

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEETS December 31, 2001 and 2000

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2001	2000	2001	2000
ASSETS				
Current assets:				
Cash and cash equivalents	₩ 36,155,558	₩ 53,058,513	\$ 27,265	\$ 40,011
Short-term financial instruments	130,760,009	197,549,848	98,605	148,971
Marketable securities (Note 5)	48,443,403	82,461,178	36,531	62,183
Trade accounts receivable, less allowance for doubtful accounts of ₩ 40,305,130 thousand in 2001 and ₩ 44,796,828 thousand in 2000 and less present value discounts of ₩ 4,889,381 thousand in 2001 (Notes 6, 15 and 25)	1,956,395,248	1,993,824,361	1,475,300	1,503,525
Other accounts receivable, less allowance for doubtful accounts of ₩ 97,574,394 thousand in 2001 and ₩ 68,268,371 thousand in 2000 (Note 15)	602,311,079	588,662,053	454,197	443,905
Inventories (Note 7)	504,538,666	479,251,864	380,468	361,399
Advance payments	99,834,201	121,542,313	75,284	91,654
Accrued income	3,103,049	8,846,168	2,340	6,671
Other current assets	18,959,362	28,812,739	14,297	21,727
Total current assets	3,400,500,575	3,554,009,037	2,564,287	2,680,046
	2001	2000	2001	2000
Non-current assets:				
Property, plant and equipment, net of accumulated depreciation (Note 10)	4,339,867,701	4,264,773,770	3,272,655	3,216,027
Investments (Note 8)	1,025,064,446	1,547,496,198	772,992	1,166,953
Long-term financial instruments, less present value discounts of 6,610,047 thousand in 2001 (Note 4 and 6)	43,020,453	117,653,856	32,441	88,722
Intangible assets (Note 11)	129,650,340	125,302,847	97,768	94,490
Deferred income tax assets (Note 23)	66,807,193	34,768,523	50,379	26,219
Other assets (Note 9)	52,219,636	66,255,822	39,379	49,963
Total assets	₩ 9,057,130,344	₩ 9,710,260,053	\$ 6,829,901	\$ 7,322,420

The accompanying notes are an integral part of these statements.

Continued;

HYUNDAI HEAVY INDUSTRIES CO., LTD.

BALANCE SHEETS, Continued December 31, 2001 and 2000

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Trade accounts payable (Note 25)	\ 812,993,263	\ 727,358,734	\$ 613,071	\$ 548,495
Short-term borrowings (Note 12)	1,174,323,587	1,311,037,149	885,547	988,641
Current maturities of long-term borrowings and other long-term liabilities, less discount of ₩ 4,249,084 thousand in 2001 ₩ 7,506,326 thousand in 2000	924,343,684	1,182,470,934	697,039	891,691
Advances from customers	1,425,636,746	1,788,121,272	1,075,060	1,348,406
Income taxes payable	3,839,947	4,298,285	2,896	3,241
Other current liabilities	88,532,229	126,247,305	66,761	95,202
Total current liabilities	4,429,669,456	5,139,533,679	3,340,374	3,875,676

Debentures, less discounts of

₩ 44,387,448 thousand in 2001				
₩ 36,252,826 thousand in 2000 (Note 13)	1,392,922,552	1,098,747,174	1,050,390	828,555
Long-term borrowings, net of current maturities (Note 13)	262,180,949	195,168,839	197,708	147,175
Accrued severance benefits, less transfers to National Pension Fund and others of ₩ 681,458,820 thousand in 2001 and of ₩ 637,088,078 thousand in 2000 (Note 14)	126,260,347	70,318,960	95,212	53,027
Other long-term liabilities	13,729,038	13,170,304	10,353	9,932
Total liabilities	6,224,762,342	6,516,938,956	4,694,037	4,914,365

Commitments and contingencies (Notes 15)

Shareholders' equity:

Capital stock (Notes 1)				
Common stock	380,000,000	380,000,000	286,555	286,555
Capital surplus (Note 17)	2,727,879,538	2,727,879,538	2,057,069	2,057,069
Retained earnings (Note 18)	878,081,863	961,010,779	662,154	724,690
Capital adjustments (Notes 19)	(1,153,593,399)	(875,569,220)	(869,914)	(660,259)
Total shareholders' equity	2,832,368,002	3,193,321,097	2,135,864	2,408,055
Total liabilities and shareholders' equity	\ 9,057,130,344	\ 9,710,260,053	\$ 6,829,901	\$ 7,322,420

The accompanying notes are an integral part of these statements.