

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEETS June 30, 2002 and 2001

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2002	2001	2002	2001
ASSETS				
Current assets:				
Cash and cash equivalents	\ 26,024,593	\ 519,249,568	\$ 21,655	\$ 432,060
Short-term financial instruments	31,924,313	218,636,265	26,564	181,924
Marketable securities (Note 5)	42,966,906	85,142,050	35,752	70,845
Trade accounts receivable, less allowance for doubtful accounts of \ 39,762,311 thousand in 2002 and \ 44,555,560 thousand in 2001 and less present value discounts of \ 2,464,784 thousand in 2002 (Notes 2, 6,15 and 23)	2,178,371,198	1,497,551,151	1,812,590	1,246,090
Other accounts receivable, less allowance for doubtful accounts of ₩ 97,328,139 thousand in 2002 and ₩ 68,626,806 thousand in 2001 (Note 16)	497,028,486	631,055,219	413,570	525,092
Inventories (Note 7)	558,802,006	424,148,894	464,971	352,928
Advance payments	94,464,252	112,477,912	78,602	93,591
Accrued income	24,001,676	25,609,866	19,971	21,310
Other current assets	24,663,354	26,334,560	20,522	21,913
Total current assets	3,478,246,784	3,540,205,485	2,894,197	2,945,753
Long-term financial instruments, less present value				
discounts of 5,649,792 thousand in 2002 (Notes 4 and 6)	43,392,708	61,142,449	36,106	50,876
Investments (Note 8)	1,080,641,270	1,603,605,044	899,186	1,334,336
Property, plant and equipment, net of accumulated depreciation (Note 10)	4,360,845,084	4,288,490,283	3,628,595	3,568,389
Intangible assets (Note 11)	127,753,167	124,907,731	106,302	103,934
Deferred income tax assets (Note 21)	46,560,540	-	38,742	-
Other assets	53,190,125	61,522,661	44,259	51,192
Total assets	\ 9,190,629,678	\ 9,679,873,653	\$ 7,647,387	\$ 8,054,480

The accompanying notes are an integral part of these financial statements.

Continued;

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEETS, Continued

June 30, 2002 and 2001

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2002	2001	2002	2001
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Trade accounts payable (Note 23)	\ 786,804,632	\ 712,741,328	\$ 654,688	\$ 593,062
Short-term borrowings (Notes 2 and 12)	1,351,427,725	1,360,031,750	1,124,503	1,131,662
Current maturities of long-term borrowings and other long-term liabilities, less discount of ₩10,711,674 thousand in 2002 ₩8,363,285 thousand in 2001 (Note 13)	1,075,517,024	1,432,102,060	894,922	1,191,631
Advances from customers	1,439,312,370	1,487,028,868	1,197,631	1,237,335
Income taxes payable	38,211,227	40,051,846	31,795	33,327
Other current liabilities	153,415,548	135,425,095	127,655	112,685
Total current liabilities	4,844,688,526	5,167,380,947	4,031,194	4,299,702
Debentures, less discounts of ₩27,712,742 thousand in 2002 ₩44,911,285 thousand in 2001 (Note 13)	1,127,467,258	1,049,788,715	938,149	873,514
Long-term borrowings, net of current maturities (Notes 2 and 13)	181,198,817	71,630,231	150,773	59,602
Accrued severance benefits, less transfers to National Pension Fund and others of ₩664,210,620 thousand in 2002 and of ₩669,815,423 thousand in 2001 (Note 14)	180,254,681	79,187,400	149,987	65,891
Deferred income tax liabilities	-	44,748,901	-	37,235
Other long-term liabilities	14,976,489	13,050,234	12,462	10,859
Total liabilities	6,348,585,771	6,425,786,428	5,282,565	5,346,803
Commitments and contingencies (Note 15)				
Shareholders' equity:				
Capital stock (Note 1)				
Common stock	380,000,000	380,000,000	316,192	316,192
Capital surplus (Note 17)	2,727,879,538	2,727,879,538	2,269,828	2,269,828
Retained earnings (Note 18)	1,027,084,035	1,220,801,563	854,621	1,015,811
Capital adjustments (Note 19)	(1,292,919,666)	(1,074,593,876)	(1,075,819)	(894,154)
Total shareholders' equity	2,842,043,907	3,254,087,225	2,364,822	2,707,677
Total liabilities and shareholders' equity	\ 9,190,629,678	\ 9,679,873,653	\$ 7,647,387	\$ 8,054,480

The accompanying notes are an integral part of these financial statements.