

HYUNDAI HEAVY INDUSTRIES CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

Korean won (In thousands)

	<u>Capital stock</u>	<u>Capital surplus</u>	<u>Capital adjustments</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Retained earnings</u>	<u>Minority interests</u>	<u>Total amount</u>
January 1, 2006	₩ 380,000,000	₩ 2,749,023,698	₩ (646,216,647)	₩ 186,185,039	₩ 708,073,249	₩ 402,590,217	₩3,779,655,556
Dividend	-	-	-	-	(85,430,184)	-	(85,430,184)
Balance after appropriations	380,000,000	2,749,023,698	(646,216,647)	186,185,039	622,643,065	402,590,217	3,694,225,372
Effect of additional stock acquisition	-	(5,726,357)	-	-	-	-	(5,726,357)
Effect of change in the capital surplus	-	23,282,459	-	-	-	-	23,282,459
Net income	-	-	-	-	703,569,915	157,437,778	861,007,693
Loss in excess of minority interests	-	-	-	-	-	(714,923)	(714,923)
Gain on valuation of investment securities	-	-	-	(92,405,003)	-	-	(92,405,003)
Changes in equity arising on application of the equity method	-	-	-	(7,731,798)	-	-	(7,731,798)
Change in the cumulative translation losses	-	-	-	(288,223)	-	-	(288,223)
Change in the valuation of derivatives	-	-	-	169,536,749	-	-	169,536,749
Change in other capital adjustment	-	-	(3,901,802)	-	-	-	(3,901,802)
Change in discounts on stocks issuance	-	-	6,338	-	-	-	6,338
Change in other minority interests	-	-	-	-	-	(5,014,673)	(5,014,673)
Others	-	-	-	-	6,968,915	-	6,968,915
December 31, 2006	<u>₩ 380,000,000</u>	<u>₩ 2,766,579,800</u>	<u>₩ (650,112,111)</u>	<u>₩ 255,296,764</u>	<u>₩1,333,181,895</u>	<u>₩ 554,298,399</u>	<u>₩4,639,244,747</u>

(Continued)

HYUNDAI HEAVY INDUSTRIES CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Korean won (In thousands)						Total amount
	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income (loss)	Retained earnings	Minority interests	
January 1, 2007	₩ 380,000,000	₩ 2,766,579,800	₩ (650,112,111)	₩ 255,296,764	₩ 1,333,181,895	₩ 554,298,399	₩4,639,244,747
Effect of accounting changes	-	(7,740,203)	190,241,340	-	(7,396,171)	(169,363,583)	5,741,383
January 1, 2007 (adjusted)	380,000,000	2,758,839,597	(459,870,771)	255,296,764	1,325,785,724	384,934,816	4,644,986,130
Dividend	-	-	-	-	(153,881,384)	-	(153,881,384)
Balance after appropriations	380,000,000	2,758,839,597	(459,870,771)	255,296,764	1,171,904,340	384,934,816	4,491,104,746
Effect of additional stock acquisition	-	(1,317,559)	-	-	-	-	(1,317,559)
Gain on sale of treasury stock	-	84,804,201	-	-	-	-	84,804,201
Effect of change in the capital surplus	-	(41,672,247)	-	-	-	-	(41,672,247)
Net income	-	-	-	-	1,729,549,497	222,732,413	1,952,281,910
Loss in excess of minority interests	-	-	-	-	-	(5,233,968)	(5,233,968)
Gain on valuation of investment securities	-	-	-	213,344,075	-	-	213,344,075
Negative changes in equity arising on application of the equity method	-	-	-	(20,251,914)	-	-	(20,251,914)
Change in the cumulative translation losses	-	-	-	7,831,055	-	-	7,831,055
Change in the valuation of derivatives	-	-	-	(309,926,974)	-	-	(309,926,974)
Change in the treasury stock	-	-	(284,341,543)	-	-	-	(284,341,543)
Change in other capital adjustment	-	-	(8,416,567)	-	-	-	(8,416,567)
Change in other minority interests	-	-	-	-	-	204,749,770	204,749,770
December 31, 2007	<u>₩ 380,000,000</u>	<u>₩ 2,800,653,992</u>	<u>₩ (752,628,881)</u>	<u>₩ 146,293,006</u>	<u>₩ 2,901,453,837</u>	<u>₩ 807,183,031</u>	<u>₩6,282,954,985</u>

See accompanying notes to consolidated financial statements