

**MACQUARIE CENTRAL OFFICE CR REIT
SHAREHOLDERS MEETING
15 March 2007**

The Shareholders' meeting was held at Conference room, 3Fl Hanwha Building, Sokong-dong, Chung-gu, Seoul Korea, commencing at 10:00 am on 15 March 2007.

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

*Total Number of shareholders 1,018 Total shares 15,260,600
Number of shareholders present 32 Shares of shareholders present 7,652,231 (50.14%)*

Order of Business

Selection of Chair for the meeting

Joo Hyun Cho acted as a Chair for this meeting.

Resolution 1. Approval of Audited Financial Statements and dividend payment plan for FY6

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, 2006 AND JUNE 30, 2006

	Korean Won	
	2006.12.31	2006. 6. 30
	(In thousands)	
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	₩ 6,284,478	₩ 6,706,311
Short-term financial instruments	3,772,599	1,359,580
Accounts receivable	13,023	25,101
Accrued income	157,990	108,701
Prepaid expenses	32,216	27,994
Prepaid income tax	18,668	17,772
	10,278,974	8,245,459
NON-CURRENT ASSETS:		
Investment assets:		
Long-term financial instruments	158,639	941,900
Long-term prepaid expenses	237,727	-
	396,366	941,900
Property investments :		
Land	102,397,913	102,397,913
Building	62,335,907	62,281,907
Machinery	60,000	60,000
Less: Accumulated depreciation	(3,768,830)	(3,139,471)
	161,024,990	161,600,349

	Korean Won	
	<u>2006.12.31</u>	<u>2006. 6. 30</u>
	(In thousands)	
	<u>161,421,356</u>	<u>162,542,249</u>
TOTAL ASSETS	<u>₩ 171,700,330</u>	<u>₩ 170,787,708</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	₩ 750,540	₩ 873,710
Accrued expenses	85,345	279,642
Advanced receipts	79,134	24,471
Withholding	28,900	-
VAT payables	468,098	426,061
	<u>1,412,017</u>	<u>1,603,884</u>
NON-CURRENT LIABILITIES:		
Long-term borrowings	75,244,000	75,244,000
Leasehold deposits	13,646,943	12,900,724
	<u>88,890,943</u>	<u>88,144,724</u>
Total Liabilities	<u>90,302,960</u>	<u>89,748,608</u>
COMMITMENTS AND CONTINGENCIES		
<u>SHAREHOLDERS' EQUITY</u>		
Common stock	₩76,303,000	₩76,303,000
Appropriated retained earnings – legal reserve	718,492	718,492
Retained earnings before appropriations (Net income of ₩ 5,272,511 thousand for the six months ended December 31, 2006 and ₩4,736,100 thousand for the six months ended June 30, 2006)	4,375,878	4,207,487
	<u>5,094,370</u>	<u>4,925,979</u>
Capital adjustments	-	(189,879)
Total Shareholders' Equity	<u>81,397,370</u>	<u>81,039,100</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>₩171,700,330</u>	<u>₩170,787,708</u>

STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 AND JUNE 30, 2006

	Korean Won	
	<u>2006.12.31</u>	<u>2006. 6. 30</u>
	(In thousands, except per share amounts)	
OPERATING REVENUE:		
Rental income	₩ 7,229,007	₩ 7,407,636
Common area maintenance income	2,939,138	2,983,845
Parking income	680,962	720,603
Tenant reimbursement	166,855	144,782
Other operating revenue	43,408	61,423
	<u>11,059,370</u>	<u>11,318,289</u>
OPERATING EXPENSES:		

	<u>Korean Won</u>	
	<u>2006.12.31</u>	<u>2006. 6. 30</u>
	(In thousands, except per share amounts)	
Real estate expenses:		
Property administration expenses	130,665	313,066
Facility management fees	800,736	820,096
Utilities	787,264	787,115
Maintenance and repairs	211,635	684,012
Local taxes and dues	<u>240,669</u>	<u>250,255</u>
	<u>2,170,969</u>	<u>2,854,544</u>
Fund operating expenses:		
Remuneration to officers	6,000	6,000
Depreciation	629,359	628,819
Insurance premium	28,716	28,789
National taxes and dues	27,942	27,239
Fund administration fees	9,707	11,289
Professional fees	9,450	19,186
Asset management fees	671,695	603,359
Asset custodian fees	25,458	25,461
Business trustee fees	<u>42,429</u>	<u>42,435</u>
	<u>1,450,756</u>	<u>1,392,577</u>
	<u>3,621,725</u>	<u>4,247,121</u>
OPERATING INCOME	<u>7,437,645</u>	<u>7,071,168</u>
NON-OPERATING INCOME:		
Interest income	₩ 182,628	₩ 156,574
Arrearage charge	2,526	6,543
Compensation for damages	266,516	73,839
Other income	<u>450</u>	<u>2,558</u>
	<u>452,120</u>	<u>239,514</u>
NON-OPERATING EXPENSES:		
Interest expense	<u>2,617,254</u>	<u>2,574,582</u>
	<u>2,617,254</u>	<u>2,574,582</u>
ORDINARY INCOME	<u>5,272,511</u>	<u>4,736,100</u>
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>
INCOME BEFORE INCOME TAX	<u>5,272,511</u>	<u>4,736,100</u>
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>
NET INCOME	<u>₩ 5,272,511</u>	<u>₩ 4,736,100</u>
ORDINARY INCOME PER SHARE	<u>₩ 346</u>	<u>₩ 310</u>
NET INCOME PER SHARE	<u>₩ 346</u>	<u>₩ 310</u>

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2006 AND JUNE 30, 2006

<u>Korean Won</u>	
<u>2006.12.31</u>	<u>2006. 6. 30</u>

(In thousands)

RETAINED EARNINGS BEFORE APPROPRIATIONS:

Deficit at the beginning of the period	₩	(896,633)	₩	(528,614)
Net income		<u>5,272,511</u>		<u>4,736,100</u>
		<u>4,375,878</u>		<u>4,207,486</u>

APPROPRIATIONS:

Amortization of discount on stock issuance		-		189,879
Dividends		<u>5,014,702</u>		<u>4,914,241</u>
		<u>5,014,702</u>		<u>5,104,120</u>

ACCUMULATED DEFICIT TO BE CARRIED
FORWARD TO SUBSEQUENT PERIOD

₩	(638,824)	₩	(896,634)
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Resolution 2. Approval on business plan for FY7 & FY8

The business plan for Year 2007 (FY7&FY8) proposed by the Board is same with the initial business plan approved by the inaugural meeting at 12 December 2003 other than the following items.

The meeting *resolved* to approve the business plan for FY7 & FY8.
(Shareholders present approved this resolution unanimously.)

1. Asset Management Plan

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

2. Operating Budget

	2007 Total	2007-01	2007-02	2007-03	2007-04	2007-05	2007-06
(Unit : KRW Mil, Net of VAT)							
Revenue	23,277	1,860	1,940	1,949	1,961	1,986	1,953
Property Operating Expenses	5,180	503	400	475	423	438	348
Gross Operating Income	18,098	1,357	1,540	1,474	1,538	1,549	1,605
Fund Operating Expenses	2,998	232	256	252	252	252	260
Operating Income	15,100	1,125	1,284	1,222	1,285	1,297	1,345
Non-Operating Income	180	15	15	15	15	15	15
Non-Operating Expense	5,192	441	398	441	427	441	427
Ordinary Income	10,088	699	901	796	874	871	934
Dividend from Legal Reserve	-	-	-	-	-	-	-
Dividend	10,088	699	901	796	874	871	934
		FY7	FY8				
DIVIDEND	10,088	5,074	5,014				
Dividend Rate	13.22%	6.65%	6.57%				
Annualised Dividend Rate	13.22%	13.30%	13.14%				
(Unit : KRW Mil, Net of VAT)	2007-07	2007-08	2007-09	2007-10	2007-11	2007-12	

Revenue	1,918	1,924	1,930	1,925	1,939	1,991
Property Operating Expenses	461	441	511	460	336	383
Gross Operating Income	1,457	1,483	1,420	1,465	1,603	1,608
Fund Operating Expenses	241	244	248	242	260	259
Operating Income	1,215	1,239	1,172	1,222	1,343	1,350
Non-Operating Income	15	15	15	15	15	15
Non-Operating Expense	441	441	427	441	427	441
Ordinary Income	789	813	760	796	931	924
Dividend from Legal Reserve	-	-	-	-	-	-
Dividend	789	813	760	796	931	924

3. Capital expenditure program

- 1) Capital expenditure programs to be approved from Board for new CAPEX plan year 2007 in addition to the existing CAPEX plan 2006 are as follows.

Items	Schedule	Budget (KRW'000)
Renovation of Kukdong Building Common Area	March ~ September	1,700,000
Total		1,700,000

- Renovation of common area is planned to improve building environment, which will contribute the enhancement of asset value and motivations of rent and CAM negotiations and boosting up new lease.
- 2) Funding plan of capital expenditure program in year 2007
- MCO CR REIT has no plan for issuing further interest bearing debt or additional issuance of capital to finance these capital expenditure programs for the moment.
 - MCO CR REIT will finance the capital budget from operating cashflows from net income.

Resolution 3. Remuneration 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 4. Remuneration of statutory auditor

The meeting *resolved* the remuneration of statutory auditor 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 5. Re-appointment of Directors

The meeting *resolved* the reappointment of Directors as per the proposal from the Board Meeting of the Company as the terms of office of the following directors will be ending as of 29 March 2007.

(Shareholders present approved this resolution unanimously.)

Name	Date of birth	Details	Note
Jong Pil Park	6 April 1965	Samsung Life Insurance Company	Re-appointment
Woonglim Choi	20 Jan 1967	Samsung Fire & Marine Insurance Company	Re-appointment
Jeong Ho Kim	16 Jun 1946	Korea Development Institution	Re-appointment

Conclusion of Meeting