

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	In Thousands of Korean Won	
	except per share amounts	
	2003	2002
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents (Notes 3 and 25)	\ 233,395,481	\ 17,836,572
Short-term financial instruments (Note 3)	24,572,912	23,586,159
Short-term investment securities (Note 6)	2,701,795	-
Marketable securities (Note 8)	-	33,671,115
doubtful accounts of ₩56,326,168 thousand in 2003 and	2,516,528,272	2,480,848,202
accounts of ₩145,520,018 thousand in 2003 and ₩118,065,724	439,308,080	459,478,948
Inventories (Note 5)	927,897,784	653,091,225
Advanced payments, net of allowance for doubtful accounts		
of ₩840,100 thousand in 2003 and ₩434,808 thousand in	57,503,575	80,088,748
Accrued income	10,705,557	1,420,184
Other current assets	215,928,668	87,892,282
	4,428,542,124	3,837,913,435
Total current assets	4,428,542,124	3,837,913,435
	2003	2002
NON-CURRENT ASSETS:		
Property, plant and equipment, net (Notes 9 and 26)	4,335,244,649	4,373,994,303
Long-term investment securities (Note 6)	342,797,429	-
Investment securities accounted for using the equity method		
(Note 7)	803,104,770	-
Investment securities (Note 8)	-	1,105,681,507
Long-term trade accounts and notes receivable, net of		
allowance for doubtful accounts of ₩2,993,925 thousand in		
2003 (Notes 12 and 25)	333,104,806	-
Long-term financial instruments, net of present value discounts		
of ₩4,674,353 thousand in 2002 (Notes 3, 4 and 25)	7,185,235	45,321,935
Intangible assets (Notes 10 and 26)	145,817,745	137,965,355
Deferred income tax assets (Note 22)	162,808,665	232,739,213
Other investment assets (Note 24)	45,451,453	44,295,639
	6,175,514,752	5,939,997,952
Total non-current assets	6,175,514,752	5,939,997,952
	2003	2002
Total Assets	10,604,056,876	9,777,911,387

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<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>—</u>			
CURRENT LIABILITIES:				
Short-term borrowings (Notes 11 and 25)	\	150,217,859	\	787,360,188
Current maturities of long-term borrowings and other long-term liabilities, net of discount of ₩2,642,788 thousand in 2003 and ₩5,986,286 thousand in 2002 (Notes 12 and 25)		513,831,039		1,125,772,648
Trade accounts and notes payable (Notes 24 and 25)		883,000,039		759,350,134
Accounts payable-other (Notes 24 and 25)		157,158,844		131,084,239
Advances from customers		4,068,880,384		1,967,508,448
Income tax payable		807,880		34,207,778
Other current liabilities		<u>193,804,513</u>		<u>149,173,676</u>
Total current liabilities		<u>5,967,700,558</u>		<u>4,954,457,111</u>
LONG-TERM LIABILITIES:				
Debentures and long-term borrowings, net of discounts of ₩4,162,155 thousand in 2003 and ₩19,022,356 thousand in 2002 (Notes 12 and 25)		738,535,934		1,557,001,696
Accrued severance benefits, net of severance insurance deposits and others of ₩740,389,710 thousand in 2003 and ₩701,136,952 thousand in 2002 (Note 13)		231,774,908		197,613,283
Long-term accrued expenses (Note 2)		153,594,366		139,757,036
Other long-term liabilities		<u>36,356,492</u>		<u>25,322,094</u>
Total long-term liabilities		<u>1,160,261,700</u>		<u>1,919,694,109</u>
Total Liabilities		<u>7,127,962,258</u>		<u>6,874,151,220</u>
Commitments and contingencies (Note 14)				
SHAREHOLDERS' EQUITY:				
Capital stock - common stock (Note 1)		380,000,000		380,000,000
Capital surplus (Note 17)		2,771,383,687		2,727,879,538
Appropriated retained earnings (Note 18)		629,994,922		878,081,853
Unappropriated retained earnings (undisposed deficit) (Net income of ₩113,857,159 thousand in 2003 and net loss of ₩259,014,060 thousand in 2002)		9,429,309		-353,639,872
Capital adjustments (Note 19)		<u>-314,713,300</u>		<u>-728,561,352</u>
Total Shareholders' Equity		<u>3,476,094,618</u>		<u>2,903,760,167</u>
Total Liabilities and Shareholders' Equity	\	<u>10,604,056,876</u>	\	<u>9,777,911,387</u>

See accompanying notes to non-consolidated financial statements.