

8. INTANGIBLE ASSETS:

Intangible assets as of December 31, 2005 and 2004 are as follows:

	<u>Korean won (In thousands)</u>	
	<u>2005</u>	<u>2004</u>
Development costs	₩ 164,889,432	₩ 132,691,315
Usage right for donated properties	<u>26,252,981</u>	<u>28,292,264</u>
	<u>₩ 191,142,413</u>	<u>₩ 160,983,579</u>

Intangible assets as of December 31, 2005 and 2004 are summarized as follows:

	<u>Korean won (In thousands)</u>			
	<u>Development Cost</u>		<u>Usage right for donated properties</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Beginning balance	₩ 132,691,315	₩ 115,486,197	₩ 28,292,264	₩ 30,331,548
Capitalized	62,550,859	57,006,275	-	-
Amortization	(30,352,742)	(32,959,055)	(2,039,283)	(2,039,284)
Disposed	-	(6,842,102)	-	-
Ending balance	<u>₩ 164,889,432</u>	<u>₩ 132,691,315</u>	<u>₩ 26,252,981</u>	<u>₩ 28,292,264</u>

Research costs amounting to ₩13,418,863 thousand and ₩16,021,643 thousand, and ordinary development costs amounting to ₩52,589,859 thousand and ₩38,693,631 thousand are included in selling and administrative expenses for the years ended December 31, 2005 and 2004, respectively. The amortized development costs of ₩30,352,742 thousand and ₩32,959,055 thousand are included in the cost of sales and selling and administration expenses for the years ended December 31, 2005 and 2004, respectively.