

8. INTANGIBLE ASSETS:

Intangible assets as of December 31, 2007 and 2006 are as follows:

	<u>Korean won (In thousands)</u>	
	<u>2007</u>	<u>2006</u>
Development costs	₩ 213,873,947	₩ 197,304,243
Usage right for donated properties	<u>22,174,415</u>	<u>24,213,698</u>
	<u>₩ 236,048,362</u>	<u>₩ 221,517,941</u>

Intangible assets as of December 31, 2007 and 2006 are summarized as follows:

	<u>Korean won (In thousands)</u>			
	<u>Development Cost</u>		<u>Usage right for donated properties</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Beginning balance	₩ 197,304,243	₩ 164,889,432	₩24,213,698	₩26,252,981
Capitalized	54,750,934	61,278,856	-	
Amortization	<u>(38,181,230)</u>	<u>(28,864,045)</u>	<u>(2,039,283)</u>	
Ending balance	<u>₩ 213,873,947</u>	<u>₩ 197,304,243</u>	<u>₩22,174,415</u>	<u>₩24,213,698</u>

Research costs amounting to ₩17,530,156 thousand and ₩15,331,047 thousand, and ordinary development costs amounting to ₩75,059,849 thousand and ₩49,304,575 thousand are included in selling and administrative expenses for the year ended December 31, 2007 and 2006, respectively. The amortized development costs of ₩38,181,230 thousand and ₩28,864,045 thousand are included in the cost of sales and selling and administration expenses for the year ended December 31, 2007 and 2006, respectively.