HANATOUR SERVICE INC.

NON-CONSOLIDATED STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		Korean Won				
		2009	2008			
		(In the	ousand	s)		
RETAINED EARNING BEFORE APPROPRIATIONS:						
Unappropriated retained earnings carried over from prior years	₩	24,144,603	₩	42,217,759		
Interim cash dividends (Note 12)		(2,701,980)		(5,670,887)		
Legal reserve for interim cash dividends		-		(567,089)		
Net income (loss)		(4,837,022)		5,030,257		
		16,605,601		41,010,040		
APPROPRIATIONS: Legal reserve for cash dividends						
Loss on disposal of treasury stock		-		14,150,592		
Cash dividends (Note 12)		2,701,981 2,701,981		2,714,845 16,865,437		
UNAPPROPRIATED RETAINED EARNINGS TO BE CARRIED FORWARD TO SUBSEQUENT YEAR	₩	13,903,620	₩	24,144,603		

See accompanying notes to non-consolidated financial statements.

HANATOUR SERVICE INC.

NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLEDRS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		Korean Won							
Capital forces Capita									
Stock Surplus Adjustments Income (loss) Carnings Amount (In thusural)									
Stock Surplus Adjustments Income (loss) Carnings Amount (In thusural)		Capital	Capital	Capital	comprehensive	Retained	Total		
Samuary 1, 2008				-			amount		
Payment of cash dividend									
Payment of cash dividend	January 1, 2008	₩5 808 093	₩ 60 688 560	₩(30 404 399)	₩ (72.704)	₩63 382 018	₩99 401 568		
Amortization of loss on disposal of treasury stock Balance after appropriation		-	-	-	(72,704)				
disposal of treasury stock Balance after appropriation 5,808093 60,688,560 (18,183,606) (72,704) 45,553,132 93,793,475 Payment of interim cash dividend Net income - - - - (5,670,887) (5,691,047) (5,670,887) (5,670,887) (5,670,887) (5,671,887) (5,671,887) (5,671,887) (5,671,887) (5,671,887) (5,671,887) (5,671,887) (5,67	•					(3,000,073)	(3,000,073)		
Balance after appropriation Payment of interim cash dividend Net income 5,808093 60,688,560 (18,183,606) (72,704) 45,553,132 93,793,475 Net income - - - - 5,030,257 5,030,257 5,030,257 Acquisition of treasury stock Disposal of treasury stock Exercise of stock option rights - - (26,916,847) - - (26,916,847) Loss on disposal of treasury stock Stock compensation expense - - (2,911,087) - - (2,911,087) Stock compensation expense - - (14,150,592) - - (2,911,087) Changes in gain on valuation of investment securities - - - 2,161,164 - 2,161,164 Changes in loss on valuation of investment securities - - - (184,903) - (184,903) December 31, 2008 W5,808,093 W60,688,560 W(23,892,143) W 1,903,557 W44,912,502 W89,420,569 Payment of cash dividend Amortization of loss on disposal of treasury stock - - 14,150,592 - (14,150		_	_	12 220 793	_	(12 220 793)	_		
Payment of interim cash dividend Net income - - - - -		5 808093	60 688 560		(72.704)				
Net income		-	-	(10,103,000)	-				
Acquisition of treasury stock Disposal of treasury stock Disposal of treasury stock Exercise of stock option rights Loss on disposal of treasury stock Stock compensation expense Changes in gain on valuation of investment securities Changes in loss on valuation of investment securities December 31, 2008 W5,808,093 W5,808,093 W60,688,560 W(23,892,143) W1,903,557 W44,912,502 W89,420,569 Payment of cash dividend Amortization of loss on disposal of treasury stock Balance after appropriation Net loss Payment of interim cash dividend Net loss Loss Acquisition of treasury stock Unexercised stock option rights Gain on disposal of treasury stock Unexercised stock option rights Gain on disposal of treasury stock Stock compensation expense Changes in gain on valuation of investment securities Loss of dividend Loss of dividend Loss Loss of dividend Loss Loss of dividend Loss of dividend Loss Loss of dividend Loss of dividend Loss Loss of dividend Loss Loss of dividend Lo		_	_	_	_				
Disposal of treasury stock Exercise of stock option rights Loss on disposal of treasury stock Stock compensation expense Changes in gain on valuation of investment securities Changes in loss on valuation of investment securities (184,903) December 31, 2008 W5,808,093 W60,688,560 W(23,892,143) W1,903,557 W44,912,502 W89,420,569 Payment of cash dividend Amortization of loss on disposal of treasury stock Balance after appropriation Net loss 14,150,592 Acquisition of treasury stock Changes in gain on valuation of investment securities Changes in gain on valuation of investment securities Changes in loss on valuation of investment securities Changes in loss on valuation of investment securities (2,141,50,592) (4,837,022) (4,837,		_	_	(26 916 847)	_				
Exercise of stock option rights - - (2,911,087) - - (2,911,087)		_	_		_	_			
Loss on disposal of treasury stock Stock compensation expense		_	_		_	_			
Stock compensation expense - - 6,745,255 - - 6,745,255		_	_		_	_			
Changes in gain on valuation of investment securities Changes in loss on valuation of investment securities Changes in loss on valuation of investment securities December 31, 2008 W5,808,093 W60,688,560 W(23,892,143) W1,903,557 W44,912,502 W89,420,569 Payment of cash dividend Amortization of loss on disposal of treasury stock Balance after appropriation Payment of interim cash dividend Net loss Acquisition of treasury stock Changes in gain on valuation of investment securities Changes in gain on valuation of investment securities Changes in loss on valuation of investment securities (14,150,592) (14,150,592) (14,150,592) (14,150,592) (14,150,592) (14,150,592) (2,701,980) - (2,701,980) - (2,701,980) - (2,701,980) - (2,701,980) - (4,837,022) - (4,837,022) - (4,837,022) (1,486,163) (1,486,		_	_		_	_			
investment securities Changes in loss on valuation of investment securities December 31, 2008 W5,808,093 W60,688,560 W(23,892,143) W1,903,557 W44,912,502 W89,420,569		_	_	0,743,233	_	_	0,743,233		
Changes in loss on valuation of investment securities December 31, 2008 W5,808,093 W60,688,560 W(23,892,143) W1,903,557 W44,912,502 W89,420,569 Payment of cash dividend Amortization of loss on disposal of treasury stock Balance after appropriation Net loss Acquisition of treasury stock Disposal of treasury stock Canion disposal of treasury stock Disposal of treasury stock Disposal of treasury stock Disposal of treasury stock Changes in gain on valuation of investment securities Disposal of treasury stock Changes in loss on valuation of investment securities Disposal of treasury stock Dispo					2 161 164		2 161 164		
Investment securities		_	-	_	2,101,104	_	2,101,104		
December 31, 2008					(184 903)	1	(184 903)		
January 1, 2009 \$\\$5,808,093 \$\\$60,688,560 \$\\$(23,892,143)\$ \$\\$1,903,557 \$\\$44,912,502 \$\\$89,420,569 Payment of cash dividend Amortization of loss on disposal of treasury stock - - 14,150,592 - (14,150,592) - Balance after appropriation Payment of interim cash dividend Net loss - - - - - (2,701,980) (2,701,980) (2,701,980) Net loss - - - - - (4,837,022)		W 5 000 002	W 60 600 560	W(22 902 142)					
Payment of cash dividend Amortization of loss on disposal of treasury stock	December 31, 2008	<u>w 5,808,095</u>	<u>w ou,088,300</u>	<u>W (23,892,143</u>)	<u>W 1,903,337</u>	<u>W 44,912,502</u>	<u>W 89,420,369</u>		
Amortization of loss on disposal of treasury stock	January 1, 2009	₩5,808,093	₩ 60,688,560	₩ (23,892,143)	₩ 1,903,557	₩44,912,502	₩89,420,569		
disposal of treasury stock - - 14,150,592 - (14,150,592) - Balance after appropriation 5,808,093 60,688,560 (9,741,551) 1,903,557 28,047,065 86,705,724 Payment of interim cash dividend - - - - (2,701,980) (2,701,980) Net loss - - - - (4,837,022) (4,837,022) Acquisition of treasury stock - - (1,486,163) - - (1,486,163) Disposal of treasury stock - - 6,531,601 - - 6,531,600 Unexercised stock option rights - 9,356,728 (9,356,728) - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 -	Payment of cash dividend	-	-	-	-	(2,714,845)	(2,714,845)		
Balance after appropriation 5,808,093 60,688,560 (9,741,551) 1,903,557 28,047,065 86,705,724 Payment of interim cash dividend - - - - (2,701,980) (2,701,980) Net loss - - - - (4,837,022) (4,837,022) Acquisition of treasury stock - - (1,486,163) - - (1,486,163) Disposal of treasury stock - - 6,531,601 - - 6,531,600 Unexercised stock option rights - 9,356,728 (9,356,728) - - - - Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420	Amortization of loss on								
Balance after appropriation 5,808,093 60,688,560 (9,741,551) 1,903,557 28,047,065 86,705,724 Payment of interim cash dividend - - - - (2,701,980) (2,701,980) Net loss - - - - (4,837,022) (4,837,022) Acquisition of treasury stock - - (1,486,163) - - (1,486,163) Disposal of treasury stock - - 6,531,601 - - 6,531,600 Unexercised stock option rights - 9,356,728 (9,356,728) - - - - Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420	disposal of treasury stock			14,150,592		(14,150,592)			
Net loss - - - - (4,837,022) (4,837,022) Acquisition of treasury stock - - (1,486,163) - - (1,486,163) Disposal of treasury stock - - 6,531,601 - - 6,531,600 Unexercised stock option rights - 9,356,728 (9,356,728) - - - - Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420		5,808,093	60,688,560	(9,741,551)	1,903,557	28,047,065	86,705,724		
Net loss - - - - (4,837,022) (4,837,022) Acquisition of treasury stock - - (1,486,163) - - (1,486,163) Disposal of treasury stock - - 6,531,601 - - 6,531,600 Unexercised stock option rights - 9,356,728 (9,356,728) - - - - Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420		- -	- -	-	-	(2,701,980)	(2,701,980)		
Acquisition of treasury stock (1,486,163) (1,486,163) Disposal of treasury stock 6,531,601 6,531,600 Unexercised stock option rights - 9,356,728 (9,356,728) 2,145,746 Stock compensation expense 4,311,121 4,311,121 Changes in gain on valuation of investment securities 222,620 - 222,621 Changes in loss on valuation of investment securities 35,420 - 35,420		-	-	-	-	(4,837,022)	(4,837,022)		
Unexercised stock option rights - 9,356,728 (9,356,728) - - - - Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420	Acquisition of treasury stock	_	_	(1,486,163)	_	-			
Unexercised stock option rights - 9,356,728 (9,356,728) - - - - Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420	Disposal of treasury stock	_	_	6,531,601	-	-	6,531,600		
Gain on disposal of treasury stock - 2,145,746 - - - 2,145,746 Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - 35,420 - 35,420		_	9,356,728		_	-	- -		
Stock compensation expense - - 4,311,121 - - 4,311,121 Changes in gain on valuation of investment securities - - - - 222,620 - 222,621 Changes in loss on valuation of investment securities - - - - 35,420 - 35,420		_	2,145,746		-	-	2,145,746		
Changes in gain on valuation of investment securities 222,620 - 222,621 Changes in loss on valuation of investment securities 35,420 - 35,420		_	-		_	-			
investment securities 222,620 - 222,621 Changes in loss on valuation of investment securities 35,420 - 35,420				, , ,			, ,		
Changes in loss on valuation of investment securities 35,420 - 35,420		-	-	-	222,620	-	222,621		
investment securities					,		,		
	_	-	-	-	35,420	_	35,420		
		₩5,808,093	₩ 72,191,034	₩ (9,741,720)		₩20,508,063			

See accompanying notes to non-consolidated financial statements.