

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEET  
June 30, 2001 and 2000  
(Unaudited - see Accountant's Review Report)

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2001	2000	2001	2000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	₩ 519,249,568	₩ 71,263,025	\$ 399,208	\$ 54,788
Short-term financial instruments (Note 4)	218,636,265	86,251,649	168,091	66,312
Marketable securities (Note 5)	85,142,050	156,403,186	65,459	120,245
Trade accounts receivable, less allowance for doubtful accounts of ₩ 44,555,560 thousand in 2001 and ₩ 42,143,231 thousand in 2000 (Notes 14 and 23)	1,497,551,151	1,713,455,236	1,151,342	1,317,333
Other accounts receivable, less allowance for doubtful accounts of ₩ 68,626,806 thousand in 2001 and ₩ 67,554,878 thousand in 2000 (Note 14)	631,055,219	286,929,937	485,166	220,597
Inventories (Note 6)	424,148,894	393,708,644	326,093	302,690
Advance payments	112,477,912	99,430,176	86,475	76,444
Accrued income	25,609,866	29,760,614	19,689	22,880
Other current assets	26,334,560	45,978,239	20,247	35,349
<b>Total current assets</b>	<b>3,540,205,485</b>	<b>2,883,180,706</b>	<b>2,721,770</b>	<b>2,216,638</b>
Property, plant and equipment, net of accumulated depreciation (Note 9)	4,288,490,283	4,252,052,690	3,297,063	3,269,050
Investment securities (Note 7)	1,603,605,044	2,909,281,994	1,232,878	2,236,705
Long-term financial instruments (Note 4)	61,142,449	78,600,340	47,007	60,429
Intangible assets (Note 10)	124,907,731	124,614,182	96,031	95,805
Other assets (Note 8)	61,522,661	153,581,570	47,300	118,076
<b>Total assets</b>	<b>₩ 9,679,873,653</b>	<b>₩ 10,401,311,482</b>	<b>\$ 7,442,049</b>	<b>\$ 7,996,703</b>

The accompanying notes are an integral part of these statements.

Continued;

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEET, Continued  
June 30, 2001 and 2000  
(Unaudited - see Accountant's Review Report)

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2001	2000	2001	2000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current liabilities:				
Trade accounts payable (Note 23)	₩ 574,735,666	₩ 512,579,134	\$ 441,866	\$ 394,079
Short-term borrowings (Note 11)	1,360,031,750	1,211,830,305	1,045,615	931,675
Current maturities of long-term borrowings and other long-term liabilities (Note 12)	1,432,102,060	956,256,069	1,101,024	735,186
Advances from customers	1,487,028,868	1,355,898,343	1,143,253	1,042,437
Income taxes payable	40,051,846	13,470,322	30,793	10,356
Other current liabilities	273,430,757	209,162,592	210,218	160,808
<b>Total current liabilities</b>	<b>5,167,380,947</b>	<b>4,259,196,765</b>	<b>3,972,769</b>	<b>3,274,541</b>
Debtentures, less discounts of				
₩ 44,911,285 thousand in 2001 and ₩ 32,776,944 thousand in 2000 (Note 12)	1,049,788,715	1,287,223,056	807,095	989,639
Long-term borrowings,				
net of current maturities (Note 12)	71,630,231	165,605,644	55,070	127,320
Accrued severance benefits, less				
transfers to National Pension Fund and others of ₩ 669,815,423 thousand in 2001 and ₩ 564,168,127 thousand in 2000	79,187,400	117,850,914	60,881	90,606
Deferred income tax liabilities (Note 21)	44,748,901	87,770,207	34,404	67,479
Other long-term liabilities	13,050,234	13,382,362	10,033	10,289
<b>Total liabilities</b>	<b>6,425,786,428</b>	<b>5,931,028,948</b>	<b>4,940,252</b>	<b>4,559,874</b>
Commitments and contingencies (Note 14)				
Shareholders' equity:				
Capital stock (Notes 1)				
Common stock	380,000,000	380,000,000	292,150	292,150
Capital surplus (Note 16)	2,727,879,538	2,727,879,538	2,097,240	2,097,240
Retained earnings (Note 17)	1,220,801,563	1,297,238,623	938,573	997,340
Capital adjustment (Note 18)	(1,074,593,876)	65,164,373	(826,166)	50,099
<b>Total shareholders' equity</b>	<b>3,254,087,225</b>	<b>4,470,282,534</b>	<b>2,501,797</b>	<b>3,436,829</b>
<b>Total liabilities and shareholders' equity</b>	<b>₩ 9,679,873,653</b>	<b>₩ 10,401,311,482</b>	<b>\$ 7,442,049</b>	<b>\$ 7,996,703</b>

The accompanying notes are an integral part of these statements.