

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS

December 31, 2002 and 2001

	In Thousands of Korean Won	
	2002	2001
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents (Note 2)	\ 17,836,572	\ 36,155,558
Short term financial instruments (Note 3)	23,586,159	130,760,009
Marketable securities	33,671,115	48,443,403
Trade accounts and notes receivable, net of allowance for doubtful accounts of ₩ 50,507,596 thousand in 2002 and \ 40,305,130 thousand in 2001 and present value discounts of \ 4,889,381 thousand in 2001 (Notes 2, 4, 12 and 21)	2,480,848,202	1,956,395,248
Other accounts receivable, net of allowance for doubtful accounts of ₩ 118,065,724 thousand in 2002 and ₩ 97,574,394 thousand in 2001 (Note 13)	459,478,948	602,311,079
Inventories (Note 5)	653,091,225	504,538,666
Advance payments, net of allowance for doubtful account of ₩ 434,808 thousand in 2002 and ₩ 619,616 thousand in 2001	80,088,748	99,834,201
Accrued income	1,420,184	3,103,049
Other current assets	87,892,282	18,959,362
	<u>3,837,913,435</u>	<u>3,400,500,575</u>
Total current assets	<u>2002</u>	<u>2001</u>
<b>Non-current assets:</b>		
Property, plant and equipment, net (Note 7)	4,373,994,303	4,339,867,701
Investments (Note 6)	1,105,681,507	1,025,064,446
Long term financial instruments, net of present value discounts of ₩ 4,674,353 thousand in 2002 and ₩ 6,610,047 thousand in 2001(Notes 3 and 4)	45,321,935	43,020,453
Intangible assets (Note 8)	137,965,355	129,650,340
Deferred income tax assets (Note 19)	232,739,213	66,807,193
Other assets	44,295,639	52,219,636
	<u>9,777,911,387</u>	<u>9,057,130,344</u>
Total assets	<u>\ 9,777,911,387</u>	<u>\ 9,057,130,344</u>

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NON-CONSOLIDATED BALANCE SHEETS

December 31, 2002 and 2001

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Short term borrowings (Notes 2 and 9)	787,360,188	1,174,323,587
Current maturities of long-term borrowings and other long-term liabilities, net of discount of <del>₩</del> 5,986,286 thousand in 2002 and <del>₩</del> 4,249,084 thousand in 2001 (Notes 2 and 10)	1,125,772,648	924,343,684
Trade accounts and notes payable (Note 21)	\ 759,350,134	\ 664,367,378
Accounts payable-other	131,084,239	148,625,885
Advances from customers	1,967,508,448	1,425,636,746
Income taxes payable	34,207,778	3,839,947
Other current liabilities	149,173,676	88,532,229
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Total current liabilities	\ 4,954,457,111	\ 4,429,669,456

Long-term liabilities:

Debentures, net of discounts of <del>₩</del> 19,022,356 thousand in 2002 and <del>₩</del> 44,387,448 thousand in 2001 (Note 10)	\ 1,531,037,644	\ 1,392,922,552
Long term borrowings, net (Notes 2 and 10)	25,964,052	262,180,949
Accrued severance benefits, net of severance insurance deposits and others of <del>₩</del> 701,136,952 thousand in 2002 and <del>₩</del> 681,458,820 thousand in 2001 (Note 11)	197,613,283	126,260,347
Other long term liabilities	165,079,130	13,729,038
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Total liabilities	6,874,151,220	6,224,762,342

Commitments and contingencies (Note 12)

Shareholders' equity :

Capital stock (Note 1)		
Common stock	380,000,000	380,000,000
Capital surplus (Note 15)	2,727,879,538	2,727,879,538
Retained earnings (Note 16)	524,441,981	878,081,863
Capital adjustments (Notes 17)	(-)728,561,352	(1,153,593,399)
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Total shareholders' equity	3,632,321,519	2,832,368,002

Total liabilities and shareholders' equity	<hr/> <hr/>	<hr/> <hr/>
	\ 10,506,472,739	\ 9,057,130,344

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