

I. Company Overview

1. Company Overview

(1) Name of the Company

『글로벌비스주식회사』 and expressed as 『GLOVIS Co., Ltd.』 in English.

(2) Establishment Date of the Company, etc.

The Company was established on Feb. 22, 2001 to pursue the efficiency by integrating logistics of Hyundai Automotive Group. Since then, the Company continues to grow as an automotive-specialized logistics company and was listed on the Korea Exchange on Dec. 26, 2005.

(3) Address of the Company, etc.

Address : Milim Tower 12~15F, 825-22 Yeoksam-dong, Gangnam-gu, Seoul

Telephone : 02-2054-7114

Homepage : <http://www.glovis.net>

(4) Major Businesses

The Company conducts Total Logistics Business and Distribution/Sales Business.

[Total Logistics]

Total Logistics is the transport business for the freight consigned by the owner of goods. Total Logistics is again categorized into Korea Logistics and International Logistics by the regions where the logistics activities occur. Korea Logistics is related to the logistics in domestic market whereas International Logistics is for the inbound and outbound logistics.

[Distribution/Sales]

The Company's Distribution/Sales has CKD and Merchandise Sales businesses.

CKD stands for Complete Knock Down and it is an exporting activity for parts in smallest unit. It is one of KD transport exporting of semi-finished product, not finished products.

The Company currently provides CKD parts procuring service business to Hyundai Motor Manufacturing Alabama and Czech, Kia Motors Slovakia and Georgia.

Besides CKD parts, the Company sells various merchandises, mostly used cars. In Used Car Business, the Company operates used car auction center by wholesale and at present there are two auction centers in Bundang and Sihwa.

※ More details on major businesses are stated in 'II. Business Overview.'

(5) Affiliates

In accordance with Monopoly Regulation and Fair Trade Act and as of this annual report date (Dec. 31, 2009), the Company is an affiliate in Hyundai Automotive Group and there are 41 affiliated companies in Korea (including GLOVIS) and 162 affiliated companies in overseas.

For further details on affiliated companies, please refer to 'VI. Board of Directors, Corporate Governance, and Related Companies 4. Affiliated Companies under the Group, etc. A. Affiliated Companies.'

(6) Credit Rating

Credit ratings evaluated and provided by credit bureaus over the last recent 3 fiscal years are as follows as of this annual report date.

① Korea Domestic

– National Information & Credit Evaluation :

Commercial Paper, A2, Initial rating(Jun. 22, 2007)

Commercial Paper, A2, Rating update(Dec. 26, 2007)

– Korea Investors Service :

Commercial Paper, A2, Initial rating(Jun. 25, 2007)

Commercial Paper, A2, Rating update(Dec. 28, 2007)

② Overseas

– S&P : Corporate Bond, BBB– (stable), Jun. 5, 2008

Corporate Bond, BBB– (negative), Jan. 15, 2009

– Moody's : Corporate Bond, Baa3 (stable), Jun. 18, 2008

Corporate Bond, Baa3 (negative), Apr. 21, 2009

Corporate Bond, Baa3 (stable), Nov. 11, 2009

※ S&P's outlook on the Company had been revised to BBB– (stable) on Jan. 27, 2010.

Definition of each rating provided are as follows.

A2 on Korea domestic commercial paper means that the ability of repayment on proper time is outstanding, but stability is inferior to A1 to some extent.

BBB(Baa) on overseas corporate bond indicates that principle amount payment ability is satisfactory but a potential drop of efficiency exists in future principle amount payment ability depending on economic circumstances and aggravation of surrounding situations.

2. Company History

A. Move and Location of Headquarters

Since the establishment, the Company had been located at 113-25 Wonhyo-ro 4ga Yongsan-gu, Seoul. On Jan. 1, 2007, the Company moved to Milim Tower at 825-22 Yeoksam-dong Gangnam-gu, Seoul.

B. Significant Changes in Corporate Governance

[Year 2005~2006]

The Company maintained one-single CEO structure with CEO Ju Eun Lee since its establishment.

[Year 2007]

On Mar. 9, Myeong Joong Yun inaugurated as CEO organizing separate CEO structure with CEO Ju Eun Lee. On May 4, Chi Woong Kim inaugurated as CEO after CEO Ju Eun Lee resigned.

[Year 2008]

Since CEO Myeong Joong Yun resigned on Jan. 1, the CEO structure was changed to one-single structure with CEO Chi Woong Kim. After CEO Chi Woong Kim resigned, Seung Suk Yang was inaugurated as CEO on Dec. 16.

[Year 2009]

Due to the resignation of CEO Seung Suk Yang, Kyung Sun Lee was inaugurated as a new CEO on Mar. 13, but after CEO Kyung Sun Lee resigned, Kyung Bae Kim was inaugurated as CEO on Jul. 23.

C. Change of the Company's Name

The Company was established on Feb. 22, 2001 with the name Hankook Logitech Co., Ltd. and changed its name to GLOVIS Co., Ltd. on Jun. 20, 2003.

D. Important Matters related to Business

[Year 2005]

- Established New Overseas Subsidiary : GLOVIS Slovakia, Beijing GLOVIS,
Jiangsu Yongchang GLOVIS, GLOVIS Australia
- Certified : Standardized Logistics Equipment
- Awarded : Grand Prize for Best Global Management
- Listed on the Korea Exchange

[Year 2006]

- Established New Overseas Subsidiary : GLOVIS Europe, GLOVIS India,
GLOBAL AUTO PROCESSING SERVICES Inc.
- Awarded : Grand Prizes for Korea Logistics and SCM in Korea

[Year 2007]

- Established New Overseas Subsidiary : GLOVIS Turkey, GLOVIS Czech, GLOVIS Georgia,
GLOVIS Hong Kong
- Certified : Integrated-Logistics Company, ISO Environmental Management System
- Awarded : Republic of Korea e-Business Award from the Ministry of Commerce, Industry and
Energy,
Trophy for 800 Million dollars of Exports,
Silver Medal for Industrial Development Contribution

[Year 2008]

- Entered into Finished Car Shipping Business
- Contracted 1st and 2nd Long-term Chartering Contracts for Hyundai Steel Raw Material Shipping
- Opened Sihwa Used Car Auction Center
- Obtained International Credit Rating (S&P, Moody's)
- Established New Overseas Subsidiary : GLOVIS Russia,
GLOBAL AUTO PROCESSING SERVICES ALABAMA, LLC
- Liquidated Overseas Subsidiary : Jiangsu Yongchang GLOVIS
- Certified : ISO 27001(International Information Security Management System)
- Awarded : The 3rd RFID Industrialization Presidential Award,
Trophy for 900 Million dollars from Exports

[Year 2009]

- Established New Overseas Subsidiary : GLOVIS Canada,
GLOBAL AUTO PROCESSING SERVICES GEORGIA, LLC
- Awarded : The 17th Korea Logistics Presidential Honor

3. Changes in Capital

A. Changes in Capital

(Unit : KRW, Shares)

Date of stock issue	Type of issue	Details				
		Type	Number of shares issued	Face value per share	Issue price per share	Remark
Oct. 31, 2005	Stock split	Common stock	27,000,000	500	500	Stock split
Dec. 26, 2005	Paid-in capital increase (public subscription)	Common stock	7,500,000	500	21,300	Listed on the securities market

4. Total Number of Shares

As of now Dec. 31, 2009, the total number of shares to be issued pursuant to the Company's Articles of Incorporation is 200,000,000 shares of common stock and the total number of issued shares is 37,500,000 shares of common stock. There are no shares issued other than common stocks. Also, the Company did not acquire any treasury stocks nor issued appraisal rights. Therefore the total number of circulating shares is 37,500,000 of common stock.

5. Status of Voting Rights

(As of Dec. 31, 2009)

(Unit: Shares)

Category		Number of shares	Remark
Issued and outstanding share(A)	Common stock	37,500,000	
	Preferred stock	—	
Shares without voting rights(B)	Common stock	—	
	Preferred stock	—	
Shares with limited voting rights pursuant to other acts(C)	Common stock	—	
	Preferred stock	—	
Shares with voting rights recovered(D)	Common stock	—	
	Preferred stock	—	
Shares with voting rights	Common stock	37,500,000	

Category		Number of shares	Remark
(E=A - B - C + D)	Preferred stock	-	

6. Matters on Dividends, etc.

Matters on dividend over the last recent 3 fiscal years are as below.

Category		9th FY	8th FY	7th FY
Face value per share (KRW)		500	500	500
Net income (KRW MN)		189,774	117,662	81,035
Earnings per share (KRW)		5,061	3,138	2,161
Total amount of cash dividend (KRW MN)		22,500	18,750	18,750
Total amount of share dividend (KRW MN)		-	-	-
Cash dividend payout ratio (%)		11.86	15.9	23.1
Cash dividend yield ratio (%)	Common stock	0.5	1.1	0.8
	Preferred stock	-	-	-
Share dividend yield ratio (%)	Common stock	-	-	-
	Preferred stock	-	-	-
Cash dividend per share (%)	Common stock	600	500	500
	Preferred stock	-	-	-
Share dividend per share (Share)	Common stock	-	-	-
	Preferred stock	-	-	-

The Company pays out annual dividend after the resolutions of the Board of Directors and Shareholders Meeting. Now been 8 years since its establishment, GLOVIS is a constantly-growing company; therefore the investment is necessary for its continuous growth.

However, even to that situation, the Company pays out dividends trying to realize shareholder-oriented management after its listing in 2005. The dividend for the 6th FY was KRW 150 per share and the dividends for the 7th and 8th FYs had been increased to KRW 500 per share and for 9th FY to KRW 600 per share.

II. Business Status

1. Business Overview

(1) Total Logistics Business

[Characteristics]

Logistics business relates to the flow of material that makes up the overall economy. The process includes transportation, storage, loading/unloading, packaging, and distribution processing.

Logistics business is affected by domestic cargo volume and import/export volume. It is relatively less affected by economic cycle compared with other business because sluggish economy and poor import/export do not coincide and cargo volume is steadily increasing despite the falling prices of products due to increased competition. Seasonal fluctuations are not high but are affected by holidays, recess, and industrial dispute in the customers' company which are causes for production cost.

[Growth of the Industry]

With informatization and globalization, customer demands for a quick logistics service are increasing and businesses are strengthening core competitiveness through higher efficiency. Thus, the importance of logistics is gradually rising in an economy. As the economic scale and trade volume in the Northeast Asian region increases, there are efforts at the national level to foster logistics as a core industry.

[Domestic and Overseas Market Conditions]

GLOVIS provides logistics services to mainly company customers. These customers put importance on improving profitability through cost reduction, thereby increasing competition regarding logistics cost. To survive in such competitive environment, logistics companies are striving to improve process and system. Logistics outsourcing improves competitiveness and efficiency by consigning non-core business and focusing more on core businesses. Logistics outsourcing is already widespread in developed countries such as Japan and USA, etc. : proportion of use of the 3rd Party Logistics is reaching up to 70~80%. The proportion of use of the 3PL in Korea was

48.2% in 2009, lower than that in developed countries, but it is growing rapidly (35.6% in 2005). Customers' financial status acts as a major factor for demand but logistics is less likely to be affected by economic cycle.

[Competitiveness of the Company]

As a logistics specialized company in Hyundai Automotive Group, the Company realizes economies of scale by handling large-scale of the Group's freights. Thereby the Company could obtain price-merit differentiating from other logistics companies and also has been able to draw in the 3rd Party freights besides the Group's.

The Company's domestic/overseas network and services such as providing real-time logistics information with IT systems which the Company self-developed and implemented throughout all logistics process are also other competitive factors of the Company.

(2) Distribution/Sales Business

① CKD

[Characteristics]

CKD business is to provide vehicle parts to overseas manufacturing plants by placing an order, parts-collecting, packaging, loading into a container and marine/air transportation. What is strategically important is to reduce logistics cost by continuously improving the logistics process, i.e. shortening lead time, establishing JIT (Just-in-Time) system, maintaining packaging quality, standardizing packaging, etc.

Generally, CKD supply requires to reflect time of produce procurement/packaging/overseas transport, explaining why it takes about 2 months from an order received from the overseas assembly plant to completion of production.

[Growth of the Industry]

In these days, automakers are trying to expand their overseas sales through local production. Especially in case of Hyundai/Kia Motors, they are largely growing in global automotive market, building up local production lines in almost every country. Along with that, CKD business market is forecasted satisfactory.

[Competitiveness of the Company]

CKD business of the Company pursue One-Stop Service. The Company raises the customer-satisfaction by managing all process from order-placing, parts-collecting, packaging, maring/air transporting to local C/C operating and Just-in-Sequence procuring to local plants.

In particular, RFID system which the Company implemented to Hyundai Motor Manufacturing Alabama traces the freight in real-time so that reducing the abrupt-transport and also reducing the costs. For this, the Company has been awarded with the 3rd RFID Industrialization Presidential Award.

Also, the Company applies its own know-how and new packaging techniques for the safety of long-travelling products satisfying the overseas assembly plants.

In addition to the aboves, to prepare for any accidents which might occur during the overseas transport, the Company is insured for cargo to confront any risks.

② Used Car Sales

[Characteristics]

- Domestic demand : It has been 10 years since the current used car market overtook the new car market and it is forecasted that the used car market will grow further due to the advancement in car production techonology, thus longer the possessing period of car. Likewise, as results of the gradual expansion of used car market, higher replacement rate for new vehicles from quality improvement of cars and increasing number of direct transactions via internet, the used car market managed 1.75 MN cars during 2008 and 1.96 MN cars during 2009 (Data from Korea Automotive Manufacturing Association). The ratio for used cars sold through direct transactions to used cars sold through agencies is 45 : 55. Widespread use of internet is transforming the market by providing customers with sufficient information, thereby increasing direct transactions.
- Export : The sales has been gradually improving with the increase in exports to new markets including Middle East and East Asia since 2006.

[Growth of the Industry]

Used car market is about 1.5 times larger in trading volume than the new car market. However, in case of the auctioning in used car market, which the Company also operates, the auction takes up about 4.8% of the total used car sales for 2009, yet very small in size. On the other hand, in Japan, the portion of auction in used car market reaches above 50% and in the US, it is about 25%.

If we consider the used car auction proportion in the advanced automotive market accordingly, the mid-long term growth opportunity in used car auction business in Korea is forecasted to be remarkably high.

[Competitiveness of the Company]

Used car auction market is composed of individuals (or companies) who intend to sell their vehicles and used car traders who intend to purchase them. Used car supply is closely related to new car sales trend. Through open competitive bidding and reducing distribution channels and costs, used cars may be sold at higher prices. Also since the process and result are posted online in real-time, transactions are transparent and fair. Moreover, GLOVIS provides convenient One-Stop Service from car assessment and sales agenting to nominal transfer documentation.

Used car traders are highly affected by consumer's sentiment and economic situation as their purchase depends on end customers' demand.

2. Major Goods/Services

The Company conducts Total Logistics Business and Distribution/Sales Business.

Total Logistics is to provide transport service. The Company manages logistics-related business such as transport, storage and stevedoring of customers' freight. By the characteristics of business, the Company once again outsources the transport, storage and other activities, but also directly operates some business like finished car shipping business.

Total Logistics is again categorized into Korea Logistics and International Logistics for domestic and import/export respectively.

Distribution/Sales has CKD and Used car auction Sales businesses. Other than those, there is sales business for supplies for new cars and merchandises on spot.

Sales(revenue) for major businesses for 2009 are as follows.

- Korea Logistics : KRW 836.7 BN / 26.21 %
- International Logistics : KRW 951.5 BN / 29.8 %
- CKD : KRW 1,224.4 BN / 38.35 %
- Merchandise : KRW 180.1 BN / 5.64 %

3. Status on Operation Facilities

[Major Facilities]

The Company has 22 logistics bases in Korea and 20 bases in overseas.

In Korea, there are 15 auto-related bases including Pyeongtaek Logistics Base for import/export of finished cars, KD Center for CKD part collecting and packaging, C/C (Consolidation Center) for contribution to part-sequence steps in automaking assembly lines. The Company operates auction centers in Bundang and Sihwa for Used car business. Also there are offices for steel transport for Hyundai Steel and Hyundai Hysco.

The details of major logistics bases in Korea are as follows.

(Unit : m², KRW BN)

Description	Location	Ownership	Land	Building	Book Value (KRW BN)	Remark
Logistics Stronghold	Pyeongtaek, Gyeonggi	GLOVIS	166,583	9,121	39.9	
Packaging Center	Asan, Chungnam		66,903	37,357	21.8	
Business Office	Dangjin, Chungnam		-	1,141	0.3	
	Buk-gu, Ulsan		4,212	737	1.6	
	Dong-gu, Incheon		9,610	306	5.3	
	Nam-gu, Pohang		14,846	1,465	3.8	
Ulsan Center	Nam-gu, Ulsan		-	19,493	7.2	
Auction Center	Gwangju, Gyeonggi		25,369	1,599	30.5	
	Sihwa, Gyeonggi		32,939	3,253	39.2	
Headquarter	Gangnam, Seoul	Lease	-	5,380	-	
Business Office	Suncheon, Jeonnam		2,149	-	-	
	Dangjin, Chungnam		22,275	-	-	
Office	Buk-gu, Ulsan		1,282	466	-	
	Seo-gu, Gwangju		33	33	-	
	Hwaseong, Gyeonggi		-	43	-	
	Asan, Chungnam		-	477	-	
	Jung-gu, Busan		-	81	-	
	Seosan, Chungnam		-	35	-	
	Wanju, Jeonbuk		-	30	-	
	Dalseo-gu, Daegu		40	-	-	
	Changwon, Gyeongnam		-	26	-	
Gwangju CC	Gwangju, Jeonnam		-	17	-	
Seosan CC	Seosan, Chungnam		-	549	-	
Seosan Shipping	Seosan, Chungnam		-	261	-	
Ulsan Center Land	Nam-gu, Ulsan		39,554	-	-	
Ulsan TP Standby	Nam-gu, Ulsan		8,265	13	-	
Gyeongju Packaging Center	Gyeongju, Gyeongbuk		-	7,405	-	
Hwaseong PDI	Hwaseong, Gyeonggi		-	655	-	
Sohari PDI	Gwangmyeong, Gyeonggi		-	352	-	
Ulsan PDI	Buk-gu, Ulsan		-	1,232	-	

Description	Location	Ownership	Land	Building	Book Value (KRW/BN)	Remark
Jeonju PDI	Wanju, Jeonbuk		-	94	-	
Asan PDI	Asan, Chungnam		-	141	-	
Wonhyo-ro (IT) Office	Yongsan, Seoul		-	477	-	
Pyeongtaek Port Office	Pyeongtaek, Gyeonggi		27,560	1,375	-	
Vehicle Preparation Center for Hyundai Motor	Hwaseong, etc.		-	915	-	
Vehicle Preparation Center for Kia Motors	Hwaseong, etc.		-	464	-	
Sohari TP	Gwangmyeong, Gyeonggi		1,679	-	-	
KD Off-site Packaging Center(Gwangju)	Gwangju, Jeonnam		-	4,491	-	
KD Off-site Packaging Center(Dangjin)	Dangjin, Chungnam		1,663	-	-	
KD Off-site Packaging Center(Gyeongju) 1	Oe-dong, Gyeongju			1,619		
KD Off-site Packaging Center(Gyeongju) 2	Oe-dong, Gyeongju			1,157		
Euiwang Warehouse	Euiwang, Gyeonggi		4,568	3,200		
Ulsan Port Stevedoring Office	Dong-gu, Ulsan		70	7		

In overseas, there are 16 local subsidiaries, 2 branches, and 2 local offices established. Among them, Glovis Alabama, Glovis Slovakia, Glovis Czech, and Glovis Georgia, etc. are closely located to Hyundai/Kia Motors' CKD production plants and are operating Consolidation Centers and so on. GAPS provides services such as final inspection on and loading of im/exported cars.

The rest of overseas subsidiaries are responsible for auto-related logistics in their local areas and when necessary, overseas local branches and offices are established. For the areas where the Company has not entered, the Company has set up logistics network allied with local companies(partner).

[CAPEX Plan]

Details on CAPEX plan ongoing as of the end of this 2009 are as below.

(Unit : KRW MN)

Description		Investment period	Total investment	Investment (until now)	Investment (planned)	Expected effect
				Year 2009	Year 2010	
Logistics	Pure Car Carrier	2 years	120,737	96,051	24,686	Improved revenue and business operation efficiency
	Land, Building	3 years	68,657	37,457	31,200	
	Machinery, etc.	1 year	11,843	4,414	7,429	
CKD	Building, Machinery, etc.	1 year	3,512	10	3,502	
IT Investment		1 year	14,841	5,272	9,569	
Total			219,590	143,204	76,386	

4. Revenue

The revenue of the Company is largely classified into 4 business divisions.

Revenue from logistics in Korea domestic market is Korea Logistics,
revenue from in/outbound logistics of Korea is International Logistics,
revenue from sales of CKD parts is CKD, and
revenue from sales of used car and other goods is Merchandise.

Details on revenue by each business are as follows.

(Unit : KRW MN)

Business	Revenue type	Domestic/Export	9th FY	8th FY	7th FY
Korea Logistics	Domestic Logistics Service	Domestic	836,709	811,642	720,191
		Total	836,709	811,642	720,191
International Logistics	Inbound/Outbound Logistics Service, Shipping Operation	In/Outbound	951,480	897,914	658,510
		Total	951,480	897,914	658,510
CKD	CKD Parts Sales	In/Outbound	1,224,427	1,201,617	1,017,042
		Total	1,224,427	1,201,617	1,017,042
Merchandise	Used Car and Other Merchandise Sales	Domestic	180,139	154,062	114,444
		Total	180,139	154,062	114,444
Total		Domestic	1,016,848	965,704	834,635
		In/Outbound	2,175,907	2,099,531	1,675,552
		Total	3,192,755	3,065,235	2,510,188

The Company does not have a sales-related organization separately, but each business division has sales team and operates sales activities to increase the revenue of the Company.

In logistics business, the Company has business offices and branches in major areas in Korea to react faster and more appropriately to the customers' requirements; also established overseas subsidiaries and offices to operate international logistics.

The Company not only provides logistics outsourcing, but sets up reasonable logistics strategies and process for the customer's logistics environment, provides One Stop Total Logistics Service with the most advanced logistics information system and logistics technology; therefore maximizing the customers' value and getting to have regular customers and to explore new customers at the same time.

In used car business, the Company operates Bundang and Sihwa auction center(offline)

and used car trading website "autowise.co.kr" (online).

The current used car market has tangled distribution channels, unsatisfied quality-guarantee, and untransparent pricing and quality; therefore losing the customers' interest and trust. So that the Company targets "Advancement in distribution where the customers can trust and buy/sell their used cars" and provides every product-information, one-on-one service with used car specialists, builds up relationship with the customers differentiating itself from other used car auction businesses. In addition to satisfy the customers' various needs, the Company will expand the channels and value-added services.

Lastly, the Company classifies the major customers of the Company in the view of importance, the parties whose transacting amount exceeds 10% of the total sales.

The major customers for the 9th fiscal year are Kia Motors, Hyundai Motor, and Hyundai Motor Manufacturing Alabama and the sales portions are 19.0% and 14.6% respectively.

5. Major Business Agreement

(Unit : KRW BN)

Company	Relationship	Contract details				Remark
		Type	Term	Name of Goods + Services	Amount	
Hyundai Motor	Affiliated Company	Transporting Contract	Jan. 2010 ~ Dec. 2011	Finished Vehicle Shipping	356.0	- Contract date(Nov. 30, 2009)
Kia Motors	Affiliated Company				200.4	- Applied basic rate of t/x of Nov. 30, 2009 (1USD=KRW 1,167.4)
Hyundai Steel	Affiliated Company	Long-term Consecutive Voyage Charter Contract	Jan. 2010 ~ Jan. 2030	Raw Material Shipping	1,340.0	- For 20 years, 5 vessels - Applied basic rate of t/x of Jan. 24, 2008 (1USD=KRW 951.0)
			Mar. 2011 ~ Feb. 2031		1,296.7	- For 20 years, 1 vessel - Applied basic rate of t/x of Nov. 3, 2008 (1USD=KRW 1,277.1)
			Jan. 2011 ~ Dec. 2025			- For 15 years, 3 vessels - Applied basic rate of t/x of Nov. 3, 2008 (1USD=KRW 1,277.1)
			Total			3,193.1

6. Matters other than Business Operation

A. Market Risk and Risk Management

(1) Major Risks

The Company is exposed to such major risks : ① Risk from F/X rate fluctuation, ② Risk from market rates fluctuation, and ③ Risk from credit rating change.

① Risk from F/X rate fluctuation

The Company has cash flow in which the sales in foreign currency coming from International Logistics, KD exporting is larger than the costs in foreign currency paid to overseas transporting and parts-purchasing. Therefore, loss on currency translation due to Korean Won strengthening may be the risk from F/X rate fluctuation.

② Risk from market rates fluctuation

Non-operating income and expense structure of the Company is as such :
As the market rates (CD, LIBOR, etc.) rise, interest expense of the Company increases but as they decline, then interest income of the Company decreases. These fluctuation in non-operating income and expense may be the risk from market rates fluctuation.

③ Risk from credit rating change

On Jan. 15, 2009, the credit rating agency, S&P maintained its rating on the Company (BBB-), but downgraded the outlook from 'Stable' to 'Negative,' reflecting the depression and uncertain outlooks in global automotive market. The credit rating agency, Moody's also maintained the rating (Baa3), but cut the outlook from 'Stable' to 'Negative' on Apr. 21, 2009 for similar understanding. However, on Nov. 11, 2009, Moody's upgraded the outlook from 'Negative' to 'Stable'; S&P also upgraded the outlook from 'Negative' to 'Stable' on Jan. 27, 2010.

As such, the up/downgrades in credit rating in reflection of economic situation not in the reflection of the Company's own causes may result in the changes in credit

rating.

(2) Risk Management Policy

① Risk management

The Company manages the risk by trying to minimize uncertain market risks and stabilize financial strength and business management.

– Risk from F/X rate fluctuation

For systematic and efficient F/X risk management, the Company consistently exchange opinions with financial institutions both in Korea and overseas. Also, the Company assigned employees for F/X risk management, structuring effective and stable risk managing. In the future, the Company plans to set up F/X risk management policy and partially manage F/X derivatives for hedging.

– Risk from market rates fluctuation

The Company mostly uses fixed-rate financial instruments to manage free cash flow, therefore the adverse effects from rate fluctuation for the time being is limited. Currently hire(ship-chartering) is paid in relation to LIBOR. When LIBOR is raised, then there is a risk of increase in hire. To fix LIBOR and prevent the hire fluctuation risk, the Company will adopt some rate derivatives (hedging interest rate fluctuation)

– Risk from credit rating change

In case of change in the Company's credit rating, since there are no financial instrument in use; it is reasonable to say there are no directly effecting risks. However, when having decisions on financial transactions in the future, the credit rating may be one of fundamental evaluation on the Company, so that the Company puts efforts to reduce the risks from credit rating change.

② Risk Management Organization

The Company operates the risk management work with 2 divisions : Execution and Confirmation. Firstly, Execution includes financial transacting, researching, gathering and analyzing information on market risks and situation. Secondly, Confirmation includes evaluating financial transactions whether financial matters were fully considered and contracts were made as agreed, etc.

(3) Further Steps in Risk Management

The Company will organize the systematic body for better risk management and regularly participate in programs conducted by external institutions to raise risk managing professionalism.

B. Major Management Agreement

[Real Estate Property Transaction]

As expressed in 'IX. Transactions with Shareholders 2. Asset Transfer/Acquisition with Large Shareholders, etc. C. Real Estate Transaction' and 'X. Other Matters 1. Progress and Changes in Issues Disclosed,' the Company had the resolution of the Board of Directors (on Apr. 23, 2009 after the closing date) on real estate transaction with the affiliated company, Hyundai Motor.

After the resolution of the Board of Directors, the Company had undergone appraisal process including determination of transacting prices and the transaction was taken on Jul. 7, 2009. For further relevant details, refer to 'X. Other Matters 1. Progress and Changes in issues Disclosed.'

C. Other Matters for Investment Decision-making

[Intellectual Property Right]

– GLOVIS

1. Type : Trademark
2. Acquisition Date : Oct. 23, 2004, etc.
3. Title and Details
Registered the Company's name as a trademark
4. Relevant Law : Trademarks Law
5. Monopolistic, Exclusive Usage Period : 10 years (can renew every 10 years)

– AutoWise

1. Type : Trademark
2. Acquisition Date : Feb. 14, 2006, etc.
3. Title and Details
Registered the Company's used car auction center as a trademark
4. Relevant Law : Trademarks Law
5. Monopolistic, Exclusive Usage Period : 10 years (can renew every 10 years)

– Transport Palette

1. Type : Design
2. Acquisition Date : Feb. 27, 2007
3. Title and Details
Designed the transport palette with stumbled block between the edges of upper frame and supporting frame and registered the new design
4. Relevant Law : Design Law
5. Monopolistic, Exclusive Usage Period : 15 years

– Upper Frame of Transport Palette

1. Type : Design
2. Acquisition Date : Feb. 27, 2007
3. Title and Details
Designed the palette's upper frame with stumbled block between the edges and registered the new design
4. Relevant Law : Design Law
5. Monopolistic, Exclusive Usage Period : 15 years

– Palette convenient for Folding

1. Type : Patent
2. Acquisition Date : Jan. 15, 2008
3. Title and Details
Patented for inventing palette folding
4. Relevant Law : Patent Law
5. Monopolistic, Exclusive Usage Period : 20 years

[Environmental Management]

GLOVIS Co., Ltd. deeply understands the social responsibility and promotes the conservation of the Earth environment, established KS A ISO14001:2004 Environmental Management System in Dec. 2007. Under the environmental policy of "Minimization of Emission of Contaminants", "Effective Use of Resources and Energy", "Environmental Law Compliance", the Company set up detailed goals and actions for the preservation of the nature and continuous development. Also the Company follows the governmental policy on reduction of greenhouse gases and will grow as a leading Green-Logistics company.

1. Government's Regulation

- i. Act on Special Measures for the Control of Environmental Offenses
- ii. Clean Air Conservation Act
- iii. Water Quality and Ecosystem Conservation Act
- iv. Clean Air Conservation Act
- v. Other Enforcement Decrees and Regulations related to Environment

2. Regulation Observance

- i. Water Quality : pH,COD,SS,n-H(animals and plants) ,nH(mineral oil) ,T-N,T-P,ABS
- ii. Air : Dust, THS

☞ shall control under 70% of the regulation standard

3. Environment Investment Plan

- i. Currently investesting for the function maintenance and prevention for low emission facility
(KRW 30 MN per annum)
- ii. Change to environment-friendly transport mode and will review on having low emission equipment

[Report for Compliance Program (CP) Operation]

– Operation of CP for 1st Half of 2008

1. Training related to Fair Trade

- ① On-the-Job Training : Invited a speaker for the training
(for team managers and deputy managers in all teams)
Conducted programs for new employees
- ② Off-the-Job Training : Attended lectures held by Fair Competition Federation, etc.
(for Compliance Officers and Employees)

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Arranged Compliance Committee and restructured the organization for Compliance
- ② Conducted Prevention Activities from Violation : Intensified Compliance Review
- ③ Published and distributed Compliance handbook

– CP Schedule for 2nd Half of 2008

1. Training related to Fair Trade

- ① On-the-Job Training : Conduct online program for new employees, invite a speaker
- ② Off-the-Job Training : Attend lectures and forums held by Fair Competition Federation, etc.

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Conduct Prevention Activities from Violation : Intensify Compliance Review

- ② CEO's Declaration on Fair Competition Compliance and Distribute the declaration to employees
- ③ Distribute amended Compliance handbook on/offline
- ④ CP Rating (by Korea Fair Competition Federation)
- ⑤ Conduct CP Review

※ Reported the Operation of CP for 1st Half of 2008 and CP Schedule for 2nd Half of 2008 to the Board of Directors : Aug. 14, 2008

– Operation of CP for 2nd Half of 2008

1. Training related to Fair Trade

- ① On-the-Job Training : Conducted online program for new employees
- ② Off-the-Job Training : Attended lectures and forums held by Fair Competition Federation
(for Compliance Officers and Employees)

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Prevention Activities from Violation : Intensified Compliance Review
- ② Collected and distributed CP-related material

– CP Schedule for 1st Half of 2009

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a speaker for the training
Conduct online programs for new employees
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation
(for Compliance Officers and Employees)

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Arrange Compliance Committee and Restructure the organization for Compliance
- ② CEO's Declaration on Fair Competition Compliance and Distribute the declaration to employees
- ③ Improve Violation Reporting System
- ④ Conduct CP Review
- ⑤ Conduct Prevention Activities from Violation : Intensify Compliance Review
- ⑥ Collect and distribute CP-related material

※ Reported the Operation of CP for 2nd Half of 2008 and CP Schedule for 1st Half of 2009 to the Board of Directors : Feb. 13, 2009

– Operation of CP for 1st Half of 2009

1. Training related to Fair Trade

- ① On-the-Job Training : Conducted online program for new employees (Feb. 1~28)
Invited a speaker for the training (Mar. 25)
- ② Off-the-Job Training : Attended "Session for Fair Trade for Business Group subject to Limitations on Cross-Shareholding" and 4 other sessions

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Arranged Compliance Committee and restructured the organization for Compliance
- ② Amended, announced and distributed “ Fair Trade Compliance Review Form”
- ③ Conducted CP Review
- ④ Amended and adjusted CP regulation for the Company
- ⑤ Published and distributed Compliance handbook
- ⑥ Collected and distributed CP-related material

– CP Schedule for 2nd Half of 2009

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a speaker for the training
Conduct online programs for new employees
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Conduct Prevention Activities from Violation : Intensify Compliance Review
- ② CEO's Declaration on Fair Competition Compliance and Distribute the declaration to employees
- ③ Distribute and post amended Compliance handbook on/offline
- ④ CP Review
- ⑤ Collect and distribute CP-related material

※ Reported the Operation of CP for 1st Half of 2009 and CP Schedule for 2nd Half of 2009 to the Board of Directors : Jul. 23, 2009

– Operation of CP for 2nd Half of 2009

1. Training related to Fair Trade

- ① Attended "Subcontracting and Unfair Trading, Fair Trading" lecture and other 5 forums

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Conduct Prevention Activities from Violation : Intensify Compliance Review
- ② CEO's Declaration on Fair Competition Compliance and distributed relevant materials to all employees
- ③ Distributed CP manual on/offline and posted CP regulation
- ④ Designated "Fair Trading Day" for CP activation

※ The CP rating evaluation result for 2009 : Rating "A"

– CP Schedule for 1st Half of 2010

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a speaker for the training (for all employees),
Web-based training (for new employees)
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation or other institutions

2. In-depth CP Operation and Prevention Activities from Violating Laws and Regulations

- ① Arrange Compliance Committee and restructure the organization for Compliance
- ② Sanction violating and develop violation-reporting system
- ③ "Fair Trading Day" for every month : Distribute newsletter and review on CP Process
- ④ Improve and intensify In-Advance Compliance Review Process system, etc.

※ Reported the Operation of CP for 2nd Half of 2009 and CP Schedule for 1st Half of 2010 to the Board of Directors : Feb. 11, 2010

III. Finance

1. Summary of Financial Information

A. Summary of Non-Consolidated Financial Information

(Unit: KRW MN)

Description	9th FY	8th FY	7th FY	6th FY	5th FY
[Current Assets]	885,444	558,511	546,617	501,122	514,285
• Quick assets	664,248	497,222	427,983	400,440	446,394
• Inventories	221,196	61,289	118,634	100,682	67,891
[Non-current Assets]	775,600	545,848	382,898	255,367	169,593
• Investments	369,785	231,343	172,523	129,253	91,143
• Tangible assets	371,207	286,289	188,338	107,809	69,423
• Intangible assets	9,054	7,924	5,849	6,107	4,812
• Other non-current assets	25,554	20,292	16,188	12,198	3,769
Total Assets	1,661,044	1,104,359	929,515	756,489	683,878
[Current Liabilities]	627,071	339,999	366,324	285,606	287,441
[Non-Current Liabilities]	203,283	137,645	43,788	32,416	21,689
Total Liabilities	830,354	477,644	410,112	318,022	309,130
[Capital Stock]	18,750	18,750	18,750	18,750	18,750
[Capital Surplus]	153,619	153,619	153,619	153,619	153,619
[Capital Adjustment]	–	–	–	–	–
[Accumulated Other Comprehensive Income]	52,423	19,415	11,014	5,488	1,899
[Retained Earnings]	605,898	434,931	336,020	260,610	200,480
Total Stockholder's Equity	830,690	626,715	519,403	438,467	374,748
Sales	3,192,755	3,065,235	2,510,188	1,885,087	1,540,836
Operating Income	145,270	129,079	92,936	55,621	78,521
Net income	189,773	117,662	81,035	66,687	79,966
Earnings per Share(KRW)	5,061	3,138	2,161	1,778	2,647

※ The Company did not have any discontinued operation until the end this fiscal year, therefore ongoing business income is not stated.

B. Summary of Consolidated Financial Information

(Unit : KRW MN)

Description	8th FY	7th FY	6th FY	5th FY	4th FY
[Current Assets]	790,188	645,885	568,367	558,804	259,885
• Quick assets	728,514	526,841	467,685	490,913	257,195
• Inventories	61,674	119,044	100,682	67,891	2,690
[Non-current Assets]	531,607	377,044	257,621	176,905	123,214
• Investments	144,086	137,050	111,356	80,692	30,813
• Tangible assets	356,973	216,147	124,620	84,888	80,231
• Intangible assets	9,873	7,659	9,281	7,349	9,569
• Other non-current assets	20,675	16,188	12,365	3,976	2,601
Total Assets	1,321,795	1,022,929	825,988	735,709	383,099
[Current Liabilities]	555,839	458,311	349,012	328,771	218,275
[Non-Current Liabilities]	137,048	42,989	37,267	32,189	24,786
Total Liabilities	692,887	501,300	386,280	360,960	243,061
[Capital Stock]	18,750	18,750	18,750	18,750	15,000
[Consolidated Capital Surplus]	153,740	153,645	153,619	153,619	—
[Consolidated Capital Adjustment]	—	—	—	—	—
[Consolidated Accumulated Other Comprehensive Income]	19,492	11,051	5,443	1,899	209
[Consolidated Retained Earnings]	435,373	336,925	260,906	200,480	124,829
[Attributable to Minority Interest]	1,553	1,259	990	—	—
Total Stockholder's Equity	628,908	521,629	439,708	374,748	140,038
Sales	3,688,303	2,935,153	2,235,024	1,815,793	1,146,975
Operating Income	158,084	110,047	71,092	86,864	54,398
Consolidated Net income	117,588	81,939	67,042	79,966	69,657
Net income of Holding Company	117,294	81,670	66,983	79,966	69,657
Number of Companies included in the consolidated financial information	4	3	1	1	1

※ The Company will additionally submit consolidated financial statements within 30 days from the submission date of this annual report (scheduled to be on Apr. 30, 2010).

2. Summary of Significant Accounting Policies

A. Accounting Policies applied to Financial Statements

Fiscal year	Changes in accounting policies
9th FY	<p>The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.</p> <p>The Company has adopted the revised SKAS 5 <i>Amendments – Property, Plant and Equipment</i> for the current financial year; the adoption of this revised standard did not have any effect on the Company's financial statements nor principal impact to the Company's disclosures.</p>
8th FY	<p>The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.</p> <p>The Company has adopted the following new and revised KFAS (Korea Financial Accounting Standards), SKAS and KAI (Korea Accounting Institute) Opinion, and for this current fiscal year.</p> <ul style="list-style-type: none"> o KFAS Article 70-2 – <i>Special Exemption to Derivatives Accounting</i> o SKAS 8 <i>Amendments – Investment in Securities</i> o SKAS 15 <i>Amendments – Investment in Associates</i> o SKAS 16 <i>Amendments – Income Taxes</i> o KAI Opinion 06-02 <i>Amendments – Accounting for the Recognition of Deferred Income Tax Assets/Liabilities Associated with Investments in Subsidiaries, Branches and Associates, and Interests in Joint Ventures</i> <p>The adoption of these new and revised standards had no effects on the Company's financial statements, and the principal impact to the Company's disclosures are as follows:</p> <ul style="list-style-type: none"> o SKAS 16 <i>Amendments – Income Taxes</i> <p>The revised standard requires an entity to apply revised disclosures which enable users of the financial statements to better understand the components of income taxes reported in the financial statements. These revised disclosures are presented in Note 20.</p>
7th FY	<p>The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.</p> <p>The Company has adopted new SKAS which have become effective for accounting periods beginning on or after Jan. 1, 2007 : SKAS 11 <i>Discontinuing Operations</i>, SKAS 21 <i>Preparation and Presentation of Financial Statements</i>, SKAS 22 <i>Share-based Payments</i>, and SKAS 23 <i>Earnings per Share</i>.</p> <p>The Company has adopted these new standards in its financial statements for the year ended Dec. 31, 2007. Adoption of these new standards did not have any material effect on the Company's financial statements, except for the effects of SKAS 21 as described below.</p>

Fiscal year	Changes in accounting policies
	The adoption of SKAS 21 has resulted in the addition of a statement of changes in equity in the 2007 financial statements and reclassification of certain comparative amounts in the 2006 financial statements to conform with the 2007 presentation. These reclassifications have had no effect on the Company's net income and retained earnings as previously reported. A statement of changes in equity is not required to be presented for the comparative 2006 financial statements according to the transitional provision of SKAS 21 on application of retrospective application.
6th FY	The Company's financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 20 (except for No. 11 and 14) as well as the Korea Financial Accounting Standards. The Company's accounting method has been changed in line with SKAS No. 18 <i>Interests in Joint Ventures</i> , SKAS No. 19 <i>Lease</i> and SKAS No. 20 <i>Related Party Disclosure</i> effective starting Fiscal Year 2006, without an effect on assets, shareholders' equity, ordinary income and yearly net income at the end of the current year.
5th FY	The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 10 and No. 12 – 17 as well as the Korea Financial Accounting Standards. The Company has adopted SKAS No. 15 <i>Equity Method Investments</i> : from the method recognizing equity method gain and the and equity method capital adjustment in their net amounts to recognizing in their total amounts. When eliminating internal unrealized, the Company changed the method of calculating equity ratio. Also, with SKAS No. 16 <i>Income Taxes</i> , the Company classified deferred tax assets and liabilities into current assets and liabilities or non-current assets and liabilities based on the classification of those related assets and liabilities on the face of balance sheet. The comparative 2004 financial statements were not restated according to a transitional provision on application of retrospective application. The Company applied SKAS No. 17 <i>Provisions, Contingent Liabilities and Contingent Assets</i> from this current year and there is no beginning balance of provisions adjusted under this application.

B. Basis of Significant Accounting Policies

The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for No. 14) as well as the Korea Financial Accounting Standards and the summary of significant accounting policies used for the preparation of the financial statements are as follows:

(1) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow

to the Company and the revenue can be reliably measured. Revenue received from transactions where the Company acts as an agent without assuming the risks and rewards of ownership of the goods are recognized on a net basis. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Freight from shipping services and related expenses are recognized based on the percentage of completed voyage days to the total expected voyage days.

(2) Cash equivalents

Highly liquid deposits and marketable securities with original maturities of three months or less, and which have no significant risk of loss in value by interest rate fluctuations, are considered as cash equivalents.

(3) Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts in consideration of the estimated losses that may arise from non-collection of its receivables. The estimate of losses, if any, is based on a review of the aging and current status of the outstanding receivables.

(4) Inventories

Inventories are stated at the lower of cost or net realizable market value, with cost being determined using the weighted-average method, except for used cars which are stated at cost by the specific identification method. A perpetual inventory system is used to record inventories, in which inventories are adjusted to physical inventory counts that are performed at the end of the year.

When a decline in the value of inventory indicates that its cost exceeds net realizable value, a valuation loss will be recognized to write the inventory down to its net realizable value. The loss on valuation recognized in cost of sales for this current year is KRW 68,257,000 and for previous year was KRW 2,101,923,000.

However, when the market value of the written-down inventory is higher than the book value, the loss on valuation is recovered within the extent of the initial book value. Thus, allowances for loss on valuation of inventories deducted from costs of goods sold for the current fiscal year is KRW 2,101,923,000 and KRW 5,407,000 for the previous fiscal year.

(5) Investments in Securities (Marketable Securities)

The Company classifies marketable securities which actively and frequently change hands for short-term transaction gains as trading securities. Also debt securities whose maturity date is determined are classified into held-to-maturity securities when the Company has positive intent and ability to hold the debt securities till the maturity whose redemption amount has been fixed or is determinable. The marketable securities which are not classified into trading securities or held-to-maturity securities are considered as available-for-sale securities. Trading securities are classified as current assets and available-for-sale securities and held-to-maturity securities are as investment, but those available-for-sale securities and held-to-maturity securities that are due or almost certain to be sold within one year from the annual balance sheet date are classified as current assets.

The acquisition cost of marketable securities is determined by the market value of marketable securities plus the expenses incidental to the acquisition. If there is no market value, the acquisition cost of the marketable securities is used.

For held-to-maturity securities, the difference between the acquisition cost and the par value at maturity is amortized and either added to or deducted from the acquisition cost and interest income over the remaining redemption period, using effective interest rate method. Then, this amortized acquisition cost is recorded in the annual balance sheet.

Trading securities and available-for-sale securities are valued at fair value. The market value of marketable securities are considered as their fair value and the market value is the closing price as of the current date of the quarterly balance sheet. However, among the available-for-sale securities, those non-marketable equity securities whose fair values are impossible to be reliably assessed, are valued at acquisition cost. The unrealized holding gains or losses on trading securities from the valuation of fair value are accounted for as

net income or loss; the unrealized holding gains or losses on available-for-sale securities are accounted for as available-for-sale securities valuation gains or losses (accumulated other comprehensive income or loss); and accumulated amount of available-for-sale securities valuation gains or losses are accounted for as net income or losses at the time of disposition of available-for-sale securities or recognition of impairment loss.

When the amount expected to be recoverable from securities (recoverable value) is less than the amortized cost of debt securities or the acquisition cost of equity securities and reduction loss is objectively evident, and if there is no contrary evidence of innecessity of reduction, then impairment loss is recognized and accounted for as net income and loss.

(6) Equity Method Investment Securities

The Company applies equity method to assess equity securities which can exercise important influence to the invested companies. After the equity method investment securities are recognized at their cost, changes in equity which are occurred after the acquisition of the securities are added to or deducted from the equity method investment securities. If the changes arise from the invested company's net income/loss, it is presented as equity method gain/loss and accounted for as the at the acquisition point of investment in associates. If that change is occurred by the net income or loss of invested companies, it is presented as equity method gain/loss and accounted for as net income/loss. If the invested company's unappropriated retained earnings brought forward from previous period is increased(decreased) due to the major errors or change of accounting principles, considering the effect of such a change on the Company's financial statement, such change in equity is accounted for as net income/loss or increase(decrease) in unappropriated retained earnings brought forward from previous period. If the change is from the increase or decrease in capital other than net income/loss and unappropriated retained earnings brought forward from previous period, it is presented as equity method gain/loss and accounted for as increase(decrease) in accumulated other comprehensive income. When investment securities under equity method fall below zero, the use of the equity method is discontinued, but, if the Company holds an asset of investment characteristics for the invested company, losses in the invested company are continuously reflected and accounted for until the carrying amount of such an asset is reduced to zero.

Investment securities under equity method are valued as follows.

○ Accounting for Investment Difference

If there's a difference between the amount in the Company's investment account and the portion of the invested company's net asset value which corresponds to the Company's stake as of the date on which significant influence becomes exercisable, ① the portion of the difference between the fair-value valuation amount of the invested company's identifiable asset/liability and the carrying amount, which corresponds to the Company's stake in the invested company, is amortized or reversed in accordance with the accounting method of the invested company for such an asset/liability; and ② the investment differences arising from future excess earning power, etc. are amortized or reversed over five years from the year of its occurrence, using the straight line method, and thus reflected in investment in associates. However, investment differences resulting from a decrease in the investor company's stake due to capital increase(reduction) with/without consideration after the date on which significant influence becomes exercisable, are accounted for as disposition gain/loss(gain/loss on disposition of investments in associates). Meanwhile, the investment differences arising when the Company's stake is changed as a result of capital increase with consideration or the Company's additional acquisition of the shares in the invested company that constitutes a subsidiary, are accounted as capital surplus or an increase (or a decrease) in capital adjustment. In case that a non-subsidiary, invested company becomes a subsidiary, investment differences are recalculated and thus accounted for based on the point of time when the company becomes a subsidiary.

○ Elimination of Unrealized Gain and Loss on Inter-company Transactions

The unrealized gains and losses included in inventories, tangible assets, etc. owned respectively by the Company and an invested company as of the yearly balance sheet date through transactions between the two companies, are calculated based on the average gross profit margin of the seller company, and reflected in investment in associates after the elimination of the amount corresponding to the Company's stake. The Company, however, eliminates the total amounts of unrealized gains and losses arising from the sale of assets by the Company to an invested company that constitutes a subsidiary, or from the establishment of bad debts by the Company for the receivables of a subsidiary. As for the unrealized gains and losses arising from transactions between the Company and

a company indirectly invested by the Company or between invested companies who have no mutual investments, the Company eliminates the effect of inter-company transactions, and thus reflects the resulting value in investment in associates.

○ Translation of Foreign Currency Financial Statements of Overseas Invested Companies

In translating foreign currency financial statements of overseas invested companies, the Company applies the exchange rate valid as of the yearly balance sheet date to balance sheet items (as for the capital account, the exchange rate valid at the time of its occurrence), and an average exchange rate to income statement items. After the translation into Korean Won is completed, the portion of the difference between the capital stock and the amount computed by deducting liabilities from assets, which corresponds to the Company's stake, is accounted for as accumulated other comprehensive income (changes in capital under the equity method).

(7) Valuation and Depreciation of Tangible Assets

The Company values tangible assets at its purchase cost or manufacturing cost and the expenditure which is directly related to the preparation of Asset to be used is considered as acquisition cost (as fair value, in the case of assets obtained from investment in kind, donation, others without any cost).

Also, the expenses incurred after the acquisition or completion of a tangible asset to increase future economic benefits of the asset beyond its most recently assessed performance level, are recognized as capital expenditure, if not, recognized as expenditure for the incurred period.

The depreciation cost for tangible assets is recognized using the straight line method according to the following useful lives.

Description	Useful life
Buildings	20 – 40 years
Structures	20 years
Ships	25 years
Other tangible assets	5 years

(8) Valuation and Amortization of Intangible Assets

The Company assesses intangible assets at acquisition cost which is the amount of adding acquisition-incidental cost to manufacturing cost or purchasing cost of the Company's assets for current year, and presents them as net of accumulated amortization computed by the straight line method over the estimated useful lives of respective assets. The useful life of development costs is 5 years from the point of time that relevant goods are available for use, and those of industrial property rights and other intangible assets are 5 years.

(9) Capitalization of Financing Cost

Financing costs incurred in relations with inventory assets, tangible assets, intangible assets and investment assets which need over 1 year from the initiating period of production, acquisition, construction or development to be in a condition to be used and sold are reflected in the acquisition cost of assets for this current year.

(10) Asset Impairment Loss

If the book value of any investment, tangible or intangible asset, other than those assets valued at fair value, significantly exceeds the recoverable amount for reasons of obsolescence, physical damage, a sharp decline in market value, etc., the shortfall is charged or credited to current operations shown as asset impairment loss. There was KRS 2,723,396,000 of asset impairment losses recognized for the current fiscal year. If recoverable amount of assets which recognized the impairment losses later exceeds the book value, the Company recognizes the reversal of impairment losses setting the limit at the amortized balance of the book value which did not recognize the impairment losses yet. However, in the available-for-sale securities, the recoverable amount is recognized in the reversal of impairment losses setting the limit at the already-recognized impairment loss amount and there are no reversal of impairment loss amounts recognized for the current and the previous fiscal years.

(11) State Subsidy

State subsidy, which is used for the acquisition of certain assets, is accounted for as a deduction from the acquisition cost of the acquired assets. Such subsidy is offset against the depreciation or amortization of the acquired assets during such assets' useful life.

(12) Allowance for Severance and Retirement Benefits

In accordance with the policy concerning the payment of severance and retirement benefits, the Company appropriates, as allowance for severance and retirement benefits, the total estimated amount to be paid out as severance and retirement benefits in case of a simultaneous retirement of all its officers and employees who have been in service for over one year at the end of the current year. In addition, the money converted to retirement benefits paid to the National Pension Service until March 1999 according to the National Pension Act, is charged to allowance for severance and retirement benefits shown as transfer to national pension.

The Company carries retirement insurance provided by Korea Life Insurance, etc. to guarantee the employee's right to benefits. The premium paid is recognized as deposits of insurance for severance and retirement, and is charged to the allowance for severance and retirement benefits.

(13) Provisions for Estimated Liabilities and Contingent Liabilities

Among the liabilities whose amounts or times of appropriation are uncertain, the Company has current obligations as a result of past events or transactions. In case that there's a very high probability of resource outflow in order for the fulfillment of such an obligation and the amount required for the fulfillment of the obligation is reliably determinable, the Company states the obligation as liabilities, appropriates provisions for the obligation and uses the provisions only for the intended purpose and usage. Also, when there's a material difference between the nominal value of the provision for estimated liabilities and its present value, the Company values the provision for estimated liabilities at the present value of estimated cost required for the fulfillment of the relevant obligation.

Moreover, determinable potential obligation confirmed from the occurred past event, but high probability of uncertain future event or low probability of resource outflow in order for the fulfillment of an obligation are stated as contingent liabilities.

(14) Deferred Income Tax

For a temporary difference, a difference between the carrying amount of an asset or a liability and its tax base, the Company recognizes deferred income tax assets and deferred income liabilities. Deferred income tax assets and deferred income tax liabilities are calculated as the reduced or additional tax payables due to the temporary difference termination in the future. The income tax effects of temporary differences are reflected in the income tax expenses of effective period and items that are directly reflected in capital items and income tax effects of relevant temporary difference are directly reflected in the relevant capital items.

The realizability of deferred income tax assets is reviewed at each balance sheet date, and then, deferred income tax assets are recognized as assets when the tax shield effect of deferred income tax assets is expected with taxable income almost certain to arise in the future. Tax credits and tax reduction that can be carried forward are recognized within the almost certain expected scope of taxable incomes during the future for which such carry-forward can be used. Deferred income tax assets and deferred income tax liabilities are classified as current assets(current liabilities) or other non-current assets(other non-current liabilities) in accordance with the classification of relevant asset and liability items, and offsets deferred tax assets and liabilities when they are related to the same tax authority.

(15) Valuation of Receivables or Payables at Present Value

Receivables or payables arising from long-term installment transactions are stated at present value. The difference between the carrying amount and present value of the receivables or payables is amortized using the effective-interest-rate method and credited or charged to the statement of income over the installment period.

(16) Translation of Assets and Liabilities Denominated in Foreign Currency

The Company translates monetary assets and liabilities denominated in foreign currency into Korean Won at the reference exchange rate valid as of the quarterly balance sheet date (US\$1 = KRW 1,167.6 at the end of this year; KRW 1,257.5 at the end of the previous year), and gains or losses on foreign exchange translation arising from such translation are charged or credited to current operations.

(17) Reclassifications

Certain amounts in the 2008 financial statements have been reclassified to conform with the 2009 presentation. Such reclassifications had no effect on the Company's net income and retained earnings as previously reported.

C. Planning for Adoption of K-IFRS and its Effects on Financial Statement

The Company plans to issue financial statements prepared in accordance with K-IFRS beginning in 2011. In order to ensure that the Company takes the appropriate steps in adopting IFRS, the Company organized a Task Force Team and educated related employees to analyze the effects on the adoption of K-IFRS. In Aug. 2008, the Company engaged with external advisors to analyze and prepare the main differences between K-GAAP and K-IFRS in order to establish accounting policies as a preliminary stage of adopting K-IFRS. From Aug. to Dec. in 2009, as a second stage of adoption, the Company set up the information technology system. As a third stage of adoption, the Company plans to issue K-IFRS financial statements beginning in 2010 with retrospective application to Jan. 1, 2010.

D. Other Consideration

The considerable portion of sales of the Company is dependent on special interest groups. During the current and previous years, and the Company posted KRW 2,663,621 MN (83% of its total sales in 2009) and KRW 2,616,103 MN (85% of its total sales in 2008) in sales, KRW 867,939 MN (FY 2009) and KRW 657,372 MN (FY 2008) in purchase to Hyundai Motor and other special interest groups.

Related trade receivables and the balance of bonds are KRW 346,870 MN (end of 2009) and KRW 268,238 MN (end of 2008) respectively and trade payables and the balance of liabilities are KRW 237,501 MN (end of 2009) and KRW 103,526 MN (end of 2008) respectively. As in the Note 20 and 27, the Company provides USD 59,400,000, EUR 16,300,000, and AUD 1,000,000 of payment guarantees to GLOVIS America Inc. and other special interest groups as of this current year.

IV. Auditor's Opinion, etc.

1. External Auditor(Certified Public Accountant)'s Opinion, etc.

A. External Auditor

The auditor for the 7th – 9th fiscal years is Ernst & Young.

B. External Auditor's (or Reviewer's) Opinion

The auditor's opinion from the 7th fiscal year to now are as follows.

- 7th FY : Unqualified Opinion
- 8th FY : Unqualified Opinion
- 9th FY : Unqualified Opinion

C. Audit Credit

The audit services with the Company and Ernst&Young are as follows.

(Unit: KRW MN, hours)

Fiscal year	Auditor	Details	Compensation	Total service time
9th	Ernst & Young	Quarter/half period review, individual/consolidated audit contracts	170	–
8th	Ernst & Young	Quarter/half period review, individual/consolidated audit contracts	200	2,496
7th	Ernst & Young	Quarter/half period review, individual/consolidated audit contracts	180	1,906

(Note) Above credit contract is based on 1-year compensation contract and is VAT excluded.

The total service hour for 9th FY contract has not yet been realized as of the submission date and the audit is still in process therefore no entry has been made.

D. Non-audit Contract with External Auditor

The audit services with the Company and Ernst&Young are as follows.

(Unit: KRW MN)

Fiscal year	Contract date	Service details	Service period	Compensation	Remark
9th	Mar. 26, 2009	Preparation of English Auditor's Report (9th FY)	–	30	
8th	Apr. 8, 2008	Preparation of English Auditor's Report (8th FY)	Mar. 23, 2009 ~ May 15, 2009	50	
7th	Mar. 5, 2007	Preparation of English Auditor's Report (7th FY)	Mar. 24, 2008 ~ May 9, 2008	50	

(Note) The above compensations are VAT excluded.

The service period of 9th Auditor's Report in English has been planned, not occurred, therefore not stated here.

2. Internal Control over Financial Reporting (ICFR)

A. Operation of ICFR

(1) ICFR Operating Organization

Belonged Body	Responsible	Title	Duty
Auditor(Committee)	Steinar Forberg	Auditor	Evaluating operation
Board of Directors	Je Seo Park	ICFR Manager	Evaluating operation
Disclosure, Finance	Il Hak Ju	Head of Finance	Disclosure in general
Accounting	Sang Wook Woo	Head of Accounting	Accounting in general
Finance&Accounting Group	Bong Jung Ko	General Deputy Manager	Finance&Accounting in general
Strategy Planning Group	Jeong Ju Hyun	Manager	Strategy Planning in general
IT Group	Chan Moon Jeong	Manager	IT System in general
Automotive Logistics	Han Seong Lee	General Deputy Manager	Automotive Logistics in general
Corporate Logistics	Jae Beom Park	Manager	Corporate Logistics in general

(2) ICFR Operation Evaluation

- ICFR manager conducts ICFR operation evaluation twice a year and reports the result to the Board of Directors and audit at the next BOD meeting convened after the evaluation
- Auditor reviews the evaluation result received from ICFR manager, then reports the opinion to the Board of Directors in written form

B. Evaluation on ICFR

Description	Evaluation	External auditor
9th FY	<ul style="list-style-type: none"> Assessment period : Jun. 25, 2009 ~ Jul. 20, 2009 / Dec. 10, 2009 ~ Jan. 7, 2010 Report date : Jul. 23, 2009 / Feb. 11, 2010 Result The Company's ICFR is effectively designed and operated, in all material respects, in conformity with the Best Practice Guideline 	Based on the review of management's report on the operations of the ICFR, nothing has come to our attention that causes us to believe that management's report is not presented fairly, in all material respects, in accordance with the ICFR standards
8th FY	<ul style="list-style-type: none"> Assessment period : Jul. 1, 2008 ~ Jul. 22, 2008 / Dec. 15, 2008 ~ Jan. 7, 2009 Report date : Jul. 24, 2008 / Jan. 9, 2009 Result The Company's ICFR is effectively designed and operated, in all material respects, in conformity with the Best Practice Guideline 	Based on the review of management's report on the operations of the ICFR, nothing has come to our attention that causes us to believe that management's report is not presented fairly, in all material respects, in accordance with the ICFR standards
7th FY	<ul style="list-style-type: none"> Assessment period : Sept. 27, 2007 ~ Oct. 17, 2007 / Jan. 9, 2008 ~ Jan. 24, 2008 Report date : Nov. 10, 2007 / Dec. 15, 2008 Result The Company's ICFR is effectively designed and operated, in all material respects, in conformity with the Best Practice Guideline 	Based on the review of management's report on the operations of the ICFR, nothing has come to our attention that causes us to believe that management's report is not presented fairly, in all material respects, in accordance with the ICFR standards

V. Directors' Diagnosis and Analysis on Business

※ Matters that require attention for prediction

- The matters that the Company predicted on this annual report are based on the Company's business environment, reflecting consistent and reasonable assumptions and consisting the event of public disclosures and financial results of that period. Therefore the actual results may differ from what the Company predicted due to the internal and external environmental changes where the Company cannot control.
- This material cannot be used as a supporting evidence for clarification regarding legal responsibility about investment results of the investors.

1. Overview

After the 2nd half of 2008, the global financial crisis spread into the real economy, lowering consumer confidence and causing financial squeeze. From that effect, the GDP for Korea was only 0.2% which was the lowest in 11 years after IMF crisis. US and some of European countries actually had minus growths, also emerging countries like China and India which had been retaining high growth were not free from this economic crisis either. Therefore, there was volume decrease in global shipping freights which was unfavorable factor in logistics industry. However, the Company overcame these difficulties in and out of the country, recorded the outstanding result ever since its establishment. The sales was KRW 3,192.7 BN, up by 4.2% year-on-year. Also through cost reduction and business efficiency, the operating income was KRW 145.3 BN, up by 12.5% year-on-year. Even there was freight volume decrease due to the economic recession, the Company started new businesses to cover those parts and particularly GLOVIS as a certified integrated logistics company contributes to the customers' cost reduction with effective logistics services. As mid-long term growth potentials in logistics business division, finished vehicle shipping and raw material shipping businesses are now in their proper shape; also CKD business is well under control along with global production strategy of Hyundai · Kia Motors. Lastly the used car business is contributing to profit improvement by expanding its scale in used car auction market.

This 2010 global economic outlook is not that bright as well.

According to the economic research institutes in and out of Korea, there will be various

unsettled issues – possibilities of inflation since each country will increase state spending to cover the 2009 economic crisis, of financial crises and another downgrade in credit ratings in European countries, etc. – which will make economic recovery much more difficult.

Despite these economic uncertainties, GLOVIS set the Korea domestic sales target for 2010 at KRW 3.84 TN, up by 20% year-on-year, and overseas subsidiary sales at KRW 1.19 TN, up 12% year-on-year, in sum KRW 5.03 TN as the business guidance; and the Company will try to put its utmost efforts to achieve it.

GLOVIS will continuously make a concerted effort to focus on providing customer-oriented, innovative, and differentiated logistics services to be 'Customer Focused Global Lead Logistics Provider' satisfying the Company's vision.

2. Financial Position and Business Results

1) Financial Position

(Unit : KRW MN, %)

Description	Financial Position		Change
	9th FY	8th FY	
[Current Assets]	885,443	558,511	58.5%
• Quick Assets	664,248	497,221	33.6%
• Inventories	221,195	61,289	260.9%
[Non-current Assets]	775,601	545,848	42.1%
• Investment Assets	369,785	231,343	59.8%
• Property, Plant and Equipment	371,208	286,289	29.7%
• Intangible Assets	9,054	7,924	14.3%
• Others in Other Non-current Assets	25,554	20,292	25.9%
Total Assets	1,661,044	1,104,359	50.4%
[Current Liabilities]	627,071	339,999	84.4%
[Non-Current Liabilities]	203,283	137,645	47.7%
Total Liabilities	830,354	477,644	73.8%
[Capital Stock]	18,750	18,750	0.0%
[Capital Surplus]	153,619	153,619	0.0%
• Additional Paid-in Capital	153,619	153,619	0.0%
[Accumulated Other Comprehensive Income]	52,423	19,415	170.0%
[Retained Earnings]	605,898	434,931	39.3%
Total Stockholders Equity	830,690	626,715	32.6%

A point needs to be focused in Financial Position 2009 is sharp increase of inventories and current liabilities. Since purchasing orders of CKD parts from overseas plants had been tremendously increased at the end of 2009, and number of stocks under transporting was increased as well, there was an increase of inventories. Increase of current liabilities was also due to the volume growth of CKD parts at the end of 2009 which caused another growth of auto parts purchase and liabilities. Investment assets increased because of gain on disposition of equity method securities from merger of Hyundai Mobis and Hyundai Autonet.

2) Business Results

(Unit : KRW MN, %)

Description	Business Results		Change
	9th FY	8th FY	
Sales	3,192,755	3,065,235	4.2%
Cost of Goods & Services Sold	2,932,561	2,826,570	3.7%
Gross Profit	260,194	238,665	9.0%
Selling & Administrative Expense	114,924	109,586	4.9%
Operating Income	145,270	129,079	12.5%
Non-operating Income	182,139	169,784	7.3%
Non-operating Expense	93,160	145,854	-36.1%
Earnings Before Income Tax	234,249	153,009	53.1%
Income Tax Expense	44,475	35,347	25.8%
Net Income	189,774	117,662	61.3%

The Company's sales, operating income and net income was record high in 2009.

PCC business which started in 2008 stood out and had 6% up year-on-year, and it helped international logistics grew out of total logistics business. Within sales and distribution business sector, merchandise, including used car auction business with its remarkable growth, resulted in overall increase by 17% compared to 2008.

Operating income margin shows a gradual increase (2.9% in 2006, 3.7% in 2007, 4.2% in 2008, 4.6% in 2009) which was due to cost reduction, enhancing efficiency and improvement of profit from 3PL expansion. Also, SG&A cost ratio to sales has been showing stable decrease (4.1% in 2006, 3.8% in 2007, 3.6% in 2008, 3.6% in 2009).

Net income in 2009 was up by 61.3% year-on-year, but it included KRW 51.2 BN from gain on disposition of equity method securities caused by merge of Hyundai Mobis and Hyundai Autonet.

3. Liquidity and Financing, etc.

■ Liquidity Status

The Company possesses KRW 242,038 MN as of the end of 2009, because cash inflow increased due to the sales growth.

(Unit : MN KRW)

Description	Liquidity		Change
	FY 9th	FY 8th	
Cash and Cash Equivalents	242,038	165,856	45.9%
Short-term Investment Assets	—	64	
Total	242,038	165,920	

■ Financing and etc.

The Company has KRW 142,088 MN of long term other payables as of end of 2009 regarding investment on 5 vessels, and 25,218 MN KRW for current portion of long-term other payable for current liabilities which will be repayed in one year.

Long-term other payable is BBCHP (Bare Boat Charter Hire Purchase) for vessels, which the Company repayed vessel price on a deferred payment basis. Since the Company acquires ownership after a certain period of time on this conditions, vessels are appropriated for property, plant and equipment at the moment when those vessels are delivered. The rest of amount to be repayed is appropriated for long-term other payable for current liabilities.

The Company does not have any other debt besides what is written above, regarding vessel purchase, and other investments are fulfilling with equity capital.

4. Major Change on Accounting Policy, Accounting Assumption

The Company applied the amendment on Property, Plant and Equipment, which is SKAS No. 5, for the first time during 2009, and it will not affect on any of the Company's either management results, financial status, or disclosure.

5. Matters to be Needed on Investment Decision

Under Article 168-⑤ of Capital Market and Financial Investment Business, consolidated financial statement of the Company was not made because it is under audit. The 9th consolidated financial statement will be submitted by 30 days after the deadline of annual report.

VI. Board of Directors, Corporate Governance, and Related Companies

1. Board of Directors Overview

A. Composition of the Board of Directors

As of Dec. 31, 2009, the Board of Directors of the Company is composed of 3 standing directors (including CEO), 3 non-standing directors, 2 outside directors, and 1 standing auditor.

Since the Company's total assets for the previous fiscal year was less than KRW 2 TN, the Company has no obligation of organizing Audit Committee. As of now, the Company does not have any committees (no Audit Committee) in the Board of Directors.

※ The profiles of the members of Board of Directors are stated in 'VIII. Executives and Employees, etc.

1. Executives and Employees A. Executives (1) Registered Executives'.

B. Major Resolution of the Board of Directors

Meetings	Date of BOD	Agenda	Approval/ Objection	Outside Director	
				Jeong Soo Lee (Attendance : 91.7%)	Sjur Galtung (Attendance : 91.7%)
1st Extraordinary BOD Meeting	Jan. 23, 2009	① Approval of the 8th (Jan. 1, 2008-Dec. 31, 2008) financial statement	Approved	Approved	Approved
1st Regular BOD Meeting	Feb. 13, 2009	① Convening of the 8th Regular Annual General Meeting of Shareholders 1) Date: Mar. 13, 2009 (Fri) at 10:00 a.m. 2) Venue: Auditorium of Hyundai Marine&Fire Insurance Building at 646 Yeoksam-dong, Gangnam-gu, Seoul 3) Agenda: - Approval of the 8th balance statement, income statement, statement of retained earning appropriation(proposed) - Amendments to the Articles of Incorporation - Appointment of directors - Appointment of auditor - Approval of remuneration ceiling for directors - Approval of remuneration ceiling for auditor	Approved	Approved	Approved
		② Decision on cash dividend 1) Dividend per share: KRW 500 (100% of book value dividend ratio) 2) Total dividend amount: KRW 18,750 MN 3) Dividend date: Dec. 31, 2008 ※ Report Matter ① CP Operation for 2nd half of 2008 and CP Schedule for 1st half of 2009 ② Internal Control over Financial Reporting	Approved	Approved	Approved
2nd Extraordinary BOD Meeting	Mar. 11, 2009	① Appointment of External Auditor	Approved	Approved	Approved
3rd Extraordinary BOD Meeting	Mar. 13, 2009	① Election of Representative Director	Approved	Approved	Not attended
4th Extraordinary BOD Meeting	Apr. 23, 2009	① Sale of Sihwa Site and Purchase of Bundang Auction Center Site	Approved	Approved	Approved

Meetings	Date of BOD	Agenda	Approval/ Objection	Outside Director	
				Jeong Soo Lee (Attendance : 91.7%)	Sjur Galtung (Attendance : 91.7%)
2nd Regular BOD Meeting	Apr. 28, 2009	① Approval of Business Performance for 2009 1st quarter ② Payment Guarantee Agreement for Overseas Subsidiary ③ Approval for Large-scale Intra-group Transaction	Approved Approved Approved	Approved Approved Approved	Approved Approved Approved
5th Extraordinary BOD Meeting	Jun. 9, 2009	① Convening of the Extraordinary Shareholders Meeting	Approved	Approved	Approved
3rd Regular BOD Meeting	Jul. 23, 2009	① Election of Representative Director ② Approval of Business Performance for 2009 1st Half ③ Investment in Vessels - Details : Purchasing 2 Pure Car Carriers - Investment Amount : USD 81,300,000 ④ Payment Guarantee Agreement for Overseas Subsidiary ⑤ Approval for Large-scale Intra-group Transaction ※ Report Matter ① CP Operation for 1st half of 2009 and CP Schedule for 2nd half of 2009 ② Internal Control over Financial Reporting	Approved Approved Approved Approved Approved	Approved Approved Approved Approved Approved	Approved Approved Approved Approved Approved
4th Regular BOD Meeting	Oct. 23, 2009	① Approval of Business Performance for 2009 3rd quarter ② Capital Increase in Overseas Subsidiary	Approved Approved	Not Attended Not Attended	Approved Approved
5th Regular BOD Meeting	Dec. 16, 2009	① Approval of Business Plan for 2010 ② Approval for Large-scale Intra-group Transaction	Approved Approved	Approved Approved	Approved Approved
1st Extraordinary BOD Meeting	Jan. 28, 2010	① Approval of the 9th (Jan. 1, 2009-Dec. 31, 2009) financial statement	Approved	Approved	Approved
1st Regular BOD Meeting	Feb. 11, 2010	① Convening of the 9th Regular Annual General Meeting of Shareholders 1) Date: Mar. 12, 2010 (Fri) at 10:00 a.m. 2) Venue: Auditorium of Yeoksam1 Culture Center at 829-20 Yeoksam-dong, Gangnam-gu, Seoul 3) Agenda: - Approval of the 9th balance statement, income statement, statement of retained earning appropriation(proposed) - Appointment of directors - Approval of remuneration ceiling for directors - Approval of remuneration ceiling for auditor ② Decision on cash dividend 1) Dividend per share: KRW 600 (120% of face value dividend ratio) 2) Total dividend amount: KRW 22,500 MN 3) Dividend date: Dec. 31, 2009 ③ Investment in Vessels ④ Approval for Large-scale Intra-group Transaction	Approved Approved Approved Approved	Approved Approved Approved Approved	Approved Approved Approved Approved

C. Independence of Director

Director	Nominated by	Duty	Transaction with the Company	Relationship with Majority Shareholders
Kyung Bae Kim	BOD	Business in general	-	-
Bong Choon Jang	BOD	Business in general	-	-
Je Seo Park	BOD	Business in general	-	-
Jung Dae Lee	BOD	Business in general	-	-
Yong Bae Lee	BOD	Business in general	-	-
Sang Kon Ma	BOD	Logistics related advice, etc.	-	-
Jeong Soo Lee	BOD	Legal advice, etc.	-	-
Sjur Galtung	BOD	Logistics related advice, etc.	-	-

2. Audit System

A. Personal Data of Auditor

The Company has no audit committee(arranged by outside director) established, but has one standing statutory auditor who was appointed at the general shareholders meeting. As of Dec. 31, 2009, the auditor of the Company is Steinar Forberg.

The personal data of Steinar Foreberg is as follows.

- ① Born : Jun. 3, 1947, Norway
- ② Education : Norwegian School of Business and Administration (1982)
- ③ Major Experience
 - CFO of Eukor Car Carriers Inc. (2002~2005)
 - Senior Consultant of HANSA MANAGEMENT Group (2001~2002)
 - Secretary General, Norwegian Sea Rescur Company (1998~2000)

B. Independence of Auditor's Role

The Company has established in the Articles of Incorporation to provide the auditor more accessibility to the Company's information.

- ① Article 27 paragraph 3 : At any time, the auditor may inspect or reproduce the accounting records and documents and request the Directors to provide a business report or investigate the Company's affairs and financial status.
- ② Article 27 paragraph 4 : The auditor may attend meetings of the Board of Directors and express his opinions.
- ③ Article 27 paragraph 7 : The auditor may request the Company's subsidiary to report the details of the operation, if deemed necessary for performance of his duties. In such a case, if the subsidiary fails to immediately report the details or if it is necessary to confirm the contents of the report, the auditor may investigate the subsidiary's business operation and financial status.

Also, an arm to support the auditor is organized in Finance Team for the auditor to reach the information at desired time period.

C. Auditor's Major Activities

The auditor of the Company attended all Board of Directors Meetings convened in 2009.

In particular, at the 1st regular BOD Meeting on Feb. 13, 2009, and the 3rd regular BOD Meeting on Jul. 23, 2009, the auditor reported on operation of Internal Control over Financial Reporting for the 2nd half of 2008 and for the 1st half of 2009 respectively. The auditor reports to the BOD twice a year.

The followings are the major activities of the auditor in the Board of Directors Meeting.

Meetings	Date of BOD	Agenda	Approval/ Objection	Auditor
1st Extraordinary BOD Meeting	Jan. 23, 2009	① Approval of the 8th (Jan. 1, 2008–Dec. 31, 2008) financial statement	Approved	Approved
1st Regular BOD Meeting	Feb. 13, 2009	① Convening of the 8th Regular Annual General Meeting of Shareholders 1) Date: Mar. 13, 2009 (Fri) at 10:00 a.m. 2) Venue: Auditorium of Hyundai Marine&Fire Insurance Building at 646 Yeoksam-dong, Gangnam-gu, Seoul 3) Agenda: – Approval of the 8th balance statement, income statement, statement of retained earning appropriation(proposed) – Amendments to the Articles of Incorporation – Appointment of directors – Appointment of auditor – Approval of remuneration ceiling for directors – Approval of remuneration ceiling for auditor ② Decision on cash dividend 1) Dividend per share: KRW 500 (100% of book value dividend ratio) 2) Total dividend amount: KRW 18,750 MN 3) Dividend date: Dec. 31, 2008 ※ Report Matter ① CP Operation for 2nd half of 2008 and CP Schedule for 1st half of 2009 ② Internal Control over Financial Reporting	Approved	Approved
			Approved	Approved Reported
2nd Extraordinary BOD Meeting	Mar. 11, 2009	① Appointment of External Auditor	Approved	Approved
3rd Extraordinary BOD Meeting	Mar. 13, 2009	① Election of Representative Director	Approved	Approved
4th Extraordinary BOD Meeting	Apr. 23, 2009	① Sale of Sihwa Site and Purchase of Bundang Auction Center Site	Approved	Approved
2nd Regular BOD Meeting	Apr. 28, 2009	① Approval of the 1st quarter of the 9th FY financial Statement ② Payment Guarantee Agreement for Overseas Subsidiary ③ Approval for Large-scale Intra-group Transaction	Approved Approved Approved	Approved Approved Approved
5th Extraordinary BOD Meeting	Jun. 9, 2009	① Convening of the Extraordinary Shareholders Meeting	Approved	Approved
3rd Regular BOD Meeting	Jul. 23, 2009	① Election of Representative Director ② Approval of Business Performance for 2009 1st Half ③ Investment in Vessels – Details : Purchasing 2 Pure Car Carriers – Investment Amount : USD 81,300,000 ④ Payment Guarantee Agreement for Overseas Subsidiary	Approved Approved Approved	Approved Approved Approved
			Approved	Approved

4. Affiliated Companies under the Group, etc.

A. Affiliated Companies

(1) Name of the Group which the Company belongs to : Hyundai Automotive Group

In accordance with Monopoly Regulation and Fair Trade Act and as of this quarterly report date (Dec. 31, 2009), the Company is an affiliate in Hyundai Automotive Group and there are 41 affiliated companies in Korea (including GLOVIS), 8 of them are listed companies and 33 of them are non-listed companies.

Domestic companies in Hyundai Automotive Group are subject to the restrictions on cross-shareholding and loan-guarantees under Monopoly Regulation and Fair Trade Act.

(2) Domestic Affiliated Companies

Industry	No. of companies	Listed on the securities market	Unlisted
Vehicle manufacturing and sales	2	Hyundai Motor KIA Motors	—
Vehicle parts manufacturing	12	Hyundai Mobis	Dymos KEFICO Hyundai Powertech Hyundai WA WISCO Metia IHL AIA MSEAT PARTECS WA Magna Powertrain
Steel manufacturing	4	Hyundai Hysco Hyundai Steel BNG Steel	Samwoo
Securities	1	HMC Investment Securities	—
Installment financing	2	—	Hyundai Capital Hyundai Commercial
Credit sales financing	1	—	Hyundai Card
Service, golf club	2	—	Haevichi Resort Haevichi CC
Logistics	1	GLOVIS	—
IT business	2	—	AutoEverSystems MN Soft
Vehicle core technology development	2	—	NGV Carnes
Train manufacturing and sales	3	—	Hyundai ROTEM Seoul Metro Line 9 Maintrans
Professional baseball team	1	—	KIA Tigers

Industry	No. of companies	Listed on the securities market	Unlisted
Professional soccer team	1	–	Jeonbuk Hyundai Motors FC
Construction	1	–	Hyundai AMCO
Advertisement agency	1	–	Innocean
Book publishing and manufacturing	1	–	Jongro Hakpyeong
Academy operation	1	–	Jongro Education
Industrial gas manufacturing and sales	1	–	Greenair
Landscaping and forestration, etc.	1	–	Seorim Development Seorim Environment Technology
Total	41	8	33

* Change in the name of the Company : Jan. 2010, 'Haevichi Resort' → 'Haevichi Hotel and Resort'

(3) Overseas Affiliated Companies

No	Company	No	Company
1	Hyundai Motor India Ltd.	82	Hyundai-KIA Machine Europe Gmbh
2	Hyundai-Assan Otomotiv Sanayi Ve Ticaret A.S.	83	Glovis America, Inc.
3	Beijing Hyundai Motor Company	84	Glovis Alabama, LLC.
4	Beijing Jinxian Motor Safeguard Service Co., Ltd	85	Glovis Slovakia, s. r. o
5	Hyundai Translead	86	Beijing GLOVIS Warehousing & Transportation Co., Ltd.
6	Hyundai Motor Manufacturing Alabama	87	Glovis Australia Pty.Ltd
7	Stamped Metal American Research Technology, Inc	88	GLOVIS EUROPE GmbH
8	Hyundai Motor Poland	89	GLOVIS INDIA PRIVATE LIMITED
9	Hyundai Motor Company Australia PTY LTD.	90	Global Auto Processing Services, Inc
10	Hyundai Motor Japan Co., Ltd	91	BNG Steel Japan Corp.
11	Hyundai Motor America, Inc.	92	HYUNDAI AMCO AMERICA, INC.
12	Hyundai Capital America	93	HYUNDAI AMCO INDIA PRIVATE LIMITED
13	Innocean Worldwide Americas, LLC	94	Beijing Lear Dymos Automotive Systems Co., Ltd
14	Hyundai Motor Europe Gmbh	95	Innocean Worldwide Communication Private Limited
15	Hyundai Auto Canada Captive Insurance Ltd	96	Jiangsu Hyundai Hysco Steel Process Co., Ltd
16	Global Engine Alliance LLC	97	Hysco Steel India., Ltd
17	Hyundai America Technical Center Inc.	98	INNOCEAN WORLDWIDE UK LIMITED
18	Hyundai Motor Japan R&D Center Inc.	99	Hyundai EURotem Demiryolu Araclari ve Ticaret A.S.
19	Hyundai de Mexico S.A.	100	Hyundai Motor Manufacturing Czech, s.r.o.
20	Hyundai Rio Vista, Inc	101	Junggun AMCO (Beijing) Construction Co., Ltd.
21	China Millennium Corporation I	102	Hyundai AES India Private Limited
22	China Millennium Corporation II	103	Rotem Equipments (Beijing) Co., Ltd.
23	China Millennium Corporation III	104	Autoever Systems China Co.,Ltd.
24	Beijing Hines Millenium Real Estate Development Co.	105	Kia Motors Manufacturing Georgia, Inc.
25	Hyundai Motor Group (China) Ltd	106	Hyundai WIA Train engine (Shandong) Co., Ltd.
26	Hyundai Motor Hungary	107	HMCIS B.V.
27	Hyundai Motor Europe Technical Center GmbH	108	AutoEverSystems Europe GmbH
28	Hyundai Motor Norway AS	109	Hyundai Motor India Engineering
29	Hyundai Information Service North America	110	Dymos Czech Republic s.r.o
30	Hyundai Motor UK Limited	111	Hyundai Auto Canada Corp.
31	Kia Motors America Inc.	112	Mobis Automotive Czech s.r.o.
32	Kia Canada Inc.	113	Hyundai Motor CIS LLC
33	KIA Motors Deutschland GmbH	114	Mobis Parts Brazil Intermediacao de Negocios Ltda
34	Kia Motors Europe GmbH.	115	Hyundai Autonet India Engineering Private Limited
35	Kia Motors Polska Sp.z o.o.	116	HYSCO CZECH s.r.o.
36	Kia Motors United Kingdom Ltd	117	HYUNDAI AMCO(CAMBODIA) CO., Ltd.
37	Kia Motors Austria GmbH	118	GLOVIS LOGISTICS Ltd.
38	Kia Motors Belgium GmbH	119	Glovis Czech Republic s.r.o.
39	Kia Motors Hungary GmbH	120	Innocean Worldwide Europe GmbH

No	Company	No	Company
40	Kia Motors Czech Gmbh	121	GLOVIS Georgia, LLC
41	Kia Motors Sweden AB(KMSw)	122	GLOVIS Hong Kong Co.,Ltd
42	Kia Motors Iberia S.L(KMIb)	123	Hyundai Autonet India Private Limited
43	Kia Motors France SAS	124	Dymos India Automotive Private Limited
44	Kia Motors Slovakia s.r.o(KMS)	125	Mobis Module CIS
45	Dongfeng Yueda Kia Motor Co., Ltd	126	Hyundai Motor Manufacturing Rus LLC
46	Kia Japan Co., Ltd.	127	HYUNDAI AMCO RUS. L.L.C.
47	Yanji KIA Motors Maintenance & Repair LTD	128	Mobis Auto Parts Middle East Egypt
48	Kia Motors Australia Pty Ltd	129	AMCO • MIBA EK VINA COMPANY LIMITED
49	Kia Motors Sales Slovensko s.r.o	130	Rotem Automotive India Private Limited
50	Kia Motors New Zealand Ltd	131	PowerTech America. Inc
51	Shanghai Hyundai Mobis Automotive Parts Co., Ltd.	132	Hanil Lear India Private Ltd.
52	Jiangsu Mobis Automotive Parts Co., Ltd.	133	Hyundai Auto Czech s.r.o.
53	Beijing Hyundai Mobis Automotive Parts Co., Ltd.	134	Innocean Worldwide Australia Pty Ltd
54	Beijing Mobis Transmission Co., Ltd.	135	GLOVIS RUS LLC
55	Mobis America Inc.	136	Innocean Worldwide Italy Srl
56	Hyundai Motor (Shanghai) Co., Ltd	137	Innocean Worldwide China Beijing
57	Mobis Parts Europe N.V.	138	Global Auto Processing Services Alabama, LLC
58	Mobis Parts Middle East Free Zone Establishment	139	KMRus B.V (KIA MOTORS RUSSIA B.V)
59	Beijing Mobis Chonche Automotive Parts Co., Ltd.	140	KMRus LLC (KIA MOTORS RUSSIA LLC)
60	Mobis Slovakia s.r.o	141	Hyundai Motor Company Italy
61	Mobis Parts Australia PTY LTD.	142	KEFICO Automotive Systems(Beijing) Co., Ltd.
62	Beijing Hyundai Mobis Parts Co., Ltd	143	Innocean Worldwide Holdings, Inc.
63	Mobis Parts CIS	144	Innocean Worldwide Rus LLC.
64	Mobis Parts Jiangsu Yueda Trading Co., Ltd.	145	HYUNDAI HYSKO RUS LLC.
65	American Autoparts, Inc.	145	Innocean Worldwide China Shanghai
66	Ohio Module Manufacturing Co., LLC	147	Kia Motors Nederland B.V
67	Mobis India Limited	148	Autoever Systems America, INC.
68	Hyundai Mobis(HongKong) Co.,Ltd	149	H – LAND INDIA Construction, Ltd
69	Mobis Alabama, LLC	150	Hyundai WIA Automotive Parts(Shandong) Co., Ltd.
70	Mobis Parts America, LLC	151	WIA Trade Co., Ltd.
71	Mobis Parts Detroit, LLC	152	GLOVIS CANADA, Inc.
72	WUXI Mobis Automotive Autoparts Co.,LTD	153	Global Auto Processing Services Georgia, LLC
73	QINGDAO HYUNDAI MACHINERY CO.,LTD.	154	HYUNDAI AMCO BRASIL CONSTRUTORA E GESTAO DE PROJETOS LTDA.
74	HYUNDAI HYSKO USA, INC.	155	INNOCEAN WORLDWIDE CANADA INC.
75	Beijing Hyundai Hysco Steel Process Co., Ltd.	156	INNOCEAN WORLDWIDE SPAIN SL
76	Hysco America Company, Inc.	157	INNOCEAN WORLDWIDE FRANCE S.A.S
77	HYSKO Slovakia,s.r.o.	158	CK ID CO., LTD.
78	Tianjin Mobis Automotive Parts Co., Ltd	159	Hyundai Motor Espana, S.L.

No	Company	No	Company
79	Hyundai Rotem USA Corporation	160	HYUNDAI AMCO EUROPE, GmbH
80	Hyundai-KIA Machine America Corporation	161	KEFICO VIETNAM COMPANY LIMITED
81	JIANGSU HYUNDAI WIA CO., LTD	162	Hyundai motor Brasil montadora de automoveis LTDA

(4) Equity-Holding Distribution Table of Domestic Affiliated Companies

[As of Dec. 31, 2009]

(Unit : %)

Subsidiary	Hyundai Motor	KIA Motors	Hyundai Mobis	Hyundai Steel	Hyundai Hysco	Hyundai ROTEM	Hyundai WIA	BNG Steel	KEFICO	Dymos	Hyundai Power-tech	Auto- Ever Sys-tems	WISCO	KIA Tigers	Haevi- chi Resort	NGV	Hyun- dai AMCO	Hyun- dai Capital	Hyun- dai Card	Metia	WIA Magna Power- train
Investor																					
Hyundai Motor		34.58			26.13	57.64	39.46		50.00	47.27	37.58	29.90				53.66		56.47	31.52		
KIA Motors			16.88	21.39	13.91		39.33			45.37	37.58	20.00		100	40.00	24.39	19.99		11.48		
Hyundai MOBIS	20.78										24.84	20.00			10.00		19.99				
Hyundai Steel			5.66					41.12											5.44		
GLOVIS			0.67												5.00		24.96				
Dymos																				48.53	
Metia													38.63								
Hyundai AMCO																					
Hyundai WIA										5.12					25.00					50.94	50.00
Hyundai ROTEM																					
Hyundai Commercial																			5.54		
Seorim Development																					

Subsidiary	IHL	AIA	Mseat	Seoul Metro Line 9	MN Soft	Car- nes	Par- tecs	Haevi- chi CC	Hyun- dai Commer- cial	HMC Invest- ment Securi- ties	Jeong- buk Hyun- dai Motors FC	Green- air	Main- trans	Seorim Envri- onment Tech- nology	GLO- VIS	Inno- cean	Seorim Develop- ment	Jongro Hak- pyeong	Jongro Edu- cation	Samwoo
Investor																				
Hyundai Motor					31.84	50.00	56.00	30.00	50.00	26.27	100									
KIA Motors							31.00	15.00		3.68										
Hyundai Mobis	100				25.67		13.00	15.00	20.00	15.76										
Hyundai Steel																				
GLOVIS																				
Dymos			99.81																	
Metia																				
Hyundai AMCO								40.00		3.68										
Hyundai WIA		100																		
Hyundai ROTEM				25.00								51.00	80.00							
Hyundai Commercial																				
Seorim Develop- ment														75.00						

※ The table above is based on common stock.

※ The table above is based on 'Business Group Subject to Limitations on Cross-Shareholding' of Fair Trade Commission.

※ The table above is reflecting elimination of Hyundai Autonet and capital increase of Hyundai Investment and Securities.

(5) Equity-Holding Distribution Table of the Company's Overseas Subsidiaries

The Company, GLOVIS America and GAPS (its subsidiaries) have equities in overseas subsidiaries and they are performing businesses which correspond to the local businesses of Hyundai/Kia Automotive Group.

The followings are the details of major overseas local subsidiaries.

(Unit : 1,000 in local currency)

Subsidiary	Sales(FY 2009)	Major business
GLOVIS America	\$379,929	Port processing and TP transporting for finished car, Container forwarding
GLOVIS Alabama	\$45,574	Consolidation Center operating, Parts(vendors') transporting
GLOVIS Georgia	\$2,744	Consolidation Center operating, Tire/Wheel operating, Parts(vendors') transporting
GAPS	\$15,037	Port processing for finished car, Vehicle Processsing Center operating
GAPS Alabama LLC	\$17,478	Port processing for finished car, Vehicle Processsing Center operating
GAPS Georgia LLC	—	Port processing for finished car, Vehicle Processsing Center operating
GLOVIS Europe	€ 100,351	TP transporting of finished car, Container forwarding
GLOVIS Slovakia	€ 20,930	Consolidation Center operating, Tire Wheel operating, Vehicle Processsing Center operating, Parts(vendors') transporting
GLOVIS Czech	€ 17,458	Consolidation Center operating, Tire Wheel operating, Vehicle Processsing Center operating, Parts(vendors') transporting
GLOVIS Turkey	YTL 21,735	TP transporting of finished car, Container forwarding, Parts(vendors') transporting
Beijing GLOVIS	RMB 342,137	TP transporting of finished car, Container forwarding, Parts(vendors') transporting
GLOVIS India	Rs 2,623,273	TP transporting of finished car, Container forwarding
GLOVIS Australia	AUD 27,843	TP transporting of finished car
GLOVIS Hong Kong	—	Logistics service providing, etc.
GLOVIS Russia	Rub 674,631	Consolidation Center operating, TP transporting for finished car, Container forwarding
GLOVIS Canada	CAD 21,191	Port processing and TP transporting for finished car

Next is equity-holding distribution table of overseas local subsidiaries.

[As of Dec. 31, 2009]

(Unit: %)

[illegible]

B. Investment in Companies

[As of Dec. 31, 2009]

(Unit : Shares, KRW 1,000, %)

Company	Purpose of investment	Balance at beginning			Increase(Decrease)			Balance at Ending			Financial status for the recent fiscal year	
		Shares	Holding ratio	Book value	Acquisition(Disposal)		Evaluated P&L	Shares	Holding ratio	Book value	Total assets	Net income
					Shares	Amount						
Hyundai AMCO (unlisted)	Participation in management	2,496,213	24.96%	90,402,648	1,248,106	–	9,094,281	3,744,319	24.96%	99,496,929	807,014,649	44,797,136
Hyundai Mobis (Listed)	merged Hyundai Autonet	–	–	–	656,293	72,520,377	39,705,726	656,293	0.67%	112,226,103	11,189,659,000	1,615,220,000
Hyundai Autonet (Merged into Hyundai Mobis)	Participation in management	15,597,929	6.73%	25,122,646	(15,597,929)	(24,556,255)	(566,391)	–	0.00%	0	635,990,648	(51,197,142)
Hyundai Food System (Listed)	Participation in management	1,560,000	19.50%	7,076,549	780,000	–	15,474,453	2,340,000	13.65%	22,551,002	236,622,000	11,179,000
Hyundai IT (Listed)	Receivables convertible to equity securities	6,988	0.01%	1,573	(6,988)	(1,573)	–	–	0.00%	0	59,296,473	(14,348,781)
Luco (Unlisted)	Participation in management	10,000	16.67%	100,000	–	–	–	10,000	16.67%	100,000	165,614	(188,709)
Haevichi Resort (Unlisted)	Participation in management	155,000	5.00%	–	–	–	–	155,000	5.00%	0	305,414,515	1,894,184
Hyundai A&I (unlisted)	Hyundai Food System stock split	39,000	19.50%	14,319,370	–	–	–	39,000	19.50%	14,319,370	113,454,000	543,000
GLOVIS America (unlisted)	Participation in management	16,000	100.00%	64,465,454	–	–	8,923,909	16,000	100.00%	73,389,363	231,134,976	8,104,289
GLOVIS Slovakia (unlisted)	Participation in management	–	100.00%	14,048,072	–	–	1,327,549	–	100.00%	15,375,621	26,649,690	3,876,283
Beijing GLOVIS (unlisted)	Participation in management	–	100.00%	3,231,114	–	–	2,236,912	–	100.00%	5,468,026	17,527,930	963,121
GLOVIS Europe (unlisted)	Participation in management	–	100.00%	5,932,093	–	–	6,309,433	–	100.00%	12,241,526	39,250,666	4,380,371
GLOVIS India (unlisted)	Participation in management	–	100.00%	605,821	–	2,359,467	–	–	100.00%	2,965,288	7,238,992	660,111
GLOVIS Australia (unlisted)	Participation in management	–	100.00%	454,769	–	–	–	–	100.00%	454,769	3,335,322	27,641
GLOVIS Turkey (unlisted)	Participation in management	–	100.00%	460,842	–	–	–	–	100.00%	460,842	3,133,841	258,612
GLOVIS Czech (unlisted)	Participation in management	–	100.00%	4,475,470	–	–	2,628,815	–	100.00%	7,104,285	22,342,221	(870,975)
GLOVIS Hong Kong (unlisted)	Participation in management	–	100.00%	117	–	–	–	–	100.00%	117	0	0
GLOVIS Russia (unlisted)	Participation in management	–	100.00%	638,132	–	2,785,296	–	–	100.00%	3,423,428	0	0
Hyundai Green Development (unlisted)	Participation in management	–	0.00%	0	–	200,000	–	–	4.00%	200,000	0	0
Total				231,334,669		53,307,312	85,134,687			369,776,668	13,698,230,537	1,625,298,141

* The above financial for the recent fiscal year is as of end of 2009, referred to the annual financial status for 2008 for GLOVIS America, Slovakia, Beijing, Europe, India, Turkey, Czech, Hong Kong, and Russia since their audits have not been finalized yet as of the end of the current year 2009..

VII. Matters on Shareholders

1. Major Shareholders

A. Major Shareholders and Affiliated Persons

Major Shareholders are Eui Sun Chung, the Vice Chairman of Hyundai Motor, Mong Koo Chung, the Chairman of Hyundai/Kia Automotive Group and the relative of ES Chung, and Haevichi Social Contribution Committee, the non-profit foundation. Also there are Wilh. Wilhelmsen ASA as a co-shareholder and its 100% subsidiary, Wihelmsen Lines AS.

Haevichi Social Contribution Committee, non-profit foundation, supports to provide cultural activities to the margins of society. As of the end of 2009, total assets are KRW 181,826 MN and the CEO is Lee, Hee-Beom(major career : Minister of Commerce, Industry, and Energy). Recently, the Committee has been conducting 'Haevichi Sunny School' at branch schools in sub-urban area for cultural-art activities.

Wilh. Wilhelmsen ASA is a Norwegian shipping company and its assets are USD 3,684 MN as of the end of 2009. WW ASA's group CEO is Ingar Skaug. WW ASA has marine network established throughout Northeastern Europe and has subsidiaries in the field of shipping and logistics business.

Wilh. Wilhelmsen ASA and the Company reached a strategic partnership in 2004. Both companies maximize synergy effects in all business area by the advanced logistics measures, sharing logistics infrastructure, etc..

Wilhelmsen Lines AS is 100% owned by Wilh. Wilhelmsen ASA, manages vehicle-related transportation business, and its current total assets as of the end of 2009 is USD 1,267 MN.

B. Major Shareholders' Shares

The shareholding status of major shareholders and related parties as of Dec. 31, 2009 is as below.

Name	Relationship	Major career (Overview of the Company)	Type of shares	Holding shares(Ratio)			
				Beginning		Ending	
				Shares	Equity ratio	Shares	Equity ratio
Eui Sun Chung	Majority Shareholder	present) Vice Chairman of Hyundai Motor – BA in Business Administration in Korea University – MBA in University of San Francisco	Common stock	11,954,460	31.88%	11,954,460	31.88%
Mong Koo Chung	Relative	present) CEO and Chairman of Hyundai Motor – BS in Engineering Management in Hanyang Univeristy – Honorary Doctorate in Business Management in Korea University	Common stock	9,134,698	24.36%	8,621,837	22.99%
Haevichi Social Contribution Committee	Foundation	Business in cultural, art development for welfare of the neglected social groups	Common stock	760,882	2.03%	512,821	1.37%
Wih. Wilhelmsen ASA	Co-shareholder	Vehicle-related Transportation	Common stock	7,500,000	20.00%	4,701,082	12.53%
Wilhelmsen Lines AS	Others	Vehicle-related Transportation	Common stock	–	0.00%	937,500	2.50%
Total			Common stock	29,350,000	78.27%	26,727,700	71.27%

※ Changes after the closing date(Dec. 31, 2009)

– Mar. 12, 2010 : Shareholding status of specially related party has been changed as follos.

Due to this transaction, Hyundai Motor Company has been included in the report of Shareholding Status of Majority Shareholders (1,011,698 shares, 2.70%).

– Hyundai Motor Company's Holding

Date	Reason	Type of share	Number of shares before the change	Share increase/decrease	Number of shares after the change	Transacting party
Mar. 12, 2010	Receive of payment in substitutes	Common stock	0	786,576	786,576	Mong Koo Chung
Mar. 12, 2010	After-hour trading	Common stock	786,576	225,122	1,011,698	Mong Koo Chung

2. Shareholder Distribution

A. Shareholders with 5% and higher shares

[As of Dec. 31, 2009]

(Unit : Shares, %)

Ranking	Name	Beginning		Ending		Remark
		Shares	Equity ratio	Shares	Equity ratio	
1	Eui Sun Chung	11,954,460	31.88%	11,954,460	31.88%	
2	Mong Koo Chung	9,134,658	24.36%	8,621,837	22.99%	
3	Wilh. Wilhelmsen ASA	7,500,000	20.00%	4,701,082	12.53%	

B. Minority Shareholders

[As of Dec. 31, 2009]

(Unit : Persons, shares, %)

Category	Shareholders		Holding shares		Remark
	Number of shareholders	Proportion	Number of shareholders	Proportion	
Minority shareholders	11,552 shareholders	99.93%	9,570,751 shares	25.52%	–
Total shareholders	11,560 shareholders	100.00%	37,500,000 shares	100.00%	–

3. General Affairs on Shares

Preemptive Rights on the Articles of Incorporation	<p>Article 9 (Preemptive Rights)</p> <p>(1) The Company's shareholders shall have the preemptive right to subscribe for new shares in proportion to their respective shareholding ratios.</p> <p>(2) Notwithstanding the provision of Paragraph (1), the Company may allocate new shares to persons other than the existing shareholders in the following cases:</p> <p>(a) Where new shares are issued by initial public offering or where underwriters are made to underwrite new shares in accordance with the Securities and Exchange Act ("SEA") within the limit of 20/100 of the total issued and outstanding shares as of after the initial public offering;</p> <p>(b) Where the Company issues new shares preferentially to the members of the Employee Stock Ownership Association, in accordance with Article 191-7 of the SEA;</p> <p>(c) Where new shares are issued by general public offering pursuant to approval of the board of directors in accordance with the SEA within the limit of 10/100 of the total issued and outstanding shares as of after the general public offering; and</p> <p>(d) Where new shares represented by depositary receipt ("DR") are issued in accordance with the SEA, within the limit of 10/100 of the total issued and outstanding shares as of after the DR issuance.</p> <p>(3) In the event new shares are issued in accordance with Paragraph (2) above, the type, number and price of the shares will be determined through the resolution of the Board of Directors.</p> <p>(4) If any shares are not subscribed for by a shareholder or if fractional shares result from the allocation of new shares, the shares which have not been subscribed for or allocated shall be disposed of in accordance with a resolution of the Board of Directors.</p>		
Closing Date	Dec. 31	Annual General Shareholders' Meeting	within 3 months after closing date
Closing period of Shareholders' List	Jan. 1 ~Jan. 31		
Type of Share Certificate	one, five, ten, fifty, one hundred, five hundred, one thousand, ten thousand (8 types)		
Stock Transfer Agent	Hanabank, Securities Agency Business		
Shareholders' Privilege	N/A	Relevant newspaper for announcements	① Korea Economic Daily ② Mae'il Business Newspaper, Munhwaibo (If Korea Economic Daily is unavailable)

4. Share Price and Performance

It is transportation/storage type in KOSPI in the securities market where the Company's common stocks are traded. Please refer to the below table for the performance of the Company's share price and trading volume for the recent 6 months.

(Unit: KRW, shares)

Category		July 2009	August	September	October	November	December
Common stock	High	83,900	104,000	132,000	113,000	116,500	117,500
	Low	75,600	77,800	96,500	97,200	99,200	109,000
	Average	80,217	84,957	114,841	105,443	108,462	113,310
	Largest daily trading volume	243,576	760,293	508,015	413,089	662,004	1,268,382
	Smallest daily trading volume	22,616	40,001	148,059	85,340	65,409	67,985
	Monthly trading volume	2,009,932	2,919,249	6,076,152	4,626,712	3,585,948	4,091,148

* The above share prices(high, low, average) is based on the ending prices.

VIII. Executives and Employees, etc.

1. Executives and Employees

A. Executives

(1) Registered Executives

There are 9 registered executives in total including 8 directors(2 are outside directors) and 1 standing auditor. Details as of this annual report date are stated below.

(As of Dec. 31, 2009)

Name	Date of birth	Title	Duty	Standing/ Non-standing	Major career	Appointment date	Expiration date	Number of shares holding
Kyung Bae Kim	Sept. 30, 1964	Vice President	CEO, Chairman	standing	former) Senior Managing Director of Hyundai Motor – BA in Business Administration in Yonsei University	Jul. 23, 2009	Jul. 23, 2012	–
Bong Choon Jang	Apr. 30, 1951	Senior Managing Director	Head of Automobile Logistics Business Div.	standing	former) Head of Enterprise Logistics Business Div. – BA in Business Commerce in Yeungnam University	Jul. 23, 2009	Jul. 23, 2012	–
Je Seo Park	Jul. 1, 1958	Director	Head of Accounting & Finance Group	standing	former) General Manager of Hyundai Motor – BA in Economics in Daegu University	Mar. 14, 2008	Mar. 14, 2011	–
Jung Dae Lee	Oct. 27, 1955	Director	Member of BOD	non-standing	present) Vice Chairman of Hyundai Motor former) President of Hyundai Motor – BA in Business Administration in Chungnam University	Mar. 14, 2008	Mar. 14, 2011	–
Yong Bae Lee	Apr. 8, 1961	Director	Member of BOD	non-standing	present) Senior Managing Director of Hyundai Motor former) Managing Director of Hyundai Motor – MA in Business Administration in Kyunghee University	Mar. 14, 2008	Mar. 14, 2011	–
Sang Kon Ma	May 25, 1940	Director	Member of BOD	non-standing	present) CEO of Hyopwoon Shipping former) Chairman of International Shipping Agency Association of Korea – BS in Nautical Science in Korea Maritime University	Mar. 14, 2008	Mar. 14, 2011	–
Jeong Soo Lee	Apr. 5, 1960	Outside Director	Member of BOD	non-standing	present) Lawyer of Kim & Chang former) Assistant Prosecutor General of Supreme Prosecutor's Office – LLB in Korea University	Mar. 13, 2009	Mar. 13, 2012	–
Sjur Galtung	Jul. 21, 1943	Outside Director	Member of BOD	non-standing	present) Deputy CEO of Wih. Wilhelmsen former) CFO of Wih. Wilhelmsen – MA in Norwegian School of Economics and Business	Mar. 13, 2009	Mar. 13, 2012	–
Steinar Forberg	Jun. 3, 1947	Auditor	Auditor	standing	former) Advisor of HANSA MANAGEMENT Group former) CFO of Eukor Car Carriers Inc. – BA in Norwegian School of Economics and Business	Mar. 14, 2008	Mar. 14, 2011	–

(2) Non-Registered Executives

[As of Dec. 31, 2009]

Title	Standing/ Non-standing	Name	Date of birth	Duty	Major career	Appointment date	Number of shares holding
Senior Managing Director	standing	Hyung Ho Kim	Nov. 4, 1968	Head of Enterprise Logistics Business Div.	former) CEO of UPS PlateService Korea – BA in Business Administration in Yonsei University	Oct. 7, 2009	–
Managing Director	standing	Geon Young Jeong	May 10, 1964	CEO of GLOVIS Europe	former) Director of Hyundai Mobis – BA in Political Science in Sogang University	Jan. 1, 2008	–
Director	standing	Jong Jin Kim	Mar. 23, 1966	CEO of Beijing GLOVIS	former) General Manager of Hyundai Motor – BA in Accounting in Kyungsung University	Oct. 7, 2009	10,000
Director	standing	Jin Ok Kim	Mar. 27, 1963	Head of Pure Car Carrier Operating Group	former) Vice President of VWL Europe – BS in Nautical Science in Korea Maritime University	Dec. 15, 2008	–
Director	standing	Nam Jeong Song	Oct. 5, 1967	Head of Auto-Parts Logistics Group	former) General Deputy Manager of Hyundai Motor – BS in Mechanical Engineering in Busan University	Jan. 1, 2009	–
Director	standing	Chul Soo Chung	Mar. 17, 1966	Head of Steel Logistics Group	former) General Manager of Hyundai Merchant Marine – BA in Business Commerce in Yeungnam University	Jan. 1, 2009	2,000
Director Equivalent	standing	Myeong Seob Han	Apr. 2, 1961	Head of Enterprise Logistics Group	former) General Deputy Manager of Hyundai Motor – BS in Mechanical Engineering in Korea University	Feb. 15, 2007	–
Director Equivalent	standing	Seon Chae Hwang	Sept. 15, 1968	Head of IT Group	former) Director Equivalent of AutoEverSystems – BS in Computer Science in University of Florida	Sept. 1, 2007	–
Director Equivalent	standing	Seung Yong Sung	Feb. 12, 1961	CEO of GLOVIS Georgia	former) General Deputy Manager of Kia Motors – BS in Chemistry in Sogang University	Jan. 1, 2008	7,800
Director Equivalent	standing	Jin Woo Jeong	Dec. 10, 1966	Head of Business Strategy & Planning Group	former) General Manager of Hyundai Motor – MA in Economics in Seoul National University	Jun. 1, 2009	–
Director Equivalent	standing	Geon Yong Lee	Apr. 8, 1960	Head of Sales Supporting Group	former) General Manager of Kia Motors – BS in Chemistry in Sogang University	Jun. 1, 2009	–
Director Equivalent	standing	Byung Ho Jeon	Apr. 5, 1964	Head of Business Supporting Group	former) General Deputy Manager of Kia Motors – BS in Chemistry in Sogang University	Jun. 1, 2009	–

※ Changes after Closing Date (Dec. 31, 2009)

Before	After	Name	As of	Details	Remark
Senior Executive Director	Senior Executive Director	Hyung Ho Kim	Mar. 12, 2010	Elected as registered director	
Director	Managing Director	Je Seo Park	Jan. 1, 2010	Promoted	
Director	Managing Director	Jong Jin Kim			
Director Equivalent	Director	Myeong Seob Han			
Director Equivalent	Director	Seon Chae Hwang			
General Manager	Director Equivalent	Hyung Jun Koo			
General Manager	Director Equivalent	Chan Joo Cho			
General Manager	Director Equivalent	Hi Byoung Park			

B. Employees

Status of Employees(excluding registered executives) is as below.

[As of Dec. 31, 2009]

(Unit : Persons, year, KRW)

Description	Number of employees	Average year of continuous service	Total amount of yearly wage	Average wage per person
Korea Logistics	146	3.60 years	23,155,907,400	51,687,298
International Logistics	86			
CKD	76			
Merchandise	36			
Business Support	104			
Total	448			

- ※ The above number of employees includes the ones in office(except the registered executives) as of the end of current fiscal year.
- ※ The above Business Support includes Finance, Accounting, HR, Planning, etc. which supports the business operation.
- ※ The above yearly wage is the total amount paid during the fiscal year 2009.

2. Remuneration for Executives, etc.

The executives(registered) are paid based on the remuneration ceiling approved at General Shareholders Meeting. Since the auditor of the Company is a foreigner, the Company pays the remuneration in USD which was also approved at General Shareholders Meeting.

Also, the Company has not provided any stock option to the executives.

[As of Dec. 31, 2009]

(Unit : KRW MN, USD 1,000)

Description	Total amount paid	Amount approved at the shareholders meeting	Average per person
Director	2,022	5,000	250
Auditor	500	500	500

- ※ When approving for remuneration ceiling, the Company does not classify outside director's separately. Therefore, the above Director remuneration comprehensively includes both inside and outside.
- ※ The above amount for director is in KRW MN and for auditor is USD 1,000 and includes Directors & Officers Liability Insurance premium.

IX. Transaction with Shareholders

1. Credit Provision to Large Shareholders

A. Debt Guarantee

The Company provides debt guarantee for the Company's overseas subsidiaries when they borrow debt from domestic and international financial institutions to have smooth funding and minimize the cost.

The followings are the details of the guarantee.

[As of Dec. 31, 2009]

(Unit : USD, EUR)

Receiving party	Detail	Agreed date	Purpose	Guarantee amount	Condition			Approval
					Lender	Maturity date	Commission fee	
GLOVIS America	Facility fund	May 28, 2009	Guarantee for C/C construction	USD 8,700,000	The Export-Import Bank of Korea	May 27, 2010	0.15%/year of principal	BOD
GLOVIS Alabama	Loan with ceiling	May 27, 2009	Operation of subsidiary	USD 5,000,000	Woori bank	May 26, 2010		BOD
GLOVIS Alabama	Loan with ceiling	Jul. 8, 2009	Operation of subsidiary	USD 5,000,000	Nara Bank	Jul. 8, 2010		BOD
GLOVIS Alabama	Loan with ceiling	Jul. 16, 2009	Operation of subsidiary	USD 5,000,000	Center Bank	Jul. 30, 2010		BOD
GLOVIS Georgia	Loan with ceiling	Sept. 18, 2009	Guarantee for C/C construction	USD 19,000,000	Citibank	Sept. 17, 2010		BOD
		Apr. 14, 2009	Guarantee for C/C construction	USD 10,000,000	CB&T	Apr. 10, 2012		BOD
GLOVIS Slovakia	Loan with ceiling	Jul. 1, 2009	Guarantee for Tire/wheel line investment capital	EUR 5,000,000	Citibank	Jun. 30, 2010		BOD
GLOVIS Czech	Loan with ceiling	Feb. 25, 2009	Operation of subsidiary	EUR 11,000,000	Citibank	Feb. 24, 2010		BOD
GLOVIS Turkey	Loan with ceiling	Mar. 20, 2009	Operation of subsidiary	EUR 300,000	Citibank	Mar. 19, 2010		the amount is less than the minimum amount which requires BOD resolution
GLOVIS Australia	Loan with ceiling	May 25, 2009	Operation of subsidiary	AUD 1,000,000	Citibank	May 24, 2010		
GLOVIS India	Facility Fund	Feb. 16, 2009	Fund for CFS construction	USD 6,700,000	SC First Bank	Feb. 15, 2010		BOD

For the logistics related to overseas production and sales, the Company establishes and operates overseas subsidiaries. Overseas subsidiaries need facility investment funds (for C/C or VPC, etc.) or initial operating funds for their own businesses. However, the subsidiaries which initiated their business not long ago, have difficulties in individual funding; therefore, GLOVIS Korea provides payment guarantees to support their smooth funding-flow.

There is no case of GLOVIS Korea paid the debt for overseas subsidiary among the ones it guaranteed.

2. Asset Transfer/Acquisition with Large Shareholders, etc.

A. Equity Investment and Disposition

The Company made capital investment in its overseas subsidiary when necessary.

Also, there was change in number of shares in equity method-invested company, Hyundai AMCO, due to stock dividend. It was only the change in the number of shares, therefore, no change in equity ratio.

There was a change in equity ratio since the Hyundai Autonet was merged into Hyundai Mobis. Please refer to the following table for details.

(Unit : KRW 1,000)

Company	Relationship	Equity investment and disposition transaction					Remark
		Type of investment	Details				
			Beginning	Increase	Decrease	Ending	
GLOVIS Russia	Affiliate (Subsidiary)	Investment securities	638,132	2,785,296	—	3,423,428	Capital invested
GLOVIS India	Affiliate (Subsidiary)	Investment securities	605,821	2,359,467	—	2,965,288	Capital invested
Hyundai AMCO	Affiliate	Investment securities	—	—	—	—	Stock dividend (1,248,106 shares)
Hyundai Autonet	Affiliate	Investment securities	25,122,646	—	25,122,646	—	Merged into Hyundai Mobis
Hyundai Mobis	Affiliate	Investment securities	—	72,520,377	—	72,520,377	Merged Hyundai Autonet
Total			26,366,599	77,665,140	25,122,646	78,909,093	

※ The above amount is based on acquisition cost

B. Security Purchase and Sale

For its efficient short-term cash management, the Company has RePurchase transactions with the affiliated company, HMC Investment Securities. As the Company reports to the public before the end of every quarter, the ceiling of transacting amount in KRW 30 BN cumulative.

(Unit : KRW MN)

Transacting Party	Relationship	Transaction object	Purpose	Condition	Transaction date	Type		Cumulative	P&L	BOD
						Purchase	Sale			
HMC Investment Securities	Affiliated company	R.P., Money Market Trust	Short-term cash management	Deposit/withdraw at any time	Initial balance	-	-	15,000	-	Approved ceiling (KRW 30 BN)
					Feb. 27, 2009	5,000	-	20,000	-	
					Apr. 17, 2009	-	10,000	10,000	210	
					Apr. 17, 2009	10,000	-	20,000	-	
					May 18, 2009	-	5,000	15,000	84	
					May 18, 2009	10,000	-	25,000	-	
					May 25, 2009	-	5,000	20,000	36	
					Jun. 19, 2009	5,000	-	25,000	-	
					Jul. 24, 2009	-	5,000	20,000	33	
					Aug. 11, 2009	5,000	-	25,000	-	
					Aug. 17, 2009	-	5,000	20,000	42	
					Aug. 17, 2009	5,000	-	25,000	-	
					Aug. 20, 2009	4,000	-	29,000	-	
					Sept. 15, 2009	-	10,000	19,000	82	
					Sept. 15, 2009	10,000	-	29,000	-	
					Oct. 19, 2009	-	5,000	24,000	42	
					Oct. 19, 2009	5,000	-	29,000	-	
					Nov. 13, 2009	-	14,000	15,000	86	
					Nov. 13, 2009	5,000	-	20,000	-	
					Nov. 16, 2009	-	20,000	-	53	
					Nov. 16, 2009	29,000	-	29,000	-	
					Dec. 31, 2009	-	29,000	-	101	
					Dec. 31, 2009	29,000	-	29,000	-	
Total						122,000	108,000	29,000	769	

C. Real Estate Transaction

The Board resolution regarding on this real estate transaction with Hyundai Motor has been made on Apr. 23, 2009 and the Company disclosed the matter to the public on the same day. After the appraisal process conducted for determining the transacting prices and others, the final transaction was taken on Jul. 7, 2009.

(Unit : KRW MN)

Description	Transacting Party		Details				Remark
			Object	Purpose	Date	Amount	
Sale	Hyundai Motor	Affiliated Company	Land	Efficient asset management	Jul. 7, 2009	33,719	BOD Approved
Purchase	Hyundai Motor	Affiliated Company	Land, Building	Active operation in used car auction business		29,719	BOD Approved

3. Business Transaction with Large Shareholders

A. Transaction amounting 5% or more of the Sales

The Company had business transactions with Hyundai Motor amounting KRW 219,566 MN and Hyundai Steel amounting KRW 159,763 MN for inland transporting service and with Kia Motors amounting KRW 396,646 MN for selling vehicle parts and interior supplies and the above amounts exceed 5% of the sales of the current fiscal year.

B. Long-Term Service Agreement

(Unit : KRW BN)

Company	Relationship	Contract details				Remark
		Type	Term	Name of Goods • Services	Amount	
Hyundai Motor	Affiliated Company	Transporting Contract	Jan. 2010 ~	Finished Vehicle	356.0	- Contract date(Nov. 30, 2009)
Kia Motors	Affiliated Company		Dec. 2011	Shipping	200.4	- Applied basic rate of t/x of Nov. 30, 2009 (1USD=KRW 1,167.4)
Total					3,193.1	

X. Other Matters

1. Progress and Changes in Issues Disclosed

As mentioned in 'II. Business Overview 3. Matters other than Business Operation

B. Major Management Agreement, etc.' and 'IX. Transaction with Shareholders

2. Asset Transfer/Acquisition with Large Shareholders, etc. C. Real Estate Transaction,' the Board resolution regarding on this transaction with Hyundai Motor has been made on Apr. 23, 2009 and the Company disclosed the matter to the public on the same day.

With appraisal process conducted by Korea Appraisal Board and Prime Appraisal Co.

after the resolution of the Board of Directors, the final transacting prices were

determined and the transaction was taken on Jul. 7, 2009 .

The details on this matter are as follows.

Reported date	Title	Contents of report	Progress of reported matters
Apr. 23, 2009	Real estate purchase from Major Shareholder	<ul style="list-style-type: none">- Type : Land (25,367m²) and Building (1,598m²), etc.- Location : Opo-eub Gwangju-si Gyeonggi-do- Amount : KRW 30,878 MN- Purpose : Active operation in used car auction business- Agreement date : Scheduled to be in May, 2009- Schedule and amount may vary at the time of contract agreement	<ul style="list-style-type: none">- Type : Land (25,367m²) and Building (1,598m²), etc.- Location : Opo-eub Gwangju-si Gyeonggi-do- Amount : KRW 29,719 MN- Purpose : Active operation in used car auction business- Transaction finalized date : Jul. 7, 2009
Apr. 23, 2009	Real estate sale to Major Shareholder	<ul style="list-style-type: none">- Type : Land (33,058m²)- Location : Jeongwang-dong Siheung-si Gyeonggi-do- Amount : KRW 34,876 MN- Purpose : Efficient asset management- Agreement date : Scheduled to be in May, 2009- Schedule and amount may vary at the time of contract agreement	<ul style="list-style-type: none">- Type : Land (33,058m²)- Location : Jeongwang-dong Siheung-si Gyeonggi-do- Amount : KRW 33,719 MN- Purpose : Efficient asset management- Transaction finalized date : Jul. 7, 2009

2. Summary of Minutes of Annual General Shareholders' Meeting

The major agendas and resolutions at shareholders meeting convened during the period for public disclosure(Jan. 1, 2007~Dec. 31, 2009) are as follows.

Date of meeting	Agenda	Resolution
The 6th Annual General Meeting of Shareholders (Mar. 9, 2007)	<ul style="list-style-type: none"> ○ Agenda 1 Approval of 6th Balance sheet, P&L Sheet, (proposed) Appropriation of Retained Earnings ○ Agenda 2 Appointment of Directors ○ Agenda 3 Approval of Remuneration Ceiling for Directors ○ Agenda 4 Approval of Remuneration Ceiling for Auditor 	<ul style="list-style-type: none"> - Approved as proposed - Approved as proposed (appointed Myeong Joong Yoon, Sae Heum Lee, Bong Choon Jang) - Approved as proposed (amount : KRW 5 BN) - Approved as proposed (amount : KRW 300 MN)
Extraordinary Shareholders Meeting (May 4, 2007)	<ul style="list-style-type: none"> ○ Agenda 1 Appointment of Directors ○ Agenda 2 Approval of Remuneration Ceiling for Auditor 	<ul style="list-style-type: none"> - Approved as proposed (appointed Chi Woong Kim) - Approved as proposed (amount : KRW 500 MN)
The 7th Annual General Meeting of Shareholders (Mar. 14, 2008)	<ul style="list-style-type: none"> ○ Agenda 1 Approval of 7th Balance sheet, P&L Sheet, (proposed) Appropriation of Retained Earnings ○ Agenda 2 Appointment of Directors ○ Agenda 3 Appointment of Auditor ○ Agenda 4 Approval of Remuneration Ceiling for Directors ○ Agenda 5 Approval of Remuneration Ceiling for Auditor 	<ul style="list-style-type: none"> - Approved as proposed - Approved as proposed (appointed Jung Dae Lee, Jin Key Hong, Yong Bae Lee, Je Seo Park, Sang Kon Ma) - Approved as proposed (appointed Steinar Forberg) - Approved as proposed (amount : KRW 5 BN) - Approved as proposed (amount : KRW 500 MN)
Extraordinary Shareholders Meeting (Dec. 16, 2008)	<ul style="list-style-type: none"> ○ Agenda 1 Appointment of Director 	<ul style="list-style-type: none"> - Approved as proposed (appointed Seung Suk Yang)
The 8th Annual General Meeting of Shareholders (Mar. 13, 2009)	<ul style="list-style-type: none"> ○ Agenda 1 Approval of 8th Balance sheet, P&L Sheet, (proposed) Appropriation of Retained Earnings ○ Agenda 2 Partial Amendments to Articles of Incorporation ○ Agenda 3 Appointment of Directors ○ Agenda 4 Approval of Remuneration Ceiling for Directors ○ Agenda 5 Approval of Remuneration Ceiling for Auditor 	<ul style="list-style-type: none"> - Approved as proposed - Approved as proposed - Approved as proposed (appointed Kyung Sun Lee, Jeong Soo Lee, Sjur Galtung) - Approved as proposed (amount : KRW 5 BN) - Approved as proposed (amount : USD 500,000)
Extraordinary Shareholders Meeting (Jul. 23, 2009)	<ul style="list-style-type: none"> ○ Agenda 1 Appointment of Director 	<ul style="list-style-type: none"> - Approved as proposed (appointed Kyung Bae Kim, Bong Choon Jang)
The 9th Annual General Meeting of Shareholders (Mar. 12, 2010)	<ul style="list-style-type: none"> ○ Agenda 1 Approval of 9th Balance sheet, P&L Sheet, (proposed) Appropriation of Retained Earnings ○ Agenda 2 Appointment of Directors ○ Agenda 3 Approval of Remuneration Ceiling for Directors ○ Agenda 4 Approval of Remuneration Ceiling for Auditor 	<ul style="list-style-type: none"> - Approved as proposed - Approved as proposed (appointed Hyung Ho Kim) - Approved as proposed (amount : KRW 5 BN) - Approved as proposed (amount : USD 500,000)

3. Major Lawsuit, etc.

(1) Claim for compensation to Hyundai Marine & Fire Insurance

(Hyundai Merchant Marine Vessel fiery accident)

1. Parties to the case

Plaintiff : Hyundai Marine & Fire Insurance Co., Ltd.

Defendant : GLOVIS Co., Ltd., ATE Universal Freight Co., Ltd.,

Yangming Marine Transport Corp., NCL Co., Ltd.

2. Contents of the case

Claiming for Hyundai MOBIS freight loss compensation due to the fiery accident on Hyundai Merchant Marine vessel

3. Progress

Jun. 14, 2007, registered, suspension of taking legal proceedings due to the limitation proceeding of liability of Hyundai Merchant Marine (confirm the date later)

4. Effects to business operation and finance of the Company

Business operation: maintain transportation agreement

Finance: possibilities of miscellaneous losses/gains (claim for re-compensation)

(2) Claim for contract price and others to Shin Sung Logistics

1. Parties to the case

Plaintiff : Shin Sung Logistics Co., Ltd.

Defendant: GLOVIS Co., Ltd., Kia Motors Co., Ltd.

2. Contents of the case

Claiming for contract price of Shin Sung Logistics which was a partner of Kia Motors

3. Progress

Jun. 28, 2007, registered, date for 1st pleading preparation (Apr. 4, 2008)

date for 2nd pleading preparation (May 16, 2008),

date for 1st pleading (Jul. 2, 2008),

date for 2nd pleading (Aug. 20, 2008), date for 3rd pleading (Sept. 24, 2008),

date for 4th pleading (Oct. 29, 2008), date for 5th pleading (Dec. 17, 2008),

date for arbitration (Jan. 9, 2009), date for 6th pleading (Mar. 4, 2009),

date for 7th pleading (Apr. 24, 2009), date for 8th pleading (May 20, 2009),

date for 9th pleading (Jun. 17, 2009), date for 10th pleading (Jul. 22, 2009),

date for 11th pleading (Sept. 2, 2009), date for 12th pleading (Sept. 23, 2009)

date for decision of court (Plaintiff lost all lawsuit, Oct. 23, 2009),
and date for Plaintiff's appeal (Nov. 25, 2009)

4. Effects to business operation and finance of the Company

Business operation: none

Finance: possibilities of miscellaneous losses

(3) Countersuit against Fair Trade Commission's Decision

1. Parties to the case

Plaintiff: Hyundai Motor Co., Ltd., Kia Motors Co., Ltd.,

Hyundai Mobis Co., Ltd., GLOVIS Co., Ltd., Hyundai Steel Company

Defendant: Fair Trade Commission Chairman Oh-seung, Kwon

2. Contents of the case

Countersuit to claim cancellation of ruling and fines imposed to 5 affiliated companies
in the Group including GLOVIS.

3. Progress

Nov. 23, 2007, registered, defendant submitted a defense (Jan. 16, 2008),
Plaintiff submitted letter (Jan. 21, 2008), date for 1st pleading (Apr. 30, 2008),
date for 2nd pleading (Oct. 8, 2008), date for 3rd pleading (Dec. 10, 2008)
date for 4th pleading (Jan. 21, 2009), date for 5th pleading (Mar. 11, 2009)
date for 6th pleading (Apr. 22, 2009), date for 7th pleading (May 27, 2009),
date for 8th pleading (Jun. 24, 2009), date for 9th pleading (Jul. 15, 2009),
date for decision of High Court (Aug. 19, 2009),
and date for appeal to Supreme Court (Sept. 14, 2009)

4. Effects to business operation and finance of the Company

Business operation: none

Finance: possibilities of miscellaneous losses

(4) Collection of Receivables(debt) from Samhan Steel

1. Parties to the case

Creditor : GLOVIS Co., Ltd.

Debtor : Samhan Steel Co., Ltd.

the 3rd Debtor : Kaya Heavy Industry and other 60 companies

2. The case

2.1. Original case

– Seoul Central District Court 2008-10331 claim for all collection of receivables

2.2. Garnishment, etc.

– Seoul Southern District Court 2008-16676 garnishment and assignment order

– Seoul Southern District Court 2008-16677 garnishment and assignment order

– Seoul Southern District Court 2008-16678 garnishment and assignment order

– Seoul Southern District Court 2008-17173 garnishment and assignment order

– Seoul Southern District Court 2008-17298 garnishment and assignment order

– Seoul Southern District Court 2008-18311 garnishment and assignment order

3. Effects to business operation and finance of the Company

Business operation: none

Finance: possibilities of bad debt

(5) Revocation of Leave of Kyung Ho Kim

1. Parties to the case

Plaintiff : Kyung Ho Kim

Defendant : GLOVIS Co., Ltd.

2. Contents of the case

Claim for revocation of leave of Kyung Ho Kim who worked in Incheon Office

3. Progress

Jan. 9, 2009, registered,

the Company submitted preparatory document (Feb. 24, 2009),

Kim, Kyung-ho submitted preparatory document (May 8, 2009),

date for 1st pleading (May 8, 2009), date for 2nd pleading (Jul. 17, 2009),

date for 3rd pleading (Aug. 28, 2009), date for arbitration (Sept. 15, 2009),

date for decision of court (Plaintiff lost all lawsuit, Oct. 23, 2009),

and date for Plaintiff's appeal (Nov. 27, 2009)

4. Effects to business operation and finance of the Company

Business operation: none

Finance: possibilities of miscellaneous losses

4. Debt Guarantee

As indicated in 'IX. Transactions with Shareholders 1. Credit Provision to Large Shareholders A. Debt Guarantee', the Company provides payment guarantees for overseas subsidiaries. The followings are the changes in debt guarantees during the time relevant to public disclosure.

Receiving party	Relationship	Creditor	Guarantee Period	Transactions			
				Beginning period	Increase	Decrease	Ending period
GLOVIS America	Overseas Subsidiary	Korea Export-Import Bank	May 28, 2009 ~ May 27, 2010	USD 8,700,000	—	—	USD 8,700,000
GLOVIS Alabama	Overseas Subsidiary	Woori Bank	May 27, 2009 ~ May 26, 2010	USD 5,000,000	—	—	USD 5,000,000
	Overseas Subsidiary	Nara Bank	Jul. 8, 2009 ~ Jul. 8, 2010	—	USD 5,000,000	—	USD 5,000,000
	Overseas Subsidiary	Central Bank	Jul. 16, 2009 ~ Jul. 30, 2010	—	USD 5,000,000	—	USD 5,000,000
	Overseas Subsidiary	—	—	—	—	—	—
GLOVIS Georgia	Overseas Subsidiary	CTIBank	Sept. 18, 2009 ~ Sept 17, 2010	USD 19,000,000	—	—	USD 19,000,000
		CB&T	Apr. 14, 2009 ~ Apr. 10, 2012	USD 10,000,000	—	—	USD 10,000,000
GLOVIS Slovakia.	Overseas Subsidiary	CTIBank	Jul. 1, 2009 ~ Jun. 30, 2010	EUR 5,000,000	—	—	EUR 5,000,000
GLOVIS Czech	Overseas Subsidiary	CTIBank	Feb. 25, 2009 ~ Feb. 24, 2010	EUR 11,000,000	—	—	EUR 11,000,000
GLOVIS India	Overseas Subsidiary	SC First Bank	Feb. 16, 2009 ~ Feb. 15, 2012	USD 6,700,000	—	—	USD 6,700,000
GLOVIS Turkey	Overseas Subsidiary	CTIBank	Mar. 20, 2009 ~ Mar. 19, 2010	EUR 300,000	—	—	EUR 300,000
GLOVIS Australia	Overseas Subsidiary	CTIBank	May 25, 2009 ~ May 24, 2010	AUD 1,000,000	—	—	AUD 1,000,000
Total				USD 49,400,000 EUR 16,300,000 AUD 1,000,000	USD 10,000,000	—	USD 59,400,000 EUR 16,300,000 AUD 1,000,000

※ Please refer to 'IX. Transaction with Shareholders 1. Credit Provision to Large Shareholders A. Debt Guarantee' for further information.

5. Other Contingent Liabilities

The Company has reached a D/A Discount Agreement with the credit line of USD 376,687,461 with Hanabank, etc. Out of trade receivables with financial institutions, those which did not reach their maturity as of Dec. 31, 2009, amount to USD 61,909,153, EUR 37,448,454 (total equal to KRW 134,984,325,000). Redemption responsibilities might fall on the Company after the ending date of the current fiscal year (Dec. 31, 2009).

6. Details on Raised Capital Usage

(Unit: KRW)

Category	IPO	Amount	Plans for raised capital	Actual use of raised capital
—	—	—	—	—

Not applicable

XI. Financial Statements, etc.

1. Financial Statements

Statement of Financial Position

9th FY As of Dec. 31, 2009
8th FY As of Dec. 31, 2008
7th FY As of Dec. 31, 2007

(Unit : KRW)

Accounts	9th FY	8th FY	7th FY
Assets			
Current Assets	885,443,488,703	558,510,615,173	546,616,488,378
Quick Assets	664,247,784,297	497,221,615,020	427,982,250,429
Cash and Cash Equivalents	242,037,852,626	165,856,079,603	130,677,784,345
Government Subsidy for Cash and Cash Equivalents			(769,199,485)
Short-term Investment Assets		64,018,577	30,117,425,170
Trade Receivable	392,905,522,955	310,645,644,815	257,455,283,919
Other Receivables	8,963,283,824	7,049,249,825	3,215,250,764
Prepaid Expenses Total	7,150,970,247	2,544,157,464	4,214,819,563
Provisions for Product Warranties for Quick Assets	2,420,506,117	2,009,025,746	1,333,398,660
Deferred Income Taxes Assets Current for Quick Assets	8,913,186,045	5,034,433,361	247,568,592
Other Quick Assets	1,856,462,483	4,019,005,629	1,489,918,901
Inventories	221,195,704,406	61,289,000,153	118,634,237,949
Merchandises	2,371,524,021	10,454,059,458	4,119,463,343
Allowance for Loss on Valuation of Merchandises	(16,897,284)	(2,101,922,722)	0
CKD Parts for Inventories	212,453,615,080	52,657,669,602	114,520,181,577
Allowance for Loss on Valuation of Semifinished Good	(51,359,544)		(5,406,971)
Supplies	6,438,822,133	279,193,815	0
Non-current Assets	775,600,720,298	545,848,584,122	382,898,087,072
Investment Assets	369,785,168,239	231,343,169,502	172,523,233,367
Available-for-Sale Securities in Investment Assets	134,149,917,427	21,066,094,110	7,608,434,199
Equity Method Securities	235,626,750,812	210,278,575,392	164,781,631,411
Long-term Financial Instruments	8,500,000	8,500,000	133,167,757
Property, Plant and Equipment	371,207,204,557	286,289,376,982	188,338,357,876
Land	115,093,927,601	120,688,987,294	120,458,231,115
Buildings	42,231,354,498	40,612,767,719	36,792,951,965
Accumulated Depreciation for Buildings	(7,795,833,125)	(5,948,118,467)	(4,181,874,377)
Structures	12,724,353,753	11,077,132,288	9,620,357,688
Accumulated Depreciation for Structures	(2,177,203,399)	(1,616,904,248)	(1,117,335,086)
Machinery	8,689,245,217	6,537,740,000	6,064,300,000
Accumulated Depreciation for Machinery	(4,621,139,510)	(3,569,925,322)	(2,327,533,984)

Accounts	9th FY	8th FY	7th FY
Vehicles	8,424,319,384	8,179,448,171	8,215,036,286
Accumulated Depreciation for Vehicles	(6,713,878,637)	(6,213,130,208)	(5,456,865,731)
Tools	631,591,234	645,891,334	556,966,710
Accumulated Depreciation for Tools	(487,673,831)	(402,403,101)	(299,817,731)
Office Equipment	14,531,917,881	13,235,852,881	10,494,393,744
Government Subsidy for Office Equipment	(344,279,699)	(474,621,611)	(305,763,519)
Accumulated Depreciation for Office Equipment	(8,748,128,517)	(7,436,416,574)	(5,506,343,078)
Ships	203,686,084,670	107,635,319,540	6,527,292,540
Accumulated Depreciation for Ships	(17,793,114,620)	(6,673,886,925)	(226,642,104)
Accumulated Impairment Losses for Capital Leased Assets	(2,723,395,576)		
Construction in Progress	16,599,057,233	10,001,644,211	9,031,003,433
Intangible Assets	9,054,165,489	7,923,908,687	5,848,354,191
Goodwill			468,334,133
Industrial Property Rights	6,885,481	30,659,704	58,790,499
Development Costs	5,934,772,508	5,623,688,457	3,755,955,130
Government Subsidy for Development Costs	(67,363,347)	(89,077,203)	(12,333,330)
Other Intangible Assets	3,283,675,856	2,503,490,738	1,691,582,786
Government Subsidy for Other Intangible Assets	(103,805,009)	(144,863,009)	(113,975,027)
Other Non-current Assets	25,554,182,013	20,292,128,951	16,188,141,638
Leasehold Deposits Provided	1,873,929,600	1,922,667,600	1,763,226,220
Provisions for Product Warranties for Other Non-current Assets	10,775,379,573	8,311,557,583	5,730,411,367
Others in Other Non-current Assets	12,904,872,840	10,057,903,768	8,694,504,051
Total Assets	1,661,044,209,001	1,104,369,199,295	929,514,575,450
Liabilities			
Current Liabilities	627,071,031,849	339,996,513,805	366,323,835,188
Trade Payable	405,277,779,854	229,867,786,046	243,630,748,562
Other Payables	59,551,664,784	18,017,273,801	13,236,432,671
Advance for Customers	115,602,525,178	42,297,814,607	68,074,115,339
Withholdings	5,482,628,329	1,849,640,481	7,311,285,598
Deposits Received	2,252,939,500	1,673,939,500	1,421,939,500
Accrued Expenses	682,115,072	1,536,945,574	0
Income Taxes Payable	16,119,357,573	31,365,313,036	30,627,033,130
Current Portion of Long-term Liabilities		64,018,577	117,425,170
Current Portion of Long-term other payable for Current Liabilities	25,217,883,554	14,543,311,344	0
Present Value Discount for Current Portion of Long-term other payable for Current Liabilities	(6,141,494,642)	(3,728,811,344)	
Provisions for Product Warranties in Current Liabilities	3,025,632,647	2,511,282,183	1,904,855,228
Non-current Liabilities	203,283,309,802	137,645,321,503	43,788,258,837
Long-term Other Payables	142,088,386,538	104,390,380,569	124,667,757
Present Value Discount for Long-term Other Payables	(14,293,539,050)	(12,669,588,069)	0
Provisions for Retirement and Severance Benefits	7,912,493,035	7,009,664,777	5,038,747,651
Deposits for Retirement and Severance Benefits Long-term Liabilities	(5,536,242,845)	(4,560,587,152)	(3,323,070,237)
Transfer to National Pension Fund	(7,227,800)	(7,227,800)	(2,769,500)
Provisions for Product Warranties for Non-current Liabilities	13,469,224,464	10,389,446,982	6,924,907,308
Deferred Income Taxes Liabilities Non-current	59,650,215,460	33,083,232,196	35,025,775,858

Accounts	9th FY	8th FY	7th FY
Total Liabilities	830,354,341,651	477,643,835,308	410,112,094,025
Stockholders' Equity			
Capital Stock	18,750,000,000	18,750,000,000	18,750,000,000
Common Stock	18,750,000,000	18,750,000,000	18,750,000,000
Capital Surplus	153,618,863,259	153,618,863,259	153,618,863,259
Additional Paid-in Capital	153,618,863,259	153,618,863,259	153,618,863,259
Accumulated Other Comprehensive Income	52,422,583,108	19,414,956,431	11,014,101,442
Gains on Valuation of Equity Method Securities	15,240,168,866	15,115,014,235	12,390,087,834
Losses on Valuation of Equity Method Securities	(118,871,640)	(2,018,476,236)	(1,375,986,392)
Gains on Valuation of Available for Sale Securities in Capital Adjustments	37,301,285,882	6,330,819,212	0
Losses on Valuation of Available for Sale Securities in Capital Adjustments		(12,400,780)	0
Retained Earnings	605,898,420,983	434,931,544,297	336,019,516,724
Appropriated Retained Earnings for Statutory Reserve	11,941,911,762	10,066,911,762	8,191,911,762
Appropriated Retained Earnings for Voluntary Reserves	385,000,000,000	285,000,000,000	215,000,000,000
Retained Earnings Before Appropriations on Balance Sheet	208,956,509,221	139,864,632,535	112,827,604,962
Total Stockholders Equity	830,689,867,350	626,715,363,987	519,402,481,425
Total Liabilities and Stockholders Equity	1,661,044,209,001	1,104,359,199,295	929,514,575,450

Income Statement

9th FY Jan. 1, 2009 ~ Dec. 31, 2009

8th FY Jan. 1, 2008 ~ Dec. 31, 2008

7th FY Jan. 1, 2007 ~ Dec. 31, 2007

(Unit : KRW)

Accounts	9th FY	8th FY	7th FY
Sales Revenue	3,192,754,756,568	3,065,235,441,645	2,510,187,793,546
Sales of Korea Logistics	836,708,908,995	811,641,962,961	720,190,986,239
Sales of International Logistics	951,480,284,165	897,913,886,225	658,510,341,024
Sales of CKD Parts	1,224,426,356,679	1,201,617,267,301	1,017,042,010,544
Sales Revenue of Merchandises	180,139,206,719	154,062,325,158	114,444,455,739
Costs of Goods and Services Sold	2,982,561,166,985	2,826,570,376,577	2,322,284,738,360
Costs of Services Sold in Korea Logistics	771,008,781,230	755,515,219,101	666,442,866,794
Costs of Services Sold in International Logistics	886,165,059,332	839,485,260,749	610,720,343,807
Costs of CKD Parts Sold	1,116,849,030,255	1,085,964,825,107	942,188,372,178
Cost of Merchandises Sold	158,538,296,168	145,605,071,620	102,933,155,581
Gross Profit or Loss	260,193,589,573	238,665,065,068	187,903,055,186
Selling and Administrative Expenses	114,923,325,804	109,585,965,496	94,966,924,809
Salaries and Wages	21,485,086,097	18,244,449,878	16,290,857,109
Retirement and Severance Benefits	2,060,511,865	2,348,632,352	2,292,395,666
Employee Benefits	3,947,263,849	3,145,634,957	2,735,927,215
Travel Expenses	863,101,947	1,067,498,602	869,155,905
Communication Expenses	980,389,962	968,043,224	936,064,124
Office Administrative Expenses	630,356,612	607,449,214	573,445,191
Utility Expenses	125,996,114	116,241,143	75,372,880
Taxes and Dues	1,465,886,518	769,878,199	266,750,254
Rental Expenses	1,919,173,513	1,947,790,125	1,817,340,197
Depreciation	1,655,833,620	1,649,470,122	1,382,299,080
Amortization of Intangible Assets	2,320,402,564	2,695,618,774	2,209,079,384
Repair Expenses	83,385,635	54,146,948	60,096,111
Insurance Premiums	701,828,600	964,945,586	1,200,570,311
Entertainment Expenses	245,784,316	324,743,163	317,897,073
Advertising Expenses	1,312,751,403	942,448,182	509,405,388
Supply Expenses	112,774,485	198,758,938	89,114,947
Office Supply Expenses	334,589,442	302,716,642	307,754,211
Publication Expenses	36,246,438	35,897,490	31,418,681
Commissions	8,143,706,706	6,736,804,116	7,666,682,382
Freight Expenses	62,809,968,281	57,694,883,019	51,315,750,559
Vehicle Maintenance Expenses	88,654,895	166,253,551	179,344,144
Expenses of Allowance for Doubtful Accounts		3,898,766,657	737,734,828
Training Expenses	436,917,475	474,498,128	383,647,506
IT Processing Expenses	3,162,715,467	3,127,582,582	2,718,811,673
Provision for Product Warranties		1,102,803,894	0
Operating Income	145,270,263,769	129,079,099,572	92,936,130,377

Accounts	9th FY	8th FY	7th FY
Non-Operating Revenues	182,139,190,591	169,783,983,963	59,192,803,970
Interest Income	4,854,685,509	7,598,329,533	10,504,948,468
Rental Income	95,057,821	115,171,380	113,156,630
Fees Revenues	354,499,036	438,348,880	404,616,381
Gains on Sale of Property, Plant and Equipment	326,119,522	63,339,969	94,601,998
Gains on Sale of Investment Assets			220,055,139
Gains on Sale of Equity Method Securities	51,179,089,830		0
Gains on Foreign Currency Transactions	67,412,046,219	103,991,564,937	12,816,157,215
Gains on Foreign Currency Translation	7,636,813,285	10,556,301,538	2,782,993,704
Gains on Valuation of Equity Method Securities	46,425,072,755	37,409,351,282	31,639,774,433
Gains on Sale of Available for Sale Securities in Investment Assets			6,875,000
Reversal of Allowance for Doubtful Accounts	1,388,030,326		
Reversal of Provision for Product Warranties	1,258,853,230		14,719,811
Miscellaneous Income	1,208,923,058	9,611,576,444	594,905,191
Non-Operating Expenses	93,160,737,102	145,853,661,284	23,554,164,313
Interest Expenses	6,067,480,462	9,856,124,029	7,048,107,025
Donations	720,811,380	913,239,000	538,125,000
Losses on Sale of Available for Sale Securities in Investment Assets	15,002,471	36,345,763	29,527,981
Impairment Losses on Available for Sale Securities in Investment Assets			1,078,945,640
Impairment Losses on Tangible Assets	2,723,395,576		
Losses on Sale of Investment Assets	342,645,771	22,000,000	
Losses on Sale of Property, Plant and Equipment	953,095,514	2,245,586,664	13,438,154
Losses on Foreign Currency Transactions	78,322,196,411	91,151,181,932	10,619,015,927
Losses on Foreign Currency Translation	1,693,867,466	36,040,096,209	1,906,140,072
Other Allowance for Doubtful Accounts	1,231,140,030	1,998,938,907	136,293,258
Losses on Valuation of Equity Method Securities	566,390,829	3,364,684,356	
Miscellaneous Losses	524,711,192	225,464,424	2,184,571,256
Income Loss Before Income Taxes Expenses	234,248,717,258	153,009,422,251	128,574,770,034
Income Taxes Expenses	44,475,191,783	35,347,394,678	47,540,163,053
Net Income	189,773,525,475	117,662,027,573	81,034,606,981
Earnings or Losses Per Share			
Basic Earnings Per Share	5,061	3,138	2,161

Statement Appropriation Retained Earnings/Disposition Accumulated Deficit

9th FY Jan. 1, 2009 ~ Dec. 31, 2009 (Appropriation Date : Mar. 12, 2010)

8th FY Jan. 1, 2008 ~ Dec. 31, 2008 (Appropriation Date : Mar. 13, 2009)

7th FY Jan. 1, 2007 ~ Dec. 31, 2007 (Appropriation Date : Mar. 14, 2008)

(Unit : KRW)

Accounts	9th FY	8th FY	7th FY
Retained Earnings Before Appropriations	208,956,509,221	139,864,632,535	112,827,604,962
Unappropriated Retained Earnings from Beginning Year	19,239,632,535	22,202,604,962	31,792,997,981
Increase in Retained Earnings from Equity Method Securities	(56,648,789)	0	0
Net Income	189,773,525,475	117,662,027,573	81,034,606,981
Appropriations of Retained Earnings	174,750,000,000	120,625,000,000	90,625,000,000
Legal Reserves in Statement of Appropriation Retained Earnings	2,250,000,000	1,875,000,000	1,875,000,000
Dividends	22,500,000,000	18,750,000,000	18,750,000,000
Cash Dividends	22,500,000,000	18,750,000,000	18,750,000,000
Dividends Per Share and Dividend Rate Per Share			
Common Stock	600	500	500원
Reserves for Facility Investment for Appropriations of Retained Earnings	70,000,000,000	60,000,000,000	20,000,000,000
Other Reserves for Appropriations of Retained Earnings	80,000,000,000	40,000,000,000	50,000,000,000
Unappropriated Retained Earnings Carried over to Subsequent Year	34,206,509,221	19,239,632,535	22,202,604,962

Statement of Changes in Equity

9th FY Jan. 1, 2009 ~ Dec. 31, 2009

8th FY Jan. 1, 2008 ~ Dec. 31, 2008

7th FY Jan. 1, 2007 ~ Dec. 31, 2007

(Unit : KRW)

Accounts	Capital Stock	Capital Surplus	Capital Adjustments	Accumulated Other Comprehensive Income	Retained Earnings or Accumulated Deficit	Total Equity
Jan. 1, 2007 (beginning)	18,750,000,000	153,618,863,259		5,487,551,713	260,609,909,743	438,466,324,715
Dividends					(5,625,000,000)	(5,625,000,000)
Retained Earnings After Appropriations					254,984,909,743	432,841,324,715
Net Income					81,034,606,981	81,034,606,981
Increase in Gains on Valuation of Equity Method Securities				5,327,579,006		5,327,579,006
Increase (or Decrease) in Losses on Valuation of Equity Method Securities				198,970,723		198,970,723
Decrease in Retained Earnings on Valutaion of Equity Method Securities for Total Equity						0
Increase in Gains on Valuation of Available for Sale Securities						0
Increase in Losses on Valuation of Available for Sale Securities						0
Dec. 31, 2007 (end)	18,750,000,000	153,618,863,259		11,014,101,442	336,019,516,724	519,402,481,425
Jan. 1, 2008 (beginning)	18,750,000,000	153,618,863,259		11,014,101,442	336,019,516,724	519,402,481,425
Dividends					(18,750,000,000)	(18,750,000,000)
Retained Earnings After Appropriations					317,269,516,724	500,652,481,425
Net Income					117,662,027,573	117,662,027,573
Increase in Gains on Valuation of Equity Method Securities				2,724,926,401		2,724,926,401
Increase (or Decrease) in Losses on Valuation of Equity Method Securities				(642,489,844)		(642,489,844)
Decrease in Retained Earnings on Valutaion of Equity Method Securities for Total Equity						
Increase in Gains on Valuation of Available for Sale Securities				6,330,819,212		6,330,819,212
Increase in Losses on Valuation of Available for Sale Securities				(12,400,780)		(12,400,780)
Dec. 31, 2008 (end)	18,750,000,000	153,618,863,259		19,414,966,431	434,931,544,297	626,715,363,987
Jan. 1, 2009 (beginning)	18,750,000,000	153,618,863,259		19,414,966,431	434,931,544,297	626,715,363,987
Dividends					(18,750,000,000)	(18,750,000,000)
Retained Earnings After Appropriations					416,181,544,297	607,965,363,987
Net Income					189,773,525,475	189,773,525,475
Increase in Gains on Valuation of Equity Method Securities				125,154,631		125,154,631
Increase (or Decrease) in Losses on Valuation of Equity Method Securities				1,899,604,586		1,899,604,586
Decrease in Retained Earnings on Valutaion of Equity Method Securities for Total Equity					(56,648,789)	(56,648,789)
Increase in Gains on Valuation of Available for Sale Securities				30,970,466,670		30,970,466,670
Increase in Losses on Valuation of Available for Sale Securities				12,400,780		12,400,780
Dec. 31, 2009 (end)	18,750,000,000	153,618,863,259		52,422,583,108	605,898,420,983	830,689,867,350

Statement Cash Flows

9th FY Jan. 1, 2009 ~ Dec. 31, 2009

8th FY Jan. 1, 2008 ~ Dec. 31, 2008

7th FY Jan. 1, 2007 ~ Dec. 31, 2007

(Unit : KRW)

Accounts	9th FY	8th FY	7th FY
Cash Flows from Operating Activities	155,571,114,749	77,888,498,541	68,507,980,542
Net Income	189,773,525,475	117,662,027,573	81,034,606,981
Additions of Expenses of Non-Cash Transactions	29,973,726,430	62,197,119,149	14,791,392,469
Retirement and Severance Benefits	2,301,868,592	2,437,932,318	2,517,980,403
Depreciation	17,502,215,389	13,320,135,702	6,759,091,720
Losses on Sale of Available for Sale Securities in Investment Assets	15,002,471	36,345,763	29,527,981
Losses on Foreign Currency Translation	1,626,778,061	31,670,277,962	1,078,945,640
Amortization of Intangible Assets	2,711,194,197	2,919,918,674	1,132,381,867
Expenses of Allowance for Doubtful Accounts		3,898,766,657	2,365,998,618
Product Warranties Expenses for Additions of Expenses		1,102,803,883	737,734,828
Expenses of Allowance for Other Doubtful Accounts	1,231,140,030	1,998,938,907	0
Losses on Sale of Property, Plant and Equipment	953,095,514	1,425,314,917	136,293,258
Impairment Losses on Tangible Assets	2,723,395,576		13,438,154
Losses on Valuation of Equity Method Securities	566,390,829	3,364,684,356	0
Losses on Disposition of Investment Assets	342,645,771	22,000,000	0
Deduction of Revenues of Non-Cash Transactions	(108,212,920,373)	(40,040,949,221)	(33,188,904,962)
Gains on Foreign Currency Translation	7,635,754,710	2,250,564,404	1,078,538,990
Gains on Valuation of Equity Method Securities	46,425,072,755	37,409,351,282	6,875,000
Gains on Sale of Equity Method Securities	51,179,089,830		31,639,774,433
Reversal of Allowance for Product Warranties	1,258,853,230		94,601,998
Gains on Sale of Property, Plant and Equipment	326,119,522	63,339,969	220,055,139
Reversal of Allowance for Doubtful Accounts	1,388,030,326		14,719,811
Offset of Government Subsidy for Deduction		317,693,566	134,339,591
Changes in Assets and Liabilities from Operating Activities	44,036,783,217	(61,929,698,960)	5,870,866,054
Increase in Trade Receivables	(81,824,757,501)	(66,232,739,125)	(58,247,235,810)
Decrease (or Increase) in Inventories	(159,906,704,253)	57,743,479,796	(17,952,492,970)
Increase in Other Receivables	(3,159,541,695)	(5,811,255,994)	970,141,619
Decrease (or Increase) in Prepaid Expenses	(4,606,812,783)	1,670,662,099	(2,298,123,408)
Decrease (or Increase) in Other Quick Assets	2,162,543,146	(2,593,105,305)	(788,129,846)
Increase in Deferred Income Taxes Assets Current	(3,878,752,684)	(4,786,864,769)	1,305,515,996
Increase Deposits for Retirement Severance Benefits	(975,655,693)	(1,237,516,915)	175,034,567
Increase (or Decrease) in Trade Payables	176,009,700,874	(13,835,332,017)	16,362,662,118
Increase in Other Payables	41,610,721,819	5,106,572,096	(4,167,084,513)
Increase (or Decrease) in Advances from Customers	73,304,710,571	(25,776,300,732)	42,408,564,134
Increase (or Decrease) in Withholdings	3,632,987,848	(5,461,645,117)	1,434,091,079
Increase (or Decrease) in Accrued Expenses	(854,830,502)	1,536,945,574	0
Increase (or Decrease) in Income Taxes Payable	(15,245,955,463)	738,279,906	22,793,630,591
Increase (or Decrease) in Deferred Income Taxes Liabilities	17,190,491,052	(3,230,794,399)	6,851,682,391

Accounts	9th FY	8th FY	7th FY
Decrease (or Increase) in Product Warranties Expenses	1,977,678,815	(288,610,566)	336,350,265
Payment for Retirement and Severance Benefit	(1,429,036,427)	(778,733,775)	(3,392,645,715)
Succession to Provision for Retirement and Severance Benefits	29,996,093	311,718,583	53,849,556
Increase in National Pension Fund		(4,458,300)	5,076,000
Cash Flows from Investing Activities	(47,829,483,149)	(20,674,530,310)	(45,128,465,914)
Cash Inflows from Investing Activities	42,022,019,489	32,619,525,890	53,318,954,010
Decrease in Short-term Investment Assets	64,018,577	30,117,425,170	49,213,494,211
Proceeds from Sale of Available for sale Securities	2,468,338	492,137,837	2,213,467,079
Receipt of Dividend of Equity Method Securities	6,240,535,000	623,917,160	779,896,450
Decrease in Leasehold Deposits Provided	1,042,419,200	77,275,020	138,353,234
Proceeds from Sale of Other Investment Asset		124,667,757	518,181,819
Proceeds from Sale of Land	33,695,224,000		0
Proceeds from Sale of Buildings	500,000		72,883,390
Proceeds from Sale of Structures		400,000	39,410,787
Proceeds from Sale of Vehicles	520,693,654	138,463,636	2,600,000
Proceeds from Sale of Office Equipment	20,706,174	45,239,310	340,667,040
Decrease in Non-current Assets	435,454,546	1,000,000,000	0
Cash Outflows from Investing Activities	(89,851,502,638)	(53,294,056,200)	(98,447,419,924)
Purchase of Available for sale Securities	5,344,762,690	638,582,000	0
Purchase of Equity Method Securities		15,714,650,000	7,296,894,679
Increase in Leasehold Deposits Provided	993,681,200	236,716,400	929,600,000
Decrease in Other Investments		64,018,577	428,000,059
Purchase of Land	28,983,426,248	240,756,179	0
Purchase of Buildings	1,049,545,118	4,707,897,660	4,702,132,315
Purchase of Structures	1,289,245,614	1,990,786,058	189,841,358
Purchase of Machinery	60,505,217	429,540,000	706,189,959
Purchase of Vehicles	847,988,195	552,043,942	343,758,438
Purchase of Tools		88,924,624	91,182,310
Purchase of Office Equipment	2,050,802,620	1,971,770,928	1,579,869,322
Purchase of Ships	31,375,140,600	16,704,527,000	79,338,540
Increase in Construction in Progress	12,476,340,731	4,190,282,515	80,658,588,934
Purchase of Industrial Property Rights			472,620
Increase in Development Costs	106,438,000	1,852,317,000	56,870,000
Increase in Other Intangible Assets	1,648,557,016	1,525,843,600	496,356,400
Increase in Other Non Current Asset	3,625,069,389	2,385,399,717	888,324,990
Cashflows from Financing Activities	(31,559,858,577)	(22,035,672,973)	(4,588,527,025)
Cash Inflows from Financing Activities	579,000,000	316,018,577	1,782,369,003
Increase in Deposits Received	579,000,000	252,000,000	684,000,000
Increase in Long-term Borrowings		64,018,577	0
Receipt of Government Subsidy			1,098,369,003
Cash Outflows from Financing Activities	(32,138,858,577)	(22,351,691,550)	(6,370,896,028)
Repayments of Current Portion of Long-term Other Payables	13,324,840,000	3,423,617,200	0
Decrease in Deposits			566,060,500
Return of Government Subsidy			69,232,132

Accounts	9th FY	8th FY	7th FY
Repayments of Current Portion of Long-term Liabilities	64,018,577	117,425,170	110,603,396
Repayments of Long-term Borrowings		60,649,180	0
Payments in Dividends	18,750,000,000	18,750,000,000	5,625,000,000
Increase or Decrease in Cash and Cash Equivalents	76,181,773,023	35,178,295,258	18,790,987,603
Cash and Cash Equivalent at Beginning	165,856,079,603	130,677,784,345	111,886,796,742
Cash and Cash Equivalent at End	242,037,852,626	165,856,079,603	130,677,784,345

2. Accounting Information

A. Allowance for Doubtful Accounts (Bad Debt Expense)

(1) Allowance for Doubtful Accounts by Accounts

(Unit : KRW)

Category	Title of account	Total bond	Amount of allowance for doubtful accounts	Ratio of allowance for doubtful accounts
9th FY	Trade receivables	398,062,664,349	5,157,141,394	1.3%
	Other receivables	11,172,794,341	3,151,935,382	28.21%
	Total	409,235,458,690	8,309,076,776	2.03%
8th FY	Trade receivables	317,271,533,493	6,625,888,678	2.1%
	Other receivables	7,015,107,967	2,146,968,760	30.6%
	Total	324,286,641,460	8,772,857,438	2.7%
7th FY	Trade receivables	260,563,231,325	3,107,947,406	1.2%
	Other receivables	2,863,110,236	148,029,853	5.2%
	Total	263,426,341,621	3,255,977,259	1.2%

(2) Changes in Allowance for Doubtful Accounts

(Unit : KRW)

Description	9th FY	8th FY	7th FY
1. Total Allowance for bad debts outstanding at beginning of period	8,771,857,438	3,255,977,259	2,412,277,571
2. Net doubtful account expense ((①)－②±③)	306,890,366	—	30,328,398
① Accounts receivable written off	306,890,366	380,825,385	30,328,398
② Recovery of doubtful account	—	—	—
③ Other fluctuations	—	—	—
3. Bad debt expense appropriation(reversal)	(156,890,296)	5,897,705,564	874,028,086
4. Total Allowance for bad debts outstanding at end of period	8,309,076,776	8,772,857,438	3,255,977,259

(3) A Policy of Allowance for Doubtful Accounts related to Trade Receivable

GLOVIS set estimated doubtful account expenses as allowance for bad debts. It is based on results of individual methods and aging methods for possibility of recovery of trade receivable, accounts receivable and etc. With aging methods, 1 % of reserve is set for 90-day bonds, 25% for 90 ~ 180-day bonds, 50% for 180-day ~ 1-year bonds, and 100% for over 365-day bonds.

(4) The Balance of Trade Receivables as of the end of this current year

(Unit : KRW)

Category		Less than 6 months	6 months ~ 1 year	1 year ~ 3 years	Over 3 years	Total
Amount	General persons	58,985,696,432	459,901,844	3,442,319,428	–	62,887,917,704
	Specially related	346,347,540,986	–	–	–	346,347,540,986
	Total	405,333,237,418	459,901,844	3,442,319,428	–	409,235,458,690
Distribution ratio		99.05%	0.11%	0.84%	0.00%	100.00%

B. Inventory Possession and Actual Inspection of Inventory

(1) Status of Inventory Possession by Business Sector for the recent 3 years

The business in which the Company has inventories is Distribution/Sales that includes CKD and Merchandise sales. In CKD, the inventories are the parts-in-transport before they get to be input to overseas production plants. The inventory possession as of Dec. 31, 2009 is as follows.

(Unit : KRW)

Category	Title of account	Inventory	9th FY	8th FY	7th FY
CKD	Merchandise	CKD Parts	212,402,255,536	52,657,669,602	114,516,855,942
Merchandise Sales	Merchandise	Used car	2,354,626,737	6,163,447,810	2,903,503,570
	Merchandise	Supplies	–	1,569,726	–
	Merchandise	Steel	–	2,187,119,200	1,213,878,437
	Stored goods	Merchandise-others	6,438,822,133	279,193,815	–
Total			221,195,704,406	61,289,000,153	118,634,237,949
Inventory distribution ratio in total assets (%) [Total inventory ÷ total asset× 100]			13.32	5.55%	12.80%
Inventory turnover [Yearly converted sales cost÷ {(beginning inventory + ending inventory) ÷ 2}]			9.03 times	13.67 times	9.53 times

(2) Actual Inspection of Inventory

① Inspection Date

The Company conducted due diligence of inventory on Dec. 31, 2009 and Jan. 2, 2010 for financial statements of 2009. The gap of balance between inspection date and financial position statement date were checked on inventory fluctuation table.

② Participation of specialists or auditors in the Inspection

- Storage facilities in the firm: a certified public accountant of Ernst&Young Accounting Corporation, external auditor of the 9th fiscal year, attended the inspection
- Outsourced storage facilities: took a note of confirmation for the storage facilities

XII. Appendix

Not applicable

【 Expert's Confirmation 】

1. Expert's Confirmation

Not applicable

2. Relations with Expert

Not applicable