

HYUNDAI HEAVY INDUSTRIES CO., LTD.

NON-CONSOLIDATED STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Korean won	
	<u>2007</u>	<u>2006</u>
	(In thousands)	
Retained earnings before appropriations:		
Beginning of year	₩ 9	₩ 2
Net income	<u>1,736,060,331</u>	<u>712,847,558</u>
	<u>1,736,060,340</u>	<u>712,847,560</u>
Transfer from reserve:		
Reserve for research and human development	<u>17,690,636</u>	<u>23,833,333</u>
Appropriations:		
Legal reserve	46,660,092	16,123,364
Reserve for research and human development	-	210,000,000
Voluntary reserve	1,240,489,960	349,323,880
Cash dividends (Note 16)	<u>466,600,920</u>	<u>161,233,640</u>
	<u>1,753,750,972</u>	<u>736,680,884</u>
Unappropriated retained earnings, end of year	<u>₩ 4</u>	<u>₩ 9</u>