

**MACQUARIE CENTRAL OFFICE CR REIT  
SHAREHOLDERS MEETING  
23 March 2006**

The Shareholders' meeting was held at Conference room, 6Fl Hanwha Building, Sokong-dong, Chung-gu, Seoul Korea, commencing at 10:00 am on 23 Mar 2006.

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

*Total Number of shareholders 1,069    Total shares 15,260,600*  
*Number of shareholders present 25    Shares of shareholders present 6,138,386( 40.22 %)*

**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 FY4**

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, 2005 AND JUNE 30, 2005

	Korean Won	
	2005. 12. 31	2005. 6. 30
	(In thousands)	
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	₩ 4,245,744	₩ 7,029,960
Short-term financial instruments	4,122,080	1,122,080
Accounts receivable	52,332	72,287
Accrued income	78,321	69,971
Prepaid expenses	56,784	31,322
Prepaid income tax	20,533	10,877
	8,575,794	8,336,497
NON-CURRENT ASSETS:		
Investment assets:		
Long-term financial instruments	241,900	151,085
Property Investments :		
Land	102,397,913	102,397,913
Building	62,101,107	61,196,107
Machinery	60,000	60,000
Construction in progress	41,700	-
Less: Accumulated depreciation	(2,510,652)	(1,883,641)

	<u>Korean Won</u>	
	<u>2005. 12. 31</u>	<u>2005. 6. 30</u>
	(In thousands)	
	<u>162,090,068</u>	<u>161,770,379</u>
	<u>162,331,968</u>	<u>161,921,464</u>
<b>TOTAL ASSETS</b>	<u>₩ 170,907,762</u>	<u>₩ 170,257,961</u>
 <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	₩ 714,384	₩ 589,525
Accrued expenses	85,345	237,929
Advanced receipts	44,841	7,704
VAT payables	<u>426,136</u>	<u>427,288</u>
	<u>1,270,706</u>	<u>1,262,446</u>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	75,244,000	75,244,000
Leasehold deposits	<u>13,275,744</u>	<u>12,805,373</u>
	<u>88,519,744</u>	<u>88,049,373</u>
Total Liabilities	<u>89,790,450</u>	<u>89,311,819</u>
 <b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	₩ 76,303,000	₩ 76,303,000
Appropriated retained earnings – legal reserve	718,492	718,492
Retained earnings before dispositions		
(Net income of ₩4,814,312 thousand from July 1, 2005 to December 31, 2005 and ₩4,494,286 thousand from January 1, 2005 to June 30, 2005)	<u>4,475,577</u>	<u>4,494,286</u>
	5,194,069	5,212,778
Capital adjustments	<u>(379,757)</u>	<u>(569,636)</u>
Total Shareholders' Equity	<u>81,117,312</u>	<u>80,946,142</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>₩ 170,907,762</u>	<u>₩ 170,257,961</u>

**STATEMENTS OF INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2005 AND JUNE 30, 2005**

	<u>Korean Won</u>	
	<u>2005. 12. 31</u>	<u>2005. 6. 30</u>
	(In thousands, except per share amounts)	
<b>OPERATING REVENUE:</b>		
Rental income	₩ 7,161,824	₩ 6,757,711
Common area maintenance income	2,888,703	2,729,704
Parking income	775,262	734,748
Tenant reimbursement	149,009	118,302
Other operating revenue	<u>64,647</u>	<u>43,907</u>

	<u>Korean Won</u>	
	<u>2005. 12. 31</u>	<u>2005. 6. 30</u>
	(In thousands, except per share amounts)	
	<u>11,039,445</u>	<u>10,384,372</u>
OPERATING EXPENSES:		
Real estate expenses:		
Property administration expenses	159,869	214,299
Facility management fees	854,900	839,053
Utilities	774,053	727,760
Maintenance and repairs	375,799	193,122
Local taxes and dues	<u>231,097</u>	<u>201,974</u>
	<u>2,395,718</u>	<u>2,176,208</u>
Fund operating expenses:		
Remuneration to officers	6,000	2,000
Depreciation	627,011	613,635
Insurance premium	29,595	29,130
National taxes and dues	23,800	21,891
Fund administration fees	12,097	17,941
Professional fees	22,681	19,350
Asset management fees	595,027	555,474
Asset custodian fees	25,388	25,276
Business trustee fees	<u>42,313</u>	<u>42,126</u>
	<u>1,383,912</u>	<u>1,326,823</u>
	<u>3,779,630</u>	<u>3,503,031</u>
OPERATING INCOME	<u>7,259,815</u>	<u>6,881,341</u>
NON-OPERATING INCOME:		
Interest income	₩ 153,673	₩ 100,345
Arrearage charge	7,480	-
Compensation for damages	10,297	91,596
Other income	<u>301</u>	<u>6,367</u>
	<u>171,751</u>	<u>198,308</u>
NON-OPERATING EXPENSES:		
Interest expense	2,617,254	2,585,343
Other expenses	<u>-</u>	<u>20</u>
	<u>2,617,254</u>	<u>2,585,363</u>
ORDINARY INCOME	4,814,312	4,494,286
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>
INCOME BEFORE INCOME TAX	4,814,312	4,494,286
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>
NET INCOME	<u>₩ 4,814,312</u>	<u>₩ 4,494,286</u>
ORDINARY INCOME PER SHARE	<u>₩ 315</u>	<u>₩ 295</u>
NET INCOME PER SHARE	<u>₩ 315</u>	<u>₩ 295</u>

STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2005 AND JUNE 30, 2005

	Korean Won	
	2005. 12. 31	2005. 6. 30
(In thousands)		
RETAINED EARNINGS BEFORE APPROPRIATIONS:		
Deficit at the beginning of the period	₩ (338,735)	₩ -
Net income	4,814,312	4,494,286
	4,475,577	4,494,286
APPROPRIATIONS:		
Amortization of capital adjustments	189,879	189,879
Dividends	4,814,312	4,643,142
(Dividend rate 6.31%, Dividend per share KRW 315.5)	5,004,191	4,833,021
ACCUMULATED DEFICIT TO BE CARRIED FORWARD TO SUBSEQUENT PERIOD	₩ (528,614)	₩ (338,735)

\* Dividend rate according to the business plan : 5.34% (Dividend per share KRW 267.2)

## Resolution 2. Approval on business plan for FY5 & FY6

The business plan for Year 2006 (FY5&FY6) 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 FY5 & FY6.  
(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

	2006 Total	2006-01	2006-02	2006-03	2006-04	2006-05	2006-06
(Unit : KRW Mil, Net of VAT)							
Revenue	21,995	1,828	1,823	1,840	1,839	1,792	1,792
Property Operating Expenses	4,946	467	428	477	423	342	336
Gross Operating Income	17,048	1,361	1,395	1,363	1,415	1,450	1,455
Fund Operating Expenses	2,886	233	243	235	242	244	247
Operating Income	14,162	1,128	1,152	1,128	1,173	1,206	1,209
Non-Operating Income	200	17	17	17	17	17	17
Non-Operating Expense	5,035	441	384	427	413	427	413
Ordinary Income	9,327	704	785	718	777	796	813
Dividend from Legal Reserve	-	-	-	-	-	-	-
Dividend	9,327	704	785	718	777	796	813

<b>DIVIDEND</b>		<b>FY5</b>	<b>FY6</b>			
	<b>9,327</b>	<b>4,593</b>	<b>4,734</b>			
Dividend Rate	<b>12.22%</b>	<b>6.02%</b>	<b>6.20%</b>			
Annualised Dividend Rate	<b>12.22%</b>	<b>12.04%</b>	<b>12.41%</b>			
	<b>2006-07</b>	<b>2006-08</b>	<b>2006-09</b>	<b>2006-10</b>	<b>2006-11</b>	<b>2006-12</b>
<b>(Unit : KRW Mil, Net of VAT)</b>						
Revenue	1,816	1,848	1,837	1,851	1,864	1,865
Property Operating Expenses	378	443	499	386	390	377
Gross Operating Income	1,438	1,405	1,338	1,465	1,474	1,487
Fund Operating Expenses	241	235	231	244	247	246
Operating Income	1,197	1,171	1,107	1,221	1,227	1,241
Non-Operating Income	17	17	17	17	17	17
Non-Operating Expense	427	427	413	427	413	427
Ordinary Income	788	761	712	811	832	831
Dividend from Legal Reserve	-	-	-	-	-	-
Dividend	788	761	712	811	832	831

### 3.Capital expenditure program

1) Capital expenditure programs to be approved from Board for new CAPEX plan year 2006 in addition to the existing CAPEX plan in year 2005 are as follows.

<b>Items</b>	<b>Schedule</b>	<b>Budget(mil.KRW)</b>
Replacement of handle of stairs in emergency exit	January	65
Replace pipe of fire pump	May	65
Replacement of loop pipe drain on 24 <sup>th</sup> floor ceiling	February	50
Replacement of lighting box in office space	September	450
Replacement of low voltage panel and renovation of transformer in rooftop	June	700
Replacement of sprinkler head in office zone	January	95
<b>Total</b>		<b>1,425</b>

- Manager's proposal for these refurbishment works are based upon the Due Diligence report from Hanmi Parsons and re-due diligence reports from SAMS, our property manager.

2) Funding plan of capital expenditure program in year 2006

- 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.

4.Board's estimate on the dividend rate schedules for investment period based on the dividend policy and business plan is follows.

	<b>FY1</b>	<b>FY2</b>	<b>FY3</b>	<b>FY4</b>	<b>FY5</b>	<b>FY6</b>	<b>FY7</b>	<b>FY8</b>	<b>FY9</b>	<b>FY10</b>
	<b>2004-06</b>	<b>2004-12</b>	<b>2005-06</b>	<b>2005-12</b>	<b>2006-06</b>	<b>2006-12</b>	<b>2007-06</b>	<b>2007-12</b>	<b>2008-06</b>	<b>2008-12</b>
Dividend KRW Mil)	3,502	3,683	4,643	4,814	4,593	4,734	4,316	4,415	4,789	10,953
Nominal Dividend ®	4.59%	4.83%	6.09%	6.31%	6.02%	6.20%	5.66%	5.79%	6.28%	14.36%
Annualised Dividend ®	8.27%	9.65%	12.27%	12.52%	12.04%	12.41%	11.31%	11.57%	12.55%	28.71%
Average Dividend ®	13.13%									

- FY5 & FY6 : Based on the business plan 2006
- FY7 to FY10 : Based on the reflecting the amended REIC Act into the initial business plan approved by Inaugural Meeting. (No legal reserve for net income and decrease of income tax thereafter).

### **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.)

Conclusion of Meeting