up to a maximum of 30/100 of the total number of issued and outstanding shares by a general offering in accordance with the provisions of Articles 189-3 of the SEA; 3. If the Company issues new shares up to a maximum of 30/100 of the total number of issued and outstanding shares necessary for the foreign investment under the Foreign Investment Promotion Act. 4. If the Company issues new shares to domestic or foreign financial institutions up to a maximum of 30/100 of the total number of issued and outstanding shares due to urgent need for funds; or 5. If the Company issues new shares to any person who makes a contribution in kind. <p>Article 14. Record Date for Calculating the Dividend Accrual Period for New Shares</p> <p>In the case of issuance of new shares by the Company, in calculating the dividends for new shares, the issuance of the new shares shall be regarded as having taken place at the end of the fiscal year immediately preceding the fiscal year in which the new shares were issued.</p>		
Closing Date of Fiscal Year	Jun 30 and Dec 31 of every calendar year	General Shareholders' Meeting	Within 3 months after the Closing Date of Fiscal Year
Closing Period of Registry Book of Shareholders	From January 1 in any given fiscal year through January 10, from July 1 in any given fiscal year through July 10, from the date of collection of sale proceeds in connection with the disposal of real estate amounting 50/100 or more of total assets of the Company through the date of 10days from the date of collection of sale proceeds.		

Kind of share certificate	1share-note, 5share-note, 10share-note, 50share-note, 100share-note, 500share-note, 1,000share-note, 10,000share-note		
Agent of share transfer registration	Hana Bank		
Special Rights	-	Public Notice At	Mae-il Daily Business Newspaper Hankook Daily Business Newspaper

Section 3. Stock Price and Transaction Record during the Recent 6 Months

1. Domestic Stock Market

[Unit : KRW, Shares]

Category		Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008
Common Stock	High(Date)	11,650	12,350	11,950	10,400	8,100	7,520
	Low(Date)	9,780	11,700	10,100	6,590	6,790	6,900
Monthly Trade Volume		884,569	896,120	1,397,797	4,824,311	439,314	394,140

2. Oversea Stock Market

Not applicable

VII. Officers and Employees

Section 1. Officers

Title (Standing/ Non-standing)	Registered/ Unregistered	Name	Date of Birth	Currently Working At	Role	Shareholdings		Notes
						Common	Preferred	
Representative Director (Non-standing)	Registered	Jeong Ho Kim	16 Jun 1946	Gangwon Development Institution	-	-	-	-
Representative Director (Non-standing)	Registered	Joo Hyun Cho	30 May 1953	Kunkook University	-	-	-	-
Director (Non-standing)	Registered	Kwan Young Kim	01 Sep 1956	Hanyang University	-	-	-	-
Director (Non-standing)	Registered	Jong Pil Park	6 April 1965	Samsung Life Insurance Company	-	-	-	-
Director (Non-standing)	Registered	Woonglim Choi	20 Jan 1967	Samsung Fire & Marine Insurance Company	-	-	-	-
Director (Non-standing)	Registered	Chang Woo Shin	05 Feb 1968	LIG Insurance Company	-	-	-	-
Statutory Auditor (Non-standing)	Registered	Jong Hee Lee	08 Dec 1962	KICPA	-	-	-	-

Section 2. Employees

(Unit: per person)

Category	No. of employees				Avg. service periods	Total amount of salary	Avg. no of salary per employee	Note
	Administration	Production	others	Total				
Male	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Section 3. Labor Union

Not applicable

Section 4. Qualified manager for Accounting and Public Disclosure

Not applicable

IV. Transaction with Specially-Related Parties

Section 1. Transactions with Largest Shareholder

1. Prepayments and Loans (security lending included) to Largest Shareholder

None

2. Pledge for security by Largest Shareholder

None

3. Guarantees for Largest Shareholder

None

4. Investment for Largest Shareholder

None

5. Acquisitions or Sale of Securities with Largest Shareholder

None

6. Real Estate Transaction (including Lease) with Largest Shareholder

(1) Real Estate Transactions

None

(2) Real Estate Leasing

None

7. Long-term Supply Contract with Largest Shareholder

None

8. Acquisition/ Sale of Business with Largest Shareholder

None

**Section 2. Transaction with shareholders other than Largest Shareholder, officers,
employees and other specially related parties**

<i>(in thousands of Korean won)</i>	Transactions	
	<u>2008. 12. 31</u>	<u>2008. 06. 30</u>
Samsung Life Insurance Co., Ltd.		
Interest expense	₩ 1,616,862	₩ 1,579,172
Rental income	424,093	424,093
Common area maintenance income	167,706	167,706
Parking income	33,491	44,182
Tenant reimbursement	296	383
Samsung Fire & Marine Insurance Co., Ltd.		
Interest expense	449,528	440,097
Insurance premium	21,005	20,527
LIG Insurance Co., Ltd.		
Interest expense	371,083	362,433

IX. Other Necessary Matters

Section 1. Reports and Follow-ups on Important Management-Related Matters

1. Reports on Disclosures of Important Management-Related Matters

Date	Contents	Disclose to
26 Dec 2008	Appointment of Co-Representative Director	FSS, KRX
14 Nov 2008	Disclosures of Extraordinary shareholders' meeting	FSS, KRX
14 Nov 2008	Half-annual Report for FY 10	FSS, KRX
26 Sep 2008	Submission of Audit Report for FY9	FSS, KRX
23 Sep 2008	Amendments to the Asset Management Agreement	FSS, KRX
23 Sep 2008	Disclosures of general shareholders' meeting for FY10	FSS, KRX
11 Sep 2008	Submission of Audit Report for FY10	FSS, KRX
08 Sep 2008	Convocation of general shareholder's meeting and public announcements	FSS, KRX
02 Sep 2008	Resolution for Dividend payment	FSS, KRX
02 Sep 2008	Convocation of general shareholder's meeting	FSS, KRX

Section 2. Summary of Shareholders' Meeting Minutes

Date	Agenda	Resolution	Note
Extraordinary Shareholders' Meeting (04 Dec 2008)	1. Approval of amendment to Articles of Incorporation to Extend Duration Period 2. Approval of Borrowing	Passed the agendas	

<p>9th Financial Year General Shareholders' Meeting (23 Sep 2008)</p>	<ol style="list-style-type: none"> 1. Approval of the Audited Financial Statements and Dividend Payment Plan for the year ended 30 June 08 (FY9) 2. Approval of Re-appointment of Directors 3. Approval of Amendments to the Asset Management Agreement 4. Approval of Sale of Real Property Asset 5. Approval of the Director's Remuneration pursuant to the Articles Of Incorporation 6. Approval of the Statutory Auditor's Remuneration pursuant to the Articles Of Incorporation 	<p>Passed the agendas</p>	
<p>Extraordinary Shareholders' Meeting (14 May 2008)</p>	<ol style="list-style-type: none"> 1. Approval of Board of Director appointment 	<p>Passed the agendas</p>	
<p>8th Financial Year General Shareholders' Meeting (18 Mar 2008)</p>	<ol style="list-style-type: none"> 1. Approval of Financial Statements and dividend payment plan 2. Business plan approval for Year 2008 (FY9 and FY10) 3. Remuneration of directors (as per the AOI) 4. Remuneration of statutory auditor (as per the AOI) 5. Approval on change of AOI 6. Approval on appointment of Statutory Auditor 	<p>Passed the agendas</p>	
<p>7th Financial Year General Shareholders' Meeting (14 Sep 2007)</p>	<ol style="list-style-type: none"> 1. Approval of Financial Statements and dividend payment plan 2. Business plan approval for Year 2007 (FY8) 3. Remuneration of directors (as per the AOI) 4. Remuneration of statutory auditor (as per the AOI) 5. Approval on re-appointment of Directors 	<p>Passed the agendas</p>	
<p>6th Financial Year General Shareholders' Meeting (15 Mar 2007)</p>	<ol style="list-style-type: none"> 1. Approval of Financial Statements and dividend payment plan 2. Business plan approval for Year 2007 (FY7 & FY8) 3. Remuneration of directors (as per the AOI) 4. Remuneration of statutory auditor (as per the AOI) 5. Approval on re-appointment of Directors 	<p>Passed the agendas</p>	

5 th Financial Year General Shareholders' Meeting (19 Sep 2006)	<ol style="list-style-type: none"> 1. Approval of FY5 Financial Statements and dividend payment plan 2. Approval on business plan for FY6 3. Approval of Remuneration for directors 4. Approval of Remuneration for statutory auditor 5. Appointment of Statutory Auditor 	Passed the agendas	
4 th Financial Year General Shareholders' Meeting (23 Mar 2006)	<ol style="list-style-type: none"> 1. Approval of FY4 Financial Statements and dividend payment plan 2. Approval on business plan for FY4 3. Approval of Remuneration for directors 4. Approval of Remuneration for statutory auditor 	Passed the agendas	
3 rd Financial Year General Shareholders' Meeting (23 Sep 2005)	<ol style="list-style-type: none"> 1. Approval of FY3 Financial Statements and dividend payment plan 2. Approval on business plan for FY4 3. Election of Directors 4. Approval of Remuneration for directors 5. Approval of Remuneration for statutory auditor 	Passed the agendas	
Extraordinary Shareholders Meeting (29 Jun 2005)	<ol style="list-style-type: none"> 1. Amended Articles of Incorporation 	Passed the agendas	
2 nd Financial Year General Shareholders' Meeting (23 Mar 2005)	<ol style="list-style-type: none"> 1. Approval of FY 2 Financial Statement, Income statement and Statements of Appropriations of Retained Earnings. 2. Election of Director 3. Business plan approval for FY3 4. Approval of remunerations for Directors 5. Approval of remunerations for Statutory Auditor 	Passed the agendas	

<p>1st Financial Year General Shareholders' Meeting (21 Sep 2004)</p>	<p>1. Approval of FY 1 Financial Statement, Income statement and Statements of Appropriations of Retained Earnings. 2.Election of Director 3.Business plan approval for FY2 4. Approval of remunerations for Directors 5. Approval of remunerations for Statutory Auditor</p>	<p>Passed the agendas</p>	
<p>Extraordinary Shareholders Meeting (30 Mar 2004)</p>	<p>Replacement of 4 directors</p>	<p>Appointment of following directors as the replacement directors of the former directors who resigned -Jeong Ho Kim (Schroder Asia Property Fund, KDI) -Jong Pil Park (Samsung Life) -Woonglim Choi (Samsung F&M) -Yunchong Jeong (LG F&M)</p>	

Section 3. Other Contingent Liabilities and Other items

1. Important Legal Proceedings

Not applicable

2. Promissory Notes/ Checks pledged for Collateral

Not applicable

3. Contingent Liabilities, etc.

Not applicable

4. Restrictions or Sanctions levied

Not applicable

5. Important Matters Occurred after the Fiscal Year Ending Date

Not applicable

6. Review List of Small and Medium Corporation Standard

Not applicable

7. Usage of Capital Funded From IPO

(Unit: KRW)

	Date	Capital	Plan in Prospectus	Actual Use
IPO	9 Dec 2003	35,151,500,000	Acquisition of Kukdong building under a corporate restructuring purpose	Acquisition of Kukdong building under a corporate restructuring purpose