

HANATOUR SERVICE INC.

NON-CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2005 AND 2004

	Korean Won	
	2005	2004
	(In thousands)	
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents (Note 14)	₩ 11,925,638	₩ 7,705,464
Short-term financial instruments (Note 3)	13,203,000	22,203,000
Trade receivables, net of allowance for doubtful accounts of ₩201,855 thousand in 2005 and ₩226,079 thousand in 2004 (Note 13)	10,425,511	6,180,295
Short-term loans (Note 13)	55,000	150,151
Accounts receivable-other, net of allowance for doubtful accounts of ₩1,197 thousand in 2005 and ₩1,614 thousand in 2004	424,329	230,895
Accrued income	252,996	416,011
Advanced payments, net of allowance for doubtful accounts of ₩394,742 thousand in 2005 and ₩26,720 thousand in 2004 (Note 13)	8,584,125	6,557,898
Prepaid expenses	685,415	376,781
Deferred income tax assets (Note 11)	193,183	-
Total current assets	45,749,197	43,820,495
NON-CURRENT ASSETS:		
Long-term financial instruments (Note 3)	2,500	2,500
Available-for-sale securities (Note 4)	-	424,647
Investment securities accounted for using the equity method (Note 5)	8,278,745	8,175,704
Guarantee deposits	1,733,368	3,426,877
Membership	471,711	471,711
Property and equipment, net of accumulated depreciation of ₩3,385,224 thousand in 2005 and ₩2,210,074 thousand in 2004 (Notes 6 and 7)	30,283,544	1,444,498
Intangible assets, net of amortization (Note 8)	79,602	27,227
Total non-current assets	40,849,470	13,973,164
Total assets	₩ 86,598,667	₩ 57,793,659

((Continued))

HANATOUR SERVICE INC.

NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF DECEMBER 31, 2005 AND 2004

	Korean Won	
	2005	2004
	(In thousands)	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable-other (Notes 13 and 14)	₩ 11,706,544	₩ 10,792,479
Advanced receipts	1,371,282	865,124
Withholdings	619,427	393,927
Accrued expenses	328,189	1,426,273
Income tax payable (Note 11)	4,912,601	2,993,757
VAT withholdings	1,479,474	998,506
Deposits received for overseas traveling	17,633,505	11,095,549
Rental deposits received (Notes 6 and 13)	5,521,140	503,476
Operating deposits received from agents	216,900	144,000
Total current liabilities	43,789,062	29,213,091
LONG-TERM LIABILITIES:		
Deferred income tax liabilities (Note 11)	552,435	401,610
Total long-term liabilities	552,435	401,610
Total liabilities	44,341,497	29,614,701
SHAREHOLDERS' EQUITY (Note 9):		
Capital stock	5,158,693	5,158,693
Capital surplus	261,363	3,671,057
Retained earnings		
(Net income of ₩16,641,099 thousand in 2005	39,555,792	27,445,274
and ₩10,615,669 thousand in 2004)	(2,718,678)	(8,096,066)
Capital adjustments	42,257,170	28,178,958
Total shareholders' equity	₩ 86,598,667	₩ 57,793,659
Total liabilities and shareholders' equity		

See accompanying notes to non-consolidated financial statements.