

**MACQUARIE CENTRAL OFFICE CR REIT
25TH BOARD OF DIRECTORS MEETING
22 FEBRUARY 2007**

The Board of Directors meeting was held at the office of Macquarie Property Advisors Korea Ltd., at the 3F Hanwha Building, 110 Sokong dong, Chung-Ku, Seoul Korea on 22 February 2007 commencing at 10:00 am.

Directors in attendance:

Kwan Young Kim (MBL)
Jeong Ho Kim (SAP)
Jong Pil Park (Samsung Life)
Woonglim Choi (Samsung F&M)
Jae Young Jeong (LIG)

Statutory Auditor

Dae-Sup Roh

Apology

Joo Hyun Cho (MBL)

Invited:

Richard Han from Macquarie Property Advisors Korea
Seungmi Yang from Woori Bank

Order of Business

Election of Chair for the Meeting

Kwan Young Kim acted as Chair for the meeting

Acceptance of Minutes of Board of Directors Meeting

It was *resolved* to accept the minutes of the previous meeting as a true and accurate reflection of that meeting

Resolution One – Approval on audited Financial Statements, MOCT Investment Report and Annual Report for Sixth Fiscal Year ended on 31 December 2006

The Board reviewed the draft Investment Report for MOCT/FSC and Annual Report for KSE/FSC as well as audited Financial Statements. After their review, Board *resolved* to approve the reports and submit the reports to MOCT, FSC and KSE and to authorise the posting of the reports on the appropriate websites. The Board approved the fee of Manager, Business Trustee and Asset Custodian based on the financial statements.

Resolution Two – Dividend payment

The Board *approved* the dividend payment plan as per the statements of appropriations of retained earnings of the Company. The dividend will be paid to shareholders on 22 March 2007. The Board also authorised the public disclosure of dividend payment plan of the Company for FY6.

Resolution Three – Business Plan approval for Year 2007 (FY7 & FY8)

The Board *resolved* to propose the shareholders meeting to approve the draft of business plan for Year 2007 which has been updated by Asset Manager from the initial business plan approved by the inaugural meeting.

Other than the following items, MCO CR REIT will pursue same business plan that were approved from Inaugural Meeting at 12 December 2003.

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	

	2007 Total	2007-01	2007-02	2007-03	2007-04	2007-05	2007-06
(Unit : KRW Mil, Net of VAT)							
Non-Operating Income	15	15	15	15	15	15	15
Non-Operating Expense	441	441	427	441	427	441	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 the 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 Four – Reappointment of Directors

The Board *resolved* to convene a shareholders meeting for the re-appointment of following directors as their terms of the office are finished this March and proposed the shareholders meeting to re-appoint them as directors of MCO CR REIT.

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

The appointment of the directors will be effective from the date of shareholders' meeting on 15 March 2007 when the Meeting approves to appoint these candidates as directors of MCO CR REIT.

Resolution Five – Approval on amended Internal Control Standards of MCO CR REIT

The Board *approved* the amendment of the Internal Control Standards of MPAK pursuant to the recommendation of the FSS auditors.

Current	Amendment (Draft)
<p>Article 3. Division of Works and Organizational Structure</p> <p>3. The Company shall cause its compliance officer to monitor and redress compliance of the Applicable Laws by the officers.</p>	<p>Article 3. Division of Works and Organizational Structure</p> <p>3. The Company may cause its compliance officer to monitor and redress compliance of the Applicable Laws by the officers.</p>
<p>Article 4. Compliance Officer</p> <p>1. The board of directors of the Company shall appoint a person with sufficient experience and capability as the Company’s compliance officer to efficiently supervise compliance with the Applicable Laws by the Company and its officers.</p>	<p>Article 4. Compliance Officer</p> <p>1. The board of directors of the Company may appoint a person with sufficient experience and capability as the Company’s compliance officer to efficiently supervise compliance with the Applicable Laws by the Company and its officers.</p>

Resolution Six – Approval on amended Asset Management Agreement with MPAK

The Board *rejected* the amendment of the Asset Management Agreement with MPAK pursuant to the recommendation of the FSS auditors.

Current	Amendment (Draft)

Current	Amendment (Draft)
<p data-bbox="225 253 794 293"><u>Article9. Compensation (5)</u></p> <p data-bbox="225 304 794 344">-----Omission-----</p> <p data-bbox="225 356 794 719">The performance fee shall be calculated as 40% of any excess over the IRR of 11.5% for the 5 year period, subject to the satisfaction of the requirements for the entitlement to disposition fee provided in this Article 9(5). Both the disposition fee and the performance fee shall be due and payable upon the liquidation.</p>	<p data-bbox="794 253 1356 293"><u>Article9. Compensation (5)</u></p> <p data-bbox="794 304 1356 344">-----Omission-----</p> <p data-bbox="794 356 1356 719">The performance fee shall be calculated as 40% of any excess over the IRR of 11.5% for the 5 year period, subject to the satisfaction of the requirements for the entitlement to disposition fee provided in this Article 9(5). Both the disposition fee and the performance fee shall be due and payable upon the liquidation.</p> <p data-bbox="794 730 1356 1001"><u>The performance fee shall be calculated according to the following formula.</u> <u>The Performance fee = (Sales price – Costs related to the sale – Sales price achievable to IRR 11.5% - Disposition fee) × 40%</u></p>

Resolution Seven – Convocation of General Shareholders’ Meeting

The Board *resolved* to convene a shareholders meeting of MCO CR REIT as follows.

- Date : 15 March 2007 at AM 10:00
- Place: 3F Conference room, Hanwha building,
110 Sokong-dong, Chung-ku, Seoul, Korea
- Agenda :

- 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

Receipt of Asset Management report

The Board noted the receipt of an asset management report of MCO CR REIT from the Macquarie Property Advisors Korea Ltd detailing key facts relating to the property for the period from 1 July 2006 to 31 December 2006 and approved the contents thereof.

Receipt of Compliance Review report

The Compliance Director noted the receipt of compliance review report of MCO CR REIT from the Macquarie Property Advisors Korea Ltd for the period from 1 July 2006 to 31 December 2006 and approved the contents thereof.

Appendices

1. Minutes of previous meeting
2. Financial Statements
3. MOCT Investment Report / Annual Report
4. Policy of Internal Accounting Management System
5. Internal Control Standard for MCO CR REIT
6. Asset Management Agreement between MCO CR REIT and MPAK
7. Asset Managers report
8. Compliance Review Report