

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED STATEMENTS OF PROPOSED APPROPRIATIONS OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	Korean won	
	2004	2003
	(in thousands)	
Retained earnings before appropriation :		
Beginning of year	₩ 3	₩ (105,552,941)
Beginning balance adjustments:		
Adjustments in investment securities accounted for using the equity method (Notes 6 and 20)	(5,975,174)	1,125,091
Net income	36,719,496	113,857,159
	30,744,325	9,429,309
Transfer from reserve:		
Reserve for export losses	-	3,333,333
Reserve for overseas market development	-	6,666,667
Reserve for research and human development	59,908,313	161,165,616
	59,908,313	171,165,616
Appropriations:		
Legal reserve	8,061,682	9,674,018
Voluntary reserve	1,974,130	74,180,720
Cash dividends (Note 18)	80,616,820	96,740,184
	90,652,632	180,594,922
Unappropriated retained earnings , end of year	₩ 6	₩ 3

See accompanying notes to non-consolidated financial statements.