

# MACQUARIE CENTRAL OFFICE CR REIT SHAREHOLDERS MEETING 18 March 2008

The Shareholders' meeting was held at Conference room, 3Fl Hanwha Building, Sogong-dong, Jung-gu, Seoul Korea, commencing at 10:00 am on 18 March 2008.

The following shareholder representatives were in attendance and have provided proper authorities in order to exercise their voting rights.

*Total Number of shareholders 1, 170 Total shares 15,260,600  
Number of shareholders present 22 Shares of shareholders present 6,281,356 (41.16%)*

## Order of Business

### **Selection of Chair for the meeting**

Joo Hyun Cho acted as a Chair for this meeting.

### **Resolution 1. Approval on audited financial statements and dividend payment plan for FY8**

The meeting *resolved* to approve the audited financial statements and dividend payment plan of the company. (*Shareholders present approved this resolution unanimously.*)

#### BALANCE SHEETS AS OF DECEMBER 31, 2007 AND JUNE 30, 2007

<i>(in thousands of Korean)</i>	<u>2007.12</u>	<u>2007.06</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	₩ 7,935,584	₩ 9,169,182
Short-term financial instruments (Note 3)	1,931,893	2,550,427
Other accounts receivables	13,724	44,971
Accrued income	131,708	168,013
Prepaid expense (Note 10)	303,614	151,373
Tax refund receivables	30,294	24,306
Total current assets	10,346,817	12,108,272
Property and equipment,		
net of accumulated depreciation of ₩ 5,056,403 thousand (2007.06: ₩ 4,398,189 thousand) (Notes 4, 5, 6 and 7)	162,628,217	160,893,031
Long-term prepaid expenses	-	135,712
Total assets	₩ 172,975,034	₩ 173,137,015
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Other accounts payable	₩ 1,047,583	₩ 1,033,694
Accrued expense (Note 10)	85,345	263,564
Advanced receipts	320	4,572
Withholdings payable	28,900	28,900
VAT payables	397,634	473,169
Current portion of long-term borrowings (Notes 7, 8 and 10)	75,244,000	-
Total current liabilities	76,803,782	1,803,899

Long-term borrowings, net (Notes 7, 8 and 10)	-	75,244,000
Deposits received (Notes 7 and 10)	14,446,661	14,401,825
Total liabilities	91,250,443	91,449,724
Commitments and contingencies (Note 9)		
Shareholders' equity		
Capital stock		
Common stock, ₩5,000 par value per share; authorized 61,042,400 shares; issued and outstanding 15,260,600 shares (Note 1)	76,303,000	76,303,000
Appropriated retained earnings (Note 2)	718,492	718,492
Retained earnings before appropriations	4,703,099	4,665,799
Total shareholders' equity	81,724,591	81,687,291
Total liabilities and shareholders' equity	₩ 172,975,034	₩ 173,137,015

**STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2007 AND JUNE 30, 2007**

(in thousands of Korean)

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

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2007 AND JUNE 30, 2007

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

\* Nominal dividend rate: 7.24% (Annualized dividend rate: 14.36%)

\* Dividend payment date: 25 March 08

## Resolution 2. Approval on business plan for FY9 & FY10

The business plan for Year 2008 (FY9&FY10) proposed by the Board is same with the initial business plan approved by the inaugural meeting at 12 December 2003 other than the CAPEX item.

The meeting *resolved* to approve the business plan for FY9 & FY10.  
(Shareholders present approved this resolution unanimously.)

### 1. Asset Management Plan

- No change to the asset management strategy regarding Kukdong Building
- Targeting to reduce vacancy rate and raise occupancy rate through active lease marketing, competitive base rent and high rate of lease renewal
- Will continue to maintain effective control over the real estate operating expenses
- Uninterrupted implementation of the scheduled capital expenditure

### 2. Operating Budget

(Unit : KRW Mil)	2008 Total	2008-01	2008-02	2008-03	2008-04	2008-05	2008-06
Operating Income	24,852	2,111	2,119	2,050	2,056	2,031	2,051
Property Operating Expense	5,519	545	463	573	544	399	408
Gross Operating Income	19,333	1,567	1,656	1,477	1,512	1,631	1,644
Fund Operating Expense	3,199	261	274	258	254	266	269
Operating Income	16,134	1,306	1,382	1,219	1,258	1,365	1,375
Non-operating Income	180	15	15	15	15	15	15
Non-operating Expense	5,192	441	398	441	427	441	427
Ordinary Income	11,122	880	999	793	846	939	963
Dividend	11,122	880	999	793	846	939	963
Dividend	11,122	9 <sup>th</sup> BT	10 <sup>th</sup> BT				
		5,420	5,702				

Par-value dividend rate	14.58%	7.10%	7.47%			
Converted annual par-value divided rate	14.58%	14.21%	14.95%			
	2007-07	2007-08	2007-09	2007-10	2007-11	2007-12
(Unit : KRW Mil)						
Operating Income	2,060	2,046	2,075	2,064	2,118	2,069
Property Operating Expense	403	429	603	396	368	387
Gross Operating Income	1,657	1,617	1,472	1,668	1,750	1,682
Fund Operating Expense	269	265	259	270	281	272
Operating Income	1,388	1,352	1,213	1,397	1,469	1,410
Non-operating Income	15	15	15	15	15	15
Non-operating Expense	441	441	427	441	427	441
Ordinary Income	962	927	802	971	1,057	984
Dividend	962	927	802	971	1,057	984

\* 2008 Business plan is for the general operation of the Company during entire calendar year of 2008 and the operating income does not include gains from the sale of property.

### 3. New Capital Expenditure

- 1) Separate from the approved 2007 CAPEX plan, new CAPEX item for 2008 approved as follows:

Items	Schedule	Budget (krw mil)	Remark
Lavatory Renovation (inside)	March ~ May	760	
<b>Total</b>		<b>760</b>	

### Resolution 3. Approval on Amendment to Articles of Incorporation

The meeting *resolved* to amend the Article of Incorporation of the Company (the “AOI”) to rectify an entry error as follows:

Current Version	Proposed Amendment
<p><b>Article 17 (Closing of Shareholders Registry and Record Date)</b></p> <p>① The Company shall suspend any entry into the shareholders registry regarding a shareholder’s rights during each of the following periods of any given calendar year: (i) January 1 through January 10, (ii) July 1 through July 10 and (iii) with respect to the sale of property which consists 50% or more of the total assets of the Company, 10 days from (and including) the <u>date on which the purchase price for the property is paid in full.</u></p>	<p><b>Article 17 (Closing of Shareholders Registry and Record Date)</b></p> <p>The Company shall suspend any entry into the shareholders registry regarding a shareholder’s rights during each of the following periods of any given calendar year: (i) January 1 through January 10, (ii) July 1 through July 10 and (iii) with respect to the sale of property which consists 50% or more of the total assets of the Company, 10 days from (and including) the <u>date immediately following the date on which the purchase price for the property is paid in full.</u></p>

(Shareholders present approved this resolution unanimously.)

**Resolution 4. Remuneration of Board of Directors**

The meeting *resolved* to decide that there is no remuneration to be paid to the directors of the company as per the Articles of Incorporation of MCO CR REIT.  
*(Shareholders present approved this resolution unanimously.)*

**Resolution 5. Remuneration of statutory auditor**

The meeting *resolved* the remuneration of board of director will be KRW 1 Million for each month as per the amended Articles of Incorporation of MCO CR REIT.  
*(Shareholders present approved this resolution unanimously.)*

**Resolution 6. Appointment of Statutory Auditor**

The meeting *resolved* to appoint of statutory director as per the proposal from the Board Meeting of the Company as current statutory auditor resigns as of 18 March 2008.  
*(Shareholders present approved this resolution unanimously.)*

Name	Date of birth	Details	Note
Jong Hee Lee	08 Dec 1962	In-Duck Account Firm	New Appointment

Conclusion of Meeting