

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEET

June 30, 1999

(Unaudited - see Accountant's Review Report)

	In Thousands of	
	Korean Won	U.S. Dollars (Note 3)
ASSETS		
Current assets:		
Cash and cash equivalents	₩ 67,322,376	\$ 58,242
Short-term financial instrument (Note 4)	249,460,090	215,815
Trading securities (Note 5)	317,373,553	274,568
Trade accounts receivable, less allowance for doubtful accounts of ₩33,478,143 thousand in 1999 (Note 13 and 21)	1,862,047,480	1,610,907
Other accounts receivable, less allowance for doubtful accounts of ₩66,672,840 thousand in 1999 (Note 13)	252,035,733	218,043
Inventories (Note 6)	341,207,140	295,187
Advance payments	161,274,377	139,523
Accrued income	60,260,331	52,133
Other current assets	24,302,272	21,025
Total current assets	3,335,283,352	2,885,443
Property, plant and equipment, net of accumulated depreciation (Note 9)	4,352,083,113	3,765,103
Investments (Note 7)	3,036,485,429	2,626,945
Long-term financial instrument (Note 4)	610,777,057	528,399
Intangible assets (Note 10)	108,935,241	94,243
Other assets (Note 8)	56,654,248	49,014
Total assets	₩ 11,500,218,440	\$ 9,949,147

Continued;

The accompanying notes are an integral part of these statements.

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEET, Continued
June 30, 1999

(Unaudited - see Accountant's Review Report)

	In Thousands of	
	Korean Won	U.S. Dollars (Note 3)
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	W 591,157,462	\$ 511,426
Short-term borrowings (Note 11)	1,865,336,466	1,613,752
Current maturities of long-term debt (Note 12)	711,711,949	615,721
Advances from customers	1,294,881,784	1,120,237
Income taxes payable	12,361,740	10,694
Other current liabilities	129,903,962	112,384
Total current liabilities	4,605,353,363	3,984,214
Long-term debt, net of current maturities (Note 12)	2,278,716,108	1,971,378
Accrued severance benefits, less transfer to National Pension Fund	551,451,226	477,075
Deferred income tax liabilities (Note 18)	113,002,525	97,762
Other long-term liabilities	12,525,760	10,837
Total liabilities	7,561,048,982	6,541,266
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Capital stock (Note 1)		
Common stock	215,849,980	186,738
Capital surplus (Note 14)	1,884,595,332	1,630,414
Retained earnings (Note 15)	1,106,703,006	957,438
Capital adjustment (Note 7)	732,021,140	633,291
Total shareholders' equity	3,939,169,458	3,407,881
Total liabilities and shareholders' equity	W 11,500,218,440	\$ 9,949,147

The accompanying notes are an integral part of these statements.