

# MACQUARIE CENTRAL OFFICE CR REIT SHAREHOLDERS MEETING 23 September 2008

The Shareholders' meeting was held at Conference room, 3Fl Hanwha Building, Sogong-dong, Jung-gu, Seoul Korea, commencing at 10:00 am on 23 September 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, 217 Total shares 15,260,600  
Number of shareholders present 37 Shares of shareholders present 6,089,156 (39.9%)*

## 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 FY9

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

| <i>(in thousands of Korean)</i>  | <u>BALANCE SHEETS</u> |                    | <u>AS OF JUNE 30, 2008 AND DECEMBER 31, 2007</u> |                    |
|--|-----------------------|--------------------|--|--------------------|
|  | <u>2008.06</u>        |                    | <u>2007.12</u>                                   |                    |
| <b>Assets</b>  |                       |                    |  |                    |
| Current assets   |                       |                    |  |                    |
| Cash and cash equivalents  | ₩                     | 10,185,568         | ₩  | 7,935,584          |
| Short-term financial instruments (Note 3)  |                       | 1,721,920          |  | 1,931,893          |
| Other accounts receivables   |                       | -                  |  | 13,724             |
| Accrued income   |                       | 80,063             |  | 131,708            |
| Prepaid expense (Note 10)  |                       | 266,570            |  | 303,614            |
| Tax refund receivables   |                       | 32,231             |  | 30,294             |
| Total current assets   |                       | <u>12,286,352</u>  |  | <u>10,346,817</u>  |
| Property and equipment,<br>net of accumulated depreciation of ₩<br>thousand (2007 Dec.:₩ |                       | 162,484,150        |  | 162,628,217        |
| Total assets   | ₩                     | <u>174,770,502</u> | ₩  | <u>172,975,034</u> |
| <b>Liabilities and Shareholders' Equity</b>  |                       |                    |  |                    |
| Current liabilities  |                       |                    |  |                    |
| Other accounts payable   | ₩                     | 1,055,693          | ₩  | 1,047,583          |
| Accrued expense (Note 10)  |                       | 266,380            |  | 85,345             |
| Advanced receipts  |                       | 76,283             |  | 320                |
| Withholdings payable   |                       | 28,900             |  | 28,900             |
| VAT payables   |                       | 484,279            |  | 397,634            |
| Current portion of long-term borrowings (Note 8)   |                       | 75,244,000         |  | 75,244,000         |
| Total current liabilities  |                       | <u>77,155,535</u>  |  | <u>76,803,782</u>  |
| Deposits received (Notes 7 and 10)   |                       | 15,115,545         |  | 14,446,661         |
| Total liabilities  |                       | <u>92,271,080</u>  |  | <u>91,250,443</u>  |

Commitments and contingencies (Note 9)

## Shareholders' equity

## Capital stock

Common stock, ₩5,000 par value per share;  
authorized 61,042,400 shares;

issued and outstanding 15,260,600 shares (Note 1)

76,303,000

76,303,000

## Accumulated earnings

Appropriated retained earnings (Note 2)

718,492

718,492

Retained earnings before appropriations

5,477,930

4,703,099

Total shareholders' equity

82,499,422

81,724,591

Total liabilities and shareholders' equity

₩ 174,770,502

₩ 172,975,034

**STATEMENTS OF INCOME****FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND DECEMBER 31, 2007***(in thousands of Korean)*

|   | <u>2008.06</u>     | <u>2007.12</u>     |
|---|--------------------|--------------------|
| <b>Operating Revenue</b>                        |                    |                    |
| Rental income (Notes 10 and 11)                 | ₩ 8,609,880        | ₩ 7,979,845        |
| Common area maintenance income (Note 10)        | 3,697,438          | 3,170,483          |
| Parking income (Note 10)                        | 695,238            | 702,610            |
| Tenant reimbursement (Note 10)                  | 129,535            | 124,802            |
| Other operating revenue                         | 63,449             | 45,725             |
|   | <u>13,195,540</u>  | <u>12,023,465</u>  |
| <b>Operating Expenses</b>                       |                    |                    |
| <b>Real estate expenses</b>                     |                    |                    |
| Property administration expenses (Note 9)       | 326,008            | 228,014            |
| Facility management fees (Note 9)               | 985,870            | 934,871            |
| Utilities                                       | 791,829            | 780,607            |
| Maintenance and repairs                         | 623,116            | 521,762            |
| Local taxes and dues (Note 16)                  | 236,886            | 277,822            |
| <b>Fund operating expenses</b>                  |                    |                    |
| Remuneration to officers (Notes 10 and 16)      | 7,000              | 6,000              |
| Depreciation (Notes 5 and 16)                   | 658,267            | 658,214            |
| Insurance expenses (Note 10)                    | 25,136             | 16,785             |
| National taxes and dues (Note 16)               | 37,474             | 35,626             |
| Fund administration fees                        | 15,415             | 11,421             |
| Professional fees                               | 50,727             | 19,731             |
| Asset management fees (Note 9)                  | 802,488            | 703,777            |
| Asset custodian fees (Note 9)                   | 25,938             | 25,696             |
| Business trustee fees (Note 9)                  | 43,230             | 42,826             |
|   | <u>4,629,384</u>   | <u>4,263,152</u>   |
| Operating income                                | <u>8,566,156</u>   | <u>7,760,313</u>   |
| <b>Non-operating income</b>                     |                    |                    |
| Interest income (Note 16)                       | 240,517            | 180,082            |
| Late fees                                       | 2,139              | 2,618              |
| Compensation for damages                        | 79,016             | 195,920            |
| Other income                                    | 151                | 2,663              |
|   | <u>321,823</u>     | <u>381,283</u>     |
| <b>Non-operating expenses</b>                   |                    |                    |
| Interest expenses (Notes 10 and 16)             | 2,588,806          | 2,617,254          |
| Net income                                      | <u>₩ 6,299,173</u> | <u>₩ 5,524,342</u> |
| <b>Per share data (In Korean won) (Note 13)</b> |                    |                    |
| Earnings per share                              | ₩ 413              | ₩ 362              |

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS  
FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND DECEMBER 31, 2007

| <i>(in thousands of Korean won)</i>                                 | 2008.06       | 2007.12     |
|---|---------------|-------------|
| <b>Retained earnings before appropriations</b>                      |               |             |
| Accumulated deficit carried over from prior period                  | ₩ (821,243)   | ₩ (821,243) |
| Net income  | 6,299,173     | 5,524,342   |
|   | 5,477,930     | 4,703,099   |
| <b>Appropriations of retained earnings</b>                          |               |             |
| Cash dividends (Note 15)  | 6,957,440     | 5,524,342   |
| <b>Accumulated deficit carried forward to the subsequent period</b> | ₩ (1,479,510) | ₩ (821,243) |

\* Nominal dividend rate: 9.12% (Annualized dividend rate: 18.29%)

\* Dividend payment date: 26 September 08

### Resolution 2. Approval on Re-appointment of Directors

As the term of office of the following directors will expire as of September 23, 2008, the meeting **resolved** to approve to nominate following candidates to the General Shareholders' Meeting. *(Shareholders present approved this resolution unanimously.)*

| Name           | Date of birth     | Details   | Note                                 |
|----------------|-------------------|---|--------------------------------------|
| Joo Hyun Cho   | 30 May 1953       | Politics Professor at KonKuk University                             | Incumbent Co-Representative Director |
| Kwan Young Kim | 01 September 1956 | Representative Director at Just R / Professor at Hanyang University | Incumbent Co-Representative Director |

### Resolution 3. Approval of Amendments to the Asset Management Agreement

The meeting **resolved** to amend the Asset Management Agreement of the Company (the "AMA") to clarify the accrual period of the rights and obligations relating to the basic fee, disposition fee and performance fee as follows:

*(Shareholders present approved this resolution unanimously.)*

| Current Version | Proposed Amendment  |
|-----------------|---|
| -               | <p><b>Article. 9(6)</b></p> <p>The Parties acknowledge and agree that if in any given fiscal period at least 50% of the total assets of MCO CR-REIT as of the immediately preceding fiscal period is sold and the balance of the relevant purchase price is paid, payment date of the balance becomes the last day of business of the fiscal period and, as a result, such fiscal period is a period of less than six (6)</p> |

|   |   |
|---|---|
|   | <p>months (the “<b>Short Fiscal Period</b>”) pursuant to the articles of incorporation of MCO CR-REIT, the following shall be applicable notwithstanding Section 9.2:</p> <p>a. The basic fee for the Short Fiscal Period shall be the amount equal to [11.3%] of MCO CR-REIT’s ordinary income (before adjustment for the basic fee payable to MREK) during the Short Fiscal Period.</p> <p>b. The basic fee for the fiscal period following the Short Fiscal Period (including, but not limited to, the constructive fiscal period under the Corporate Tax Act and the fiscal period which commence after the last day of the Short Fiscal Period and ends prior to the immediately following June 30 or December 31, whichever occurs earlier) (the “<b>Following Fiscal Period</b>”) shall be the amount equal to 11.3% of MCO CR-REIT’s ordinary income (before adjustment for the basic fee payable to MREK) for each Following Fiscal Period.</p> <p>c. MREK shall charge MCO CR-REIT the amounts of the basic fee determined in accordance with Paragraphs (a) and (b) above on the last day of the Short Fiscal Period and the Following Fiscal Period, respectively, and MCO CR-REIT shall pay such amounts of the basic fee in accordance with Section 9.2.”</p> |
| - | <p><b>Article. 9(7)</b></p> <p>Notwithstanding anything to the contrary contained in this Agreement, in case MCO CR-REIT sells its real property (Kukdong Building) (the “<b>Property</b>”) and receive the balance of the relevant purchase price for the Property prior to the expiration date of its duration period, which is December 12, 2008, MREK’s right to claim payment of the disposition fee and performance fee pursuant to Section 9.5 shall arise and become effective on the closing date of the sale of the Property (i.e., payment date of the balance) and thereafter, MCO CR-REIT shall be obligated to pay MREK the disposition fee and performance fee calculated and determined in accordance with the following:</p> <p>a. <u>Disposition Fee</u></p> <p>Upon execution of the sale and purchase agreement for the Property (the “<b>SPA</b>”), MREK shall immediately calculate the disposition fee in accordance with Section 9.5 based on the purchase price under the SPA and the five (5) year IRR as specified in Section 9.5, finally determine the amount of the disposition fee on the closing date of the sale of the Property</p>   |

|  |  |
|--|--|
|  | <p>(i.e., payment date of the balance) and charge MCO CR-REIT such amount.</p> <p style="text-align: center;">b. <u>Performance Fee</u></p> <p>Upon execution of the SPA, MREK shall immediately calculate the performance fee in accordance with Section 9.5 based on the purchase price under the SPA and the five (5) year IRR as specified in Section 9.5, finally determine the amount of the performance fee on the closing date of the sale of the Property (i.e., payment date of the balance), and charge MCO CR-REIT such amount. The Parties shall recalculate the five (5) year IRR and amount of the performance fee upon finalization of the financial statements for the period commencing on the incorporation date of MCO CR-REIT and ending on the fifth anniversary thereof, and if the amount of the recalculated performance fee is different from the amount of the performance fee calculated in accordance with Paragraph (b) and paid by MCO CR-REIT to MREK, the Parties shall settle such difference.</p> |
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**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 Articles of Incorporation of MCO CR REIT.  
*(Shareholders present approved this resolution unanimously.)*

Conclusion of Meeting