

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2007 AND 2006

ASSETS	Korean won	
	2007	2006
	(In thousands)	
CURRENT ASSETS:		
Cash and cash equivalents (Note 22)	₩ 953,756,858	₩ 819,920,933
Short-term financial instruments	2,154,137,014	234,137,014
Short-term investment securities (Note 5)	503,388,199	221,788,518
Trade accounts and notes receivable, net of allowance for doubtful accounts of ₩70,815,544 thousand in 2007 and ₩80,020,598 thousand in 2006 (Notes 17, 21 and 22)	2,740,673,266	2,445,187,369
Accounts receivable-other, net of allowance for doubtful accounts of ₩268,303,195 thousand in 2007 and ₩291,228,211 thousand in 2006 (Notes 6, 21 and 22)	147,455,116	216,903,840
Inventories (Note 4)	1,119,219,453	1,128,775,840
Advanced payments, net of allowance for doubtful accounts of ₩12,567,027 thousand in 2007 and ₩13,668,291 thousand in 2006	336,144,870	398,635,918
Accrued income	30,528,517	5,558,707
Foreign exchange forward contracts (Note 11)	185,520,620	495,782,386
Deferred income tax assets (Notes 11 and 18)	70,990,353	-
Prepaid expenses and other current assets (Notes 21 and 22)	<u>257,729,822</u>	<u>244,767,722</u>
Total current assets	<u>8,499,544,088</u>	<u>6,211,458,247</u>
NON-CURRENT ASSETS:		
Property, plant and equipment, net (Notes 7 and 23)	4,968,785,355	4,455,129,314
Long-term investment securities (Note 5)	714,663,412	426,736,444
Investment securities accounted for using the equity method (Note 6)	2,248,120,981	1,499,146,077
Long-term trade accounts and notes receivable, net of allowance for doubtful accounts of ₩965,609 thousand in 2007 and ₩1,298,456 thousand in 2006 (Notes 11 and 22)	95,595,244	128,547,184
Long-term financial instruments (Notes 3 and 22)	9,003,360	9,112,870
Intangible assets (Notes 8 and 23)	236,048,362	221,517,941
Other non-current assets (Notes 21 and 22)	<u>52,334,857</u>	<u>44,508,801</u>
Total non-current assets	<u>8,324,551,571</u>	<u>6,784,698,631</u>
Total Assets	<u>₩ 16,824,095,659</u>	<u>₩ 12,996,156,878</u>

(Continued)

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF DECEMBER 31, 2007 AND 2006

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>Korean won</u>	
	<u>2007</u>	<u>2006</u>
	(In thousands)	
CURRENT LIABILITIES:		
Current maturities of debentures and long-term borrowings, net of discounts of ₩298,966 thousand in 2007 (Notes 9 and 22)	₩ 187,341,034	₩ 341,960
Trade accounts and notes payable (Notes 21 and 22)	1,495,173,461	1,179,763,488
Accounts payable-other (Notes 21 and 22)	122,492,217	125,989,605
Advances from customers (Note 17)	8,013,303,994	6,262,761,712
Accrued expenses (Notes 21 and 22)	250,899,632	188,086,233
Income tax payable (Note 18)	455,564,205	167,718,040
Foreign exchange forward contracts (Note 11)	205,986,451	2,267,788
Deferred income tax liabilities (Notes 11 and 18)	-	38,716,339
Withholdings and other current liabilities (Notes 17 and 22)	<u>156,881,303</u>	<u>187,804,932</u>
Total current liabilities	<u>10,887,642,297</u>	<u>8,153,450,097</u>
LONG-TERM LIABILITIES:		
Debentures and long-term borrowings, net of discounts of ₩710,750 thousand in 2006 (Notes 9 and 22)	1,625,627	186,552,277
Accrued severance benefits, net of severance insurance deposits and others of ₩1,079,968,485 thousand in 2007 and ₩941,839,903 thousand in 2006 (Note 10)	110,865,582	193,348,583
Long-term accrued expenses	1,029,342	2,269,234
Deferred income tax liabilities (Notes 11 and 18)	257,968,531	81,371,661
Other long-term liabilities (Note 21)	<u>73,455,854</u>	<u>58,321,740</u>
Total long-term liabilities	<u>444,944,936</u>	<u>521,863,495</u>
Total Liabilities	<u>11,332,587,233</u>	<u>8,675,313,592</u>
SHAREHOLDERS' EQUITY:		
Capital stock - common stock (Note 1)	380,000,000	380,000,000
Capital surplus (Note 13)	2,771,383,687	2,771,383,687
Capital adjustments (Note 15)	(696,729,513)	(351,821,818)
Accumulated other comprehensive income (Notes 5, 6 and 11)	169,794,560	229,048,416
Retained earnings (Note 14)	<u>2,876,059,692</u>	<u>1,292,233,001</u>
Total Shareholders' Equity	<u>5,491,508,426</u>	<u>4,320,843,286</u>
Total Liabilities and Shareholders' Equity	<u>₩ 16,824,095,659</u>	<u>₩ 12,996,156,878</u>