

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2004 AND 2003

<u>ASSETS</u>	Korean won	
	2004	2003
	(in thousands)	
CURRENT ASSETS:		
Cash and cash equivalents (Notes 3 and 23)	₩ 358,213,436	₩ 233,395,481
Short-term financial instruments	394,126,014	24,572,912
Short-term investment securities (Note 5)	126,681,848	2,701,795
Trade accounts and notes receivable, net of allowance for doubtful accounts of ₩78,174,167 thousand in 2004 and ₩56,326,168 thousand in 2003 (Notes 19, 22 and 23)	2,095,916,883	2,516,528,272
Accounts receivable-other, net of allowance for doubtful accounts of ₩161,967,038 thousand in 2004 and ₩145,520,018 thousand in 2003 (Notes 22 and 23)	281,529,043	439,308,080
Inventories (Note 4)	1,137,136,741	927,897,784
Advanced payments, net of allowance for doubtful accounts of ₩2,307,841 thousand in 2004 and ₩840,100 thousand in 2003	56,606,978	57,503,575
Accrued income	6,357,361	10,705,557
Foreign exchange forward contracts (Note 12)	255,759,978	-
Other current assets (Note 23)	90,377,688	215,928,668
Total current assets	4,802,705,970	4,428,542,124
NON-CURRENT ASSETS:		
Property, plant and equipment, net (Notes 7, 9, 10 and 24)	4,326,631,978	4,335,244,649
Long-term investment securities (Note 5)	159,266,137	342,797,429
Investment securities accounted for using the equity method (Notes 6 and 12)	1,023,448,611	803,104,770
Long-term trade accounts and notes receivable, net of allowance for doubtful accounts of ₩2,487,034 thousand in 2004 and ₩2,993,925 thousand in 2003 (Notes 12 and 23)	246,216,362	333,104,806
Long-term financial instruments (Notes 3 and 23)	6,613,882	7,185,235
Intangible assets (Notes 8 and 24)	160,983,579	145,817,745
Deferred income tax assets (Note 20)	159,276,388	162,808,665
Other investment assets (Notes 22 and 23)	44,471,543	45,451,453
Total non-current assets	6,126,908,480	6,175,514,752
Total Assets	₩ 10,929,614,450	₩ 10,604,056,876

(Continued)

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF DECEMBER 31, 2004 AND 2003

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	Korean won	
	2004	2003
	(in thousands)	
CURRENT LIABILITIES:		
Short-term borrowings (Notes 9 and 23)	₩ -	₩ 150,217,859
Current maturities of long-term borrowings and other long-term liabilities, net of discount of ₩ 980,721 thousand in 2004 and ₩ 2,642,788 thousand in 2003 (Notes 10 and 23)	660,973,248	513,831,039
Trade accounts and notes payable (Notes 22 and 23)	893,641,280	883,000,039
Accounts payable-other (Note 23)	136,914,174	157,158,844
Advances from customers (Note 19)	5,040,601,881	4,068,880,384
Income tax payable (Note 20)	7,665,065	807,880
Other current liabilities (Note 23)	189,956,743	193,804,513
Total current liabilities	6,929,752,391	5,967,700,558
LONG-TERM LIABILITIES:		
Debentures and long-term borrowings, net of discounts of ₩ 4,162,155 thousand in 2003 (Notes 10 and 23)	767,939	738,535,934
Accrued severance benefits, net of severance insurance deposits and others of ₩ 838,246,030 thousand in 2004 and ₩ 740,389,710 thousand in 2003 (Note 11)	167,694,266	231,774,908
Long-term accrued expenses (Note 13)	172,135,546	153,594,366
Other long-term liabilities (Note 22)	38,730,645	36,356,492
Total long-term liabilities	379,328,396	1,160,261,700
Total Liabilities	7,309,080,787	7,127,962,258
COMMITMENTS AND CONTINGENCIES (Notes 12 and 13)		
SHAREHOLDERS' EQUITY:		
Capital stock - common stock (Note 1)	380,000,000	380,000,000
Capital surplus (Note 15)	2,771,383,687	2,771,383,687
Appropriated retained earnings (Note 16)	542,684,044	629,994,922
Retained earnings before appropriations (Net income of ₩ 36,719,496 thousand in 2004 and net income of ₩ 113,857,159 thousand in 2003)	30,744,325	9,429,309
Capital adjustments (Notes 5, 6, 12 and 17)	(104,278,393)	(314,713,300)
Total Shareholders' Equity	3,620,533,663	3,476,094,618
Total Liabilities and Shareholders' Equity	₩ 10,929,614,450	₩ 10,604,056,876

See accompanying notes to non-consolidated financial statements.

