

HANATOUR SERVICE INC.

NON-CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

	Korean Won	
	June 30, 2006	December 31, 2005
	(In thousands)	
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents (Note 13)	₩ 19,558,020	₩ 11,925,638
Short-term financial instruments (Note 3)	20,388,000	13,203,000
Trade receivables, net of allowance for doubtful accounts of ₩206,466 thousand as of June 30, 2006 and ₩201,855 thousand as of December 31, 2005 (Note 12)	12,806,492	10,425,511
Short-term loans (Notes 4 and 12)	135,000	55,000
Accounts receivable-other, net of allowance for doubtful accounts of ₩6,596 thousand as of June 30, 2006 and ₩1,197 thousand as of December 31, 2005	777,177	424,329
Accrued income (Note 12)	820,797	252,996
Advanced payments, net of allowance for doubtful accounts of ₩393,152 thousand as of June 30, 2006 and ₩394,742 thousand as of December 31, 2005 (Note 12)	10,587,462	8,584,125
Prepaid expenses	1,152,359	685,415
Deferred income tax assets (Note 10)	161,582	193,183
Total current assets	66,386,889	45,749,197
NON-CURRENT ASSETS:		
Long-term financial instruments (Note 3)	2,500	2,500
Investment securities accounted for using the equity method (Note 5)	10,504,785	8,278,745
Guarantee deposits	2,522,365	1,733,368
Membership	471,711	471,711
Property and equipment, net of accumulated depreciation of ₩3,938,077 thousand as of June 30, 2006 and ₩3,385,224 thousand as of December 31, 2005 (Notes 6 and 7)	30,266,593	30,283,543
Intangible assets, net of amortization (Note 8)	222,387	79,603
Total non-current assets	43,990,341	40,849,470
Total assets	₩ 110,377,230	₩ 86,598,667

(Continued)

HANATOUR SERVICE INC.

NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF JUNE 30, 2006 AND DECEMBER 31, 2005

	Korean Won	
	June 30, 2006	December 31, 2005
	(In thousands)	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable-other (Notes 12 and 13)	₩ 23,156,348	₩ 11,706,544
Advanced receipts (Note 12)	1,673,587	1,371,282
Withholdings	3,953,445	619,427
Accrued expenses (Note 12)	2,824,080	328,189
Income tax payable	3,256,731	4,912,601
VAT withholdings	1,574,333	1,479,474
Deposits received for overseas traveling	20,814,541	17,633,505
Rental deposits received (Note 12)	5,034,801	5,521,140
Operating deposits received	205,230	216,900
Total current liabilities	62,493,096	43,789,062
LONG-TERM LIABILITIES:		
Deferred income tax liabilities (Note 10)	286,018	552,435
Total long-term liabilities	286,018	552,435
Total liabilities	62,779,114	44,341,497
COMMITMENT AND CONTINGENCY (Note 15):		
SHAREHOLDERS' EQUITY:		
Capital stock (Note 9)	5,227,593	5,158,693
Capital surplus (Note 9)	957,986	261,363
Retained earnings (Note 9)		
(Net income of ₩10,281,101 thousand for the six months ended June 30, 2006 and ₩16,641,099 thousand for the year ended December 31, 2005)	46,278,308	39,555,792
Capital adjustments (Notes 5 and 9)	(4,865,771)	(2,718,678)
Total shareholders' equity	47,598,116	42,257,170
Total liabilities and shareholders' equity	₩ 110,377,230	₩ 86,598,667

See accompanying notes to non-consolidated financial statements.