

10. ACCRUED SEVERANCE BENEFITS:

Accrued severance benefits as of December 31, 2005 and 2004 are as follows:

	<u>Korean won (In thousands)</u>	
	<u>2005</u>	<u>2004</u>
Beginning balance	₩ 1,005,940,296	₩ 972,164,618
Severance payment	(154,672,246)	(124,481,685)
Provisions	<u>167,567,742</u>	<u>158,257,363</u>
	1,018,835,792	1,005,940,296
Less: Severance insurance	(822,731,766)	(786,912,120)
National pension	<u>(44,853,539)</u>	<u>(51,333,910)</u>
Ending balance	<u>₩ 151,250,487</u>	<u>₩ 167,694,266</u>

Accrued severance benefits are funded approximately 80.8% and 78.2% as of December 31, 2005 and 2004, respectively, through certain insurance plans with Kyobo Life Insurance Co., Ltd. and other insurance companies. The unused portion of severance insurance deposits for these insurance plans is deducted from accrued severance benefits.