

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2021 AND 2020 (Unaudited)**

ATTACHMENT: INDEPENDENT AUDITORS' REVIEW REPORT

HYUNDAI MOTOR COMPANY

Contents

INDEPENDENT AUDITORS' REVIEW REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF INCOME	6
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	8
CONSOLIDATED STATEMENTS OF CASH FLOWS	10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	12

Independent Auditors' Review Report

The Board of Directors and Shareholders
Hyundai Motor Company:

Reviewed financial statements

We have reviewed the accompanying condensed consolidated interim financial statements of Hyundai Motor Company and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position as of March 31, 2021, the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2021 and 2020 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No.1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with K-IFRS No.1034 *Interim Financial Reporting*.

Other matters

The consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon, dated March 9, 2021, expressed an unqualified opinion. The accompanying statement of financial position as of December 31, 2020, presented for comparative purposes, is not different from that audited by other us from which it was derived in all material respects.

The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries.



KPMG Samjong Accounting Corp.

Seoul, Korea
May 17, 2021

This report is effective as of May 17, 2021, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

The accompanying consolidated financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.

Chang, Jae Hoon
Chief Executive Officer
HYUNDAI MOTOR COMPANY

Main Office Address: (Road Name Address) 12, Heolleung-ro, Seocho-gu, Seoul
(Phone Number) 02-3464-1114

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2021 AND DECEMBER 31, 2020

ASSETS	NOTES	March 31, 2021	December 31, 2020
(In millions of Korean Won)			
Current assets:			
Cash and cash equivalents	20	₩ 11,035,251	₩ 9,862,136
Short-term financial instruments	20	7,684,114	7,219,695
Other financial assets	5,20	11,927,535	12,897,108
Trade notes and accounts receivable	3,20	3,165,204	3,283,972
Other receivables	4,20	3,958,271	4,016,972
Inventories	6	12,259,986	11,333,734
Current tax assets		120,961	138,848
Financial services receivables	14,20	33,091,798	32,596,052
Non-current assets classified as held for sale	8	288,950	304,469
Other assets	7,20	2,015,143	2,033,371
Total current assets		85,547,213	83,686,357
Non-current assets:			
Long-term financial instruments	20	80,582	61,859
Other financial assets	5,20	3,027,991	2,779,227
Long-term trade notes and accounts receivable	3,20	120,841	124,269
Other receivables	4,20	712,871	702,341
Property, plant and equipment	9,40	34,126,264	34,092,229
Investment property	10,40	159,983	160,967
Intangible assets	11,40	5,860,902	5,677,567
Investments in joint ventures and associates	13	20,412,679	19,925,260
Deferred tax assets		2,775,397	2,847,454
Financial services receivables	14,20	39,558,302	37,069,158
Investments in operating leases	15	21,939,480	20,501,691
Right-of-use assets	12	876,854	836,324
Other assets	7,20	951,188	879,509
Total non-current assets		130,603,334	125,657,855
Total assets		₩ 216,150,547	₩ 209,344,212

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2021 AND DECEMBER 31, 2020

LIABILITIES AND EQUITY	NOTES	March 31, 2021	December 31, 2020
		(In millions of Korean Won)	
Current liabilities:			
Trade notes and accounts payable	20	₩ 9,638,600	₩ 8,793,179
Other payables	20,39	4,057,748	6,123,714
Short-term borrowings	16,20,40	14,944,240	13,780,670
Current portion of long-term debt and debentures	16,20,40	16,612,329	16,104,005
Income tax payable		593,396	548,733
Provisions	17	6,583,181	6,360,770
Other financial liabilities	18,20	10,557	100,328
Lease liabilities	12,20	141,492	141,478
Non-current liabilities classified as held for sale	8	121,382	214,066
Other liabilities	19,20	8,830,061	7,292,585
Total current liabilities		61,532,986	59,459,528
Non-current liabilities:			
Long-term other payables	20,39	790,694	798,547
Debentures	16,20,40	52,580,631	48,795,361
Long-term debt	16,20,40	12,111,681	12,726,724
Net defined benefit liabilities	35	324,892	247,566
Provisions	17	4,099,894	4,010,118
Other financial liabilities	18,20	240,616	459,507
Deferred tax liabilities		3,476,991	3,277,573
Lease liabilities	12,20	676,983	615,566
Other liabilities	19,20	2,791,518	2,612,752
Total non-current liabilities		77,093,900	73,543,714
Total liabilities		138,626,886	133,003,242
Equity:			
Capital stock	21	1,488,993	1,488,993
Capital surplus	22	4,025,526	4,190,093
Other capital items	23	(1,700,592)	(1,700,592)
Accumulated other comprehensive loss	24	(2,726,493)	(3,409,661)
Retained earnings	25	69,514,146	68,911,800
Equity attributable to the owners of the Company		70,601,580	69,480,633
Non-controlling interests		6,922,081	6,860,337
Total equity		77,523,661	76,340,970
Total liabilities and equity		₩ 216,150,547	₩ 209,344,212

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

	NOTES	Three-month period ended March 31,	
		2021	2020
		(In millions of Korean Won, except per share amounts)	
Sales	27,40	₩ 27,390,871	₩ 25,319,448
Cost of sales	32	22,354,301	21,054,138
Gross profit		5,036,570	4,265,310
Selling and administrative expenses	28,32	3,379,955	3,401,534
Operating profit		1,656,615	863,776
Gain on investments in joint ventures and associates, net	29	360,607	85,819
Finance income	30	171,764	249,737
Finance expenses	30	146,950	326,151
Other income	31	427,469	449,770
Other expenses	31,32	423,228	598,683
Profit before income tax		2,046,277	724,268
Income tax expense	34	524,052	171,586
Profit for the period		₩ 1,522,225	₩ 552,682
Profit attributable to:			
Owners of the Company		1,327,250	463,314
Non-controlling interests		194,975	89,368
Earnings per share attributable to the owners of the Company:	33		
Basic earnings per share:			
Common stock		₩ 5,095	₩ 1,772
1st preferred stock		₩ 5,108	₩ 1,784
Diluted earnings per share:			
Common stock		₩ 5,095	₩ 1,772
1st preferred stock		₩ 5,108	₩ 1,784

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Profit for the period	₩ 1,522,225	₩ 552,682
Other comprehensive income (loss):		
Items that will not be reclassified subsequently to profit or loss:		
Profit (loss) on financial assets measured at FVOCI, net	150,649	(326,725)
Remeasurements of defined benefit plans	20,003	(30,825)
Changes in retained earnings of equity-accounted investees, net	26,226	7,548
Changes in share of OCI of equity-accounted investees, net	16,377	(15,093)
	<u>213,255</u>	<u>(365,095)</u>
Items that may be reclassified subsequently to profit or loss:		
Loss on financial assets measured at FVOCI, net	(3,282)	(11,734)
Loss on valuation of cash flow hedge derivatives, net	(26,382)	(158,143)
Changes in share of OCI of equity-accounted investees, net	172,653	102,222
Gain on foreign operations translation, net and others	464,880	522,087
	<u>607,869</u>	<u>454,432</u>
Total other comprehensive income	<u>821,124</u>	<u>89,337</u>
Total comprehensive income	<u>₩ 2,343,349</u>	<u>₩ 642,019</u>
Comprehensive income attributable to:		
Owners of the Company	2,070,889	346,563
Non-controlling interests	272,460	295,456
Total comprehensive income	<u>₩ 2,343,349</u>	<u>₩ 642,019</u>

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income (loss)	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance at January 1, 2020	₩ 1,488,993	₩ 4,197,015	₩ (1,516,817)	₩ (2,353,022)	₩ 68,249,633	₩ 70,065,802	₩ 6,299,952	₩ 76,365,754
Comprehensive income:								
Profit for the period	-	-	-	-	463,314	463,314	89,368	552,682
Gain (loss) on financial assets measured at FVOCI, net	-	-	-	(335,528)	214	(335,314)	(3,145)	(338,459)
Loss on valuation of cash flow hedge derivatives, net	-	-	-	(110,292)	-	(110,292)	(47,851)	(158,143)
Changes in valuation of equity-accounted investees, net	-	-	-	80,653	7,548	88,201	6,476	94,677
Remeasurements of defined benefit plans	-	-	-	-	(30,468)	(30,468)	(357)	(30,825)
Gain on foreign operation translation, net and others	-	-	-	271,122	-	271,122	250,965	522,087
Total comprehensive Income	-	-	-	(94,045)	440,608	346,563	295,456	642,019
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(790,489)	(790,489)	(103,290)	(893,779)
Increase in paid-in capital of subsidiaries by issuing stock	-	-	-	-	-	-	795	795
Purchases of treasury stocks	-	-	(183,756)	-	-	(183,756)	-	(183,756)
Others	-	200	-	-	605	805	(5,222)	(4,417)
Total transactions with owners, recorded directly in equity	-	200	(183,756)	-	(789,884)	(973,440)	(107,717)	(1,081,157)
Balance at March 31, 2020	₩ 1,488,993	₩ 4,197,215	₩ (1,700,573)	₩ (2,447,067)	₩ 67,900,357	₩ 69,438,925	₩ 6,487,691	₩ 75,926,616

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income (loss)	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance at January 1, 2021	₩ 1,488,993	₩ 4,190,093	₩ (1,700,592)	₩ (3,409,661)	₩ 68,911,800	₩ 69,480,633	₩ 6,860,337	₩ 76,340,970
Comprehensive income:								
Profit for the period	-	-	-	-	1,327,250	1,327,250	194,975	1,522,225
Gain on financial assets measured at FVOCI, net	-	-	-	130,669	15,502	146,171	1,196	147,367
Gain (loss) on valuation of cash flow hedge derivatives, net	-	-	-	(41,075)	-	(41,075)	14,693	(26,382)
Changes in valuation of equity-accounted investees, net	-	-	-	183,443	26,226	209,669	5,587	215,256
Remeasurements of defined benefit plans	-	-	-	-	18,743	18,743	1,260	20,003
Gain on foreign operations translation, net	-	-	-	410,131	-	410,131	54,749	464,880
Total comprehensive Income	-	-	-	683,168	1,387,721	2,070,889	272,460	2,343,349
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(785,516)	(785,516)	(129,512)	(915,028)
Increase in paid-in capital of subsidiaries by issuing stock	-	-	-	-	-	-	2,788	2,788
Acquisition of investment of subsidiaries	-	(164,567)	-	-	-	(164,567)	(78,773)	(243,340)
Others	-	-	-	-	141	141	(5,219)	(5,078)
Total transactions with owners, recorded directly in equity	-	(164,567)	-	-	(785,375)	(949,942)	(210,716)	(1,160,658)
Balance at March 31, 2021	₩ 1,488,993	₩ 4,025,526	₩ (1,700,592)	₩ (2,726,493)	₩ 69,514,146	₩ 70,601,580	₩ 6,922,081	₩ 77,523,661

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

	NOTES	Three-month period ended March 31,	
		2021	2020
		(In millions of Korean Won)	
Cash flows from operating activities:			
Cash generated from operations:	36		
Profit for the period		₩ 1,522,225	₩ 552,682
Adjustments		3,693,367	4,071,508
Changes in operating assets and liabilities		(4,611,856)	(3,201,237)
		603,736	1,422,953
Interest received		89,641	107,324
Interest paid		(474,263)	(521,721)
Dividend received		6,142	2,125
Income tax paid		(193,565)	(188,676)
Net cash provided by operating activities		31,691	822,005
Cash flows from investing activities:			
Changes in short-term financial instruments, net		(325,131)	642,226
Changes in other financial assets (current), net		623,084	1,680,460
Decreases in other financial assets (non-current)		37,974	2,205
Collection of other receivables		21,541	16,232
Disposals of long-term financial instruments		32,731	245
Proceeds from disposals of property, plant and equipment		13,032	17,903
Proceeds from disposals of intangible assets		4,056	-
Acquisitions of subsidiaries, net of cash acquired		(585,720)	(50,313)
Increases in other financial assets (non-current)		(40,383)	(28,976)
Increases in other receivables		(28,332)	(3,881)
Purchases of long-term financial instruments		(35,450)	(11,876)
Acquisitions of property, plant and equipment		(1,093,417)	(1,128,365)
Acquisitions of intangible assets		(274,845)	(330,940)
Acquisitions of investments in joint ventures and associates		(72,284)	(910,430)
Others		127,778	(12,644)
Net cash used in investing activities		(1,595,366)	(118,154)

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

	NOTES	Three-month period ended March 31,	
		2021	2020
		(In millions of Korean Won)	
Cash flows from financing activities:			
Proceeds from (Repayment of) short-term borrowings, net	₩	830,949	₩ (1,414,022)
Proceeds from long-term debt and debentures		9,006,978	7,959,923
Proceeds from capital contribution from non-controlling interest		2,788	795
Repayment of long-term debt and debentures		(6,992,869)	(5,252,090)
Repayment of lease liabilities		(61,278)	(62,840)
Purchases of treasury stocks		-	(183,756)
Dividends paid		(47)	(3,781)
Others		(89,348)	(6,635)
Net cash provided by financing activities		<u>2,697,173</u>	<u>1,037,594</u>
Decrease due to transfer to assets classified as held for sale		(125,270)	-
Effect of exchange rate changes on cash and cash equivalents		164,887	(49,578)
Net increase in cash and cash equivalents		1,173,115	1,691,867
Cash and cash equivalents, beginning of the period		<u>9,862,136</u>	<u>8,681,971</u>
Cash and cash equivalents, end of the period	₩	<u>11,035,251</u>	₩ <u>10,373,838</u>
(Concluded)			

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

1. GENERAL:

Hyundai Motor Company (the “Company” or “Parent Company”) was incorporated in December 1967, under the laws of the Republic of Korea. The Company and its subsidiaries (the “Group”) manufacture and distribute motor vehicles and parts, operates vehicle financing and credit card processing, and manufacture trains.

The shares of the Company have been listed on the Korea Exchange since June, 1974, and the Global Depositary Receipts issued by the Company have been listed on the London Stock Exchange and Luxembourg Stock Exchange.

As of March 31, 2021, the major shareholders of the Company are Hyundai MOBIS (45,782,023 shares, 21.43%) and Mr. Chung, Mong Koo (11,395,859 shares, 5.33%).

(1) The Group’s consolidated subsidiaries as of March 31, 2021 are as follows.

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Hyundai Capital Services, Inc.	Financing	Korea	59.68%	
Hyundai Card Co., Ltd. (*1)	”	”	36.96%	
Hyundai Rotem Company (Hyundai Rotem) (*2)	Manufacturing	”	33.77%	
Hyundai KEFICO Corporation (Hyundai KEFICO)	”	”	100.00%	
Hyundai Autron Company Ltd.	R&D	”	60.00%	
Hyundai Partecs Co., Ltd.	Manufacturing	”	56.00%	
Hyundai NGV	Engineering	”	53.66%	
Maintrans Company	Services	”	100.00%	Hyundai Rotem 100.00%
Rotem SRS Co., Ltd.	”	”	100.00%	”
Jeonbuk Hyundai Motors FC Co., Ltd.	Football club	”	100.00%	
Hyundai Motor America (HMA)	Sales	USA	100.00%	
Hyundai Capital America (HCA)	Financing	”	80.00%	HMA 80.00%
Hyundai Motor Manufacturing Alabama, LLC (HMMA)	Manufacturing	”	100.00%	HMA 100.00%
Hyundai Translead, Inc. (HT)	”	”	100.00%	
Stamped Metal American Research Technology, Inc. (SMARTI)	Holding company	”	72.45%	HMA 72.45%
Stamped Metal American Research Technology LLC (SMART)	Manufacturing	”	100.00%	SMARTI 100.00%
Hyundai America Technical Center, Inc. (HATCI)	R&D	”	100.00%	
Genesis Motor America LLC	Sales	”	100.00%	HMA 100.00%
Hyundai Rotem USA Corporation	Manufacturing	”	100.00%	Hyundai Rotem 100.00%
Moceanlab Inc.	Mobility service	”	100.00%	
Genesis Air Mobility LLC	R&D	”	100.00%	
Hyundai Auto Canada Corp. (HACC)	Sales	Canada	100.00%	HMA 100.00%
Hyundai Auto Canada Captive Insurance Inc. (HACCI)	Insurance	”	100.00%	”
Hyundai Capital Canada Inc. (HCCA)	Financing	”	70.00%	Hyundai Capital Services 20.00%
Hyundai Capital Lease Inc. (HCLI)	”	”	100.00%	HCCA 100.00%
HK Lease Funding LP	”	”	100.00%	HCLI 99.99%, HCCA Funding Inc. 0.01%
HCCA Funding Inc.	”	”	100.00%	HCLI 100.00%
HCCA Funding Two Inc.	”	”	100.00%	HCCA 100.00%
HK Retail Funding LP	”	”	100.00%	HCCA 99.99%, HCCA Funding Two Inc 0.01%
Hyundai Motor India Limited (HMI)	Manufacturing	India	100.00%	
Hyundai Motor India Engineering Private Limited (HMIE)	R&D	”	100.00%	HMI 100.00%
Hyundai Capital India Private Limited (HCI)	Financing	”	100.00%	Hyundai Capital Services 100.00%
Hyundai Motor Japan Co., Ltd. (HMJ)	Sales	Japan	100.00%	
Hyundai Motor Japan R&D Center	R&D	”	100.00%	

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Inc. (HMJ R&D)				
Beijing Jingxian Motor Safeguard Service Co., Ltd. (BJMSS)	Sales	China	100.00%	
Beijing Jingxianronghua Motor Sale Co., Ltd.	"	"	100.00%	BJMSS 100.00%
Genesis Motor Sales(Shanghai) Co. Ltd.	"	"	100.00%	
Hyundai Millennium (Beijing) Real Estate Development Co., Ltd.	Real estate development	"	99.00%	CMEs 99.00%
Rotem Equipments (Beijing) Co., Ltd.	Sales	"	100.00%	Hyundai Rotem 100.00%
KEFICO Automotive Systems (Beijing) Co., Ltd.	Manufacturing	"	100.00%	Hyundai KEFICO 100.00%
KEFICO Automotive Systems (Chongqing) Co., Ltd.	"	"	90.00%	Hyundai KEFICO 90.00%
Hyundai Truck & Bus (China) Co., Ltd. (HTBC)	"	"	100.00%	
HYUNDAI THANH CONG VIETNAM AUTO MANUFACTURING CORPORATION (HTMV) (*1)	"	Vietnam	50.00%	
Hyundai Thanh cong Commercial Vehicle Joint Stock Company (HTCV) (*1)	Sales	"	50.00%	
HYUNDAI THANH CONG VIET NAM AUTO JOINT VENTURE JOINT STOCK COMPANY (HTV)(*1)	"	"	50.00%	
HYUNDAI KEFICO VIETNAM COMPANY LIMITED	Manufacturing	"	100.00%	Hyundai KEFICO 100.00%
Hyundai Motor Company Australia Pty Limited (HMCA)	Sales	Australia	100.00%	
PT. HYUNDAI MOTOR MANUFACTURING INDONESIA (HMMI)	Manufacturing	Indonesia	99.99%	
PT HYUNDAI MOTORS INDONESIA (HMID)	Sales	"	100.00%	HMMI 0.01%
PT. HYUNDAI CAPITAL INDONESIA (HCID)	Financing	"	100.00%	Hyundai Capital Services 100.00%
Hyundai Capital Australia Pty Limited	"	Australia	100.00%	"
HR Mechanical Services Limited	Services	New Zealand	100.00%	Hyundai Rotem 100.00%
Hyundai Motor Manufacturing Czech, s.r.o. (HMMC)	Manufacturing	Czech	100.00%	
Hyundai Motor Czech s.r.o (HMCZ)	Sales	"	100.00%	
Hyundai Motor Europe GmbH (HME)	Marketing and Sales	Germany	100.00%	
Hyundai Motor Deutschland GmbH (HMD)	Sales	"	100.00%	
Hyundai Motor Europe Technical Center GmbH (HMETC)	R&D	"	100.00%	
Hyundai Motor Sport GmbH (HMSG)	Marketing	"	100.00%	HME 100.00%
Hyundai Capital Europe GmbH	Financing	"	100.00%	Hyundai Capital Services 100.00%
Hyundai Motor Commonwealth of Independent States B.V (HMCIS B.V)	Holding company	Netherlands	100.00%	HMMR 1.65%
Hyundai Motor Netherlands B.V. (HMNL)	Sales	"	100.00%	
Hyundai Motor Manufacturing Rus LLC (HMMR)	Manufacturing	Russia	70.00%	
Hyundai Motor Commonwealth of Independent States (HMCIS)	Sales	"	100.00%	HMCIS B.V 100.00%
Hyundai Mobility Lab (HML)	R&D	"	100.00%	HMCIS 99.00%, HMMR 1.00%
Hyundai Capital Services Limited Liability Company	Financing	"	100.00%	Hyundai Capital Europe 100.00%
Hyundai Truck And Bus Rus LLC (HTBR)	Sales	"	100.00%	
Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. (HAOSVT)(*3)	Manufacturing	Turkey	97.00%	
Hyundai EURotem Demiryolu Araclari Sanayi ve Ticaret A.S	"	"	50.50%	Hyundai Rotem 50.50%
Hyundai Rotem Company – Hyundai	Sales	"	100.00%	Hyundai Rotem 65.00%,

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
EUROtem Demiryolu Araclari SAN. VE TIC. A.S ORTAK GIRISIMI				Hyundai EUROtem A.S. 35.00%
Hyundai Rotem Company – Hyundai EUrotem Mahmutbey Projesi ORTAK GIRISIMI	Sales	Turkey	100.00%	Hyundai Rotem 85.00%, Hyundai EUROtem A.S. 15.00%
Hyundai Rotem Malaysia SDN BHD	"	Malaysia	100.00%	Hyundai Rotem 100.00%
Hyundai Motor UK Limited (HMUK)	"	UK	100.00%	
Hyundai Motor Company Italy S.r.l (HMCI)	"	Italy	100.00%	
Hyundai Motor Espana, S.L.U. (HMES)	"	Spain	100.00%	
Hyundai Motor France SAS (HMF)	"	France	100.00%	
Hyundai Motor Poland Sp. Zo. O (HMP)	"	Poland	100.00%	
Genesis Motor Europe GmbH (GME)	"	Germany	100.00%	GME 100.00%
Genesis Motor UK Limited (GMUK)	"	UK	100.00%	"
Genesis Motor Switzerland AG (GMCH)	"	Switzerland	100.00%	"
Genesis Motor Deutschland GmbH (GMD)	"	Germany	100.00%	"
Hyundai Hydrogen Mobility AG (HHM)	"	Switzerland	75.00%	
Hyundai Motor DE Mexico S DE RL DE CV (HMM)	Sales	Mexico	100.00%	HT 0.01%
Hyundai de Mexico, SA DE C.V., (HYMEX)	Manufacturing	"	99.99%	HT 99.99%
HYUNDAI KEFICO MEXICO, S. DE R.L.DE C.V.	"	"	100.00%	Hyundai KEFICO 100.00%
Hyundai Rio Vista, Inc.	Real estate development	USA	100.00%	HT 100.00%
Hyundai Motor Brasil Montadora de Automoveis LTDA (HMB)	Manufacturing	Brazil	100.00%	
Hyundai Capital Brasil Servicos De Assistencia Financeira Ltda	Financing	"	100.00%	Hyundai Capital Services 100.00%
Hyundai Rotem Brasil Industria E Comercio De Trens Ltda.	Manufacturing	"	100.00%	Hyundai Rotem 100.00%
HMB Holding Participacoes Financeiras Ltda.	Holding company	"	99.99%	HMB 99.99%
China Millennium Corporations (CMEs)	"	Cayman Islands	59.60%	
China Mobility Fund, L.P.	Investment	"	72.00%	
KyoboAXA Private Tomorrow Securities Investment Trust No.12	"	Korea	100.00%	
Shinhan BNPP Private Corporate Security Investment Trust No.34	"	"	100.00%	
KB Leaders Private Securities Fund1(Bond Mixed)	"	"	100.00%	
Samsung ETF rotation Private Investment Trust 1	"	"	100.00%	
ZER01NE Accelerator Investment Fund No.1	"	"	99.00%	
Hydrogenic Energy Fund 1,L.P	"	Cayman Islands	69.00%	
Autopia Sixty-fourth ~ Seventieth Asset Securitization Specialty Company (*1)	Financing	Korea	0.50%	Hyundai Capital Services 0.50%
Zavurov First Co., Ltd. (*1)	"	"	0.00%	Hyundai Capital Services 0.00%
Super Series fifth ~ tenth Securitization Specialty Co., Ltd. (*1)	"	"	0.50%	Hyundai Card 0.50%
Bluewalnut Co., Ltd.	"	"	100.00%	Hyundai Card 100.00%
MOCEAN Co.,Ltd	Mobility Service	"	80.00%	
Hyundai CHA Funding, LLC	Financing	USA	100.00%	HCA 100.00%
Hyundai Lease Titling Trust	"	"	100.00%	"
Hyundai HK Funding, LLC	"	"	100.00%	"
Hyundai HK Funding Two, LLC	"	"	100.00%	"
Hyundai HK Funding Three, LLC	"	"	100.00%	"
Hyundai HK Funding Four, LLC	"	"	100.00%	"
Hyundai ABS Funding, LLC	"	"	100.00%	"
HK Real Properties, LLC	"	"	100.00%	"
Hyundai Auto Lease Offering, LLC	"	"	100.00%	"
Hyundai HK Lease, LLC	"	"	100.00%	"

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Extended Term Amortizing Program, LLC	"	"	100.00%	"
Hyundai Asset Backed Lease, LLC	"	"	100.00%	"
HCA Exchange, LLC	"	"	100.00%	"
Hyundai Protection Plan, Inc.	Insurance	"	100.00%	"
Hyundai Protection Plan Florida, Inc.	"	"	100.00%	"
Hyundai Capital Insurance Services, LLC	"	"	100.00%	"
Hyundai Capital Insurance Company	"	"	100.00%	"
Power Protect Extended Services, Inc.	"	"	100.00%	"
Power Protect Extended Services Florida, Inc.	"	"	100.00%	"

- (*1) The Group is considered to have substantive control over the entities by virtue of an agreement or relationship with other investors, or relationship with structured entities.
- (*2) Even though the shareholding ratio of ownership is less than half, the Group has de facto control over the entity due to the relative size of the voting rights held and the degree of share dispersion of other voting rights holders.
- (*3) For the three-month period ended March 31, 2021, the Company's shareholding ratio in Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. (HAOSVT), a subsidiary, changed from 70% to 97%. As a result, capital surplus and non-controlling interest have decreased by ₩164,567 million and ₩136,103 million, respectively.
- (2) Summarized financial position and results of operations of major consolidated subsidiaries as of and for the three-month period ended March 31, 2021 are as follows.

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
(In millions of Korean Won)				
Hyundai Capital Services, Inc. (*)	₩ 33,745,774	₩ 28,951,322	₩ 973,897	₩ 118,262
Hyundai Card Co., Ltd. (*)	19,769,729	16,383,560	694,196	80,196
Hyundai Rotem Company (*)	4,311,818	2,957,312	653,384	5,215
Hyundai KEFICO Corporation (*)	2,040,920	1,270,392	506,973	322
HCA (*)	50,092,786	44,588,337	2,688,742	266,456
HMA	7,260,533	5,631,337	5,270,449	109,309
HMMA	4,851,184	3,372,044	2,135,165	10,548
HMMC	4,156,605	1,773,666	1,656,419	106,190
HMI (*)	4,100,848	1,726,941	2,021,885	150,063
HME (*)	2,185,684	2,132,134	2,723,942	2,456
HACC (*)	1,745,521	1,029,843	941,667	32,632
HMMR	1,743,412	943,069	734,607	49,386
HAOSVT	1,577,244	1,036,424	689,644	41,604
HMB	1,253,595	1,085,914	422,647	(15,590)
HMCA	847,542	667,001	458,638	13,138

(*) Based on the subsidiary's consolidated financial statements

Summarized financial position and results of operations of major consolidated subsidiaries as of and for the three-month period ended March 31, 2020 are as follows.

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
	(In millions of Korean Won)			
Hyundai Capital Services, Inc. (*)	₩ 32,237,228	₩ 27,850,754	₩ 1,056,911	₩ 85,860
Hyundai Card Co., Ltd. (*)	17,389,430	14,146,985	660,599	68,908
Hyundai Rotem Company (*)	4,235,971	3,103,538	670,454	(7,405)
Hyundai KEFICO Corporation (*)	1,902,814	1,219,913	466,092	15,934
HCA (*)	45,545,026	40,405,986	2,507,994	35,389
HMA	7,209,842	5,958,363	5,426,109	(27,961)
HMMA	4,906,017	2,282,690	1,927,378	(15,936)
HMMC	3,758,027	1,583,749	1,245,115	23,889
HMI (*)	3,654,381	1,466,811	1,481,477	79,990
HME (*)	1,850,781	1,809,912	2,244,451	3,104
HMMR	1,515,078	841,211	801,626	(12,970)
HAOSVT	1,414,253	947,587	638,604	14,175
HACC (*)	1,338,341	730,352	802,955	16,023
HMB	1,083,727	850,315	379,162	(48,285)
HMCA	585,025	448,363	376,389	1,268

(*) Based on the subsidiary's consolidated financial statements

(3) The financial statements of all subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting periods as the Company's.

(4) Summarized cash flows of non-wholly owned subsidiaries that have material non-controlling interests to the Group and subsidiaries of finance segment for the three-month period ended March 31, 2021 are as follows.

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
	(In millions of Korean Won)		
Provided by (used in) operating activities	₩ 186,630	₩ (199,800)	₩ 9,879
Provided by (used in) investing activities	(336)	(16,760)	91,355
Provided by (used in) financing activities	(75,198)	113,682	17,577
Effect of exchange rate changes on cash and cash equivalents	-	-	(2,314)
Net increase (decrease) in cash and cash equivalents	₩ 111,096	₩ (102,878)	₩ 116,497

Summarized cash flows of non-wholly owned subsidiaries that had material non-controlling interests to the Group and subsidiaries of finance segment for the three-month period ended March 31, 2020 are as follows.

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
	(In millions of Korean Won)		
Provided by (used in) operating activities	₩ 865,537	₩ (8,257)	₩ 35,573
Provided by (used in) investing activities	(93,693)	(8,863)	1,088
Provided by (used in) financing activities	(299,659)	212,073	(148,071)
Effect of exchange rate changes on cash and cash equivalents	-	1,958	(137)
Net increase (decrease) in cash and cash equivalents	₩ 472,185	₩ 196,911	₩ (111,547)

- (5) Details of non-wholly owned subsidiaries of the Company that have material non-controlling interests as of and for the three-month period ended March 31, 2021 are as follows.

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
	(In millions of Korean Won)		
Ownership percentage of non-controlling interests	40.32%	63.04%	66.23%
Accumulated non-controlling interests	₩ 1,935,687	₩ 2,231,098	₩ 813,137
Profit attributable to non-controlling interests	46,925	50,573	2,606
Dividends paid to non-controlling interests	37,002	92,463	-

Details of non-wholly owned subsidiaries of the Company that had material non-controlling interests as of and for the year ended December 31, 2020 are as follows.

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
	(In millions of Korean Won)		
Ownership percentage of non-controlling interests	40.32%	63.04%	66.23%
Accumulated non-controlling interests	₩ 1,912,151	₩ 2,267,168	₩ 808,494
Profit attributable to non-controlling interests	139,223	154,171	13,510
Dividends paid to non-controlling interests	36,081	63,429	3,733

(6) Changes in consolidated subsidiaries

Subsidiaries newly included in or excluded from consolidation for the three-month period ended March 31, 2021 are as follows.

Changes	Name of subsidiaries	Description
Included	Rotem SRS Co., Ltd.	Establishment
"	HYUNDAI THANH CONG VIET NAM AUTO JOINT VENTURE JOINT STOCK COMPANY (HTV)	Acquisition
"	Genesis Motor Deutschland GmbH (GMD)	Establishment
"	Super Series TenthSecuritization Specialty Co., Ltd.	"
Excluded	Autopia Sixty-Third Asset Securitization Specialty Company	Liquidation

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of consolidated financial statements preparation

The Group's condensed consolidated interim financial statements as of March 31, 2021 and for the three-month periods ended March 31, 2021 and 2020, respectively, are prepared in accordance with K-IFRS 1034, *Interim Financial Reporting*. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended December 31, 2020, which have been prepared in accordance with K-IFRS.

There are new or amended accounting standards effective from January 1, 2021, but those standards did not have a material impact on the Group's consolidated financial statements. Except for these standards, the significant accounting policies used for the preparation of the condensed consolidated interim financial statements are consistent with those applied to the annual consolidated financial statements as of and for the year ended December 31, 2020.

(2) Significant accounting estimates and key sources of estimation uncertainties

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that cannot be identified from other sources. The estimation and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different from those estimations.

Management expects that the COVID-19 outbreak from early 2020 will have an impact on most of the regional and operating sectors in which the Group operates. However, as the extent and duration of the impacts of COVID-19 pandemic remain uncertain, the financial impact cannot be reasonably estimated.

Significant judgments made by management on the Group's application of accounting policies and the major sources of estimation uncertainty for the preparation of financial statements to be the same as the annual consolidated financial statements as of and for the year ended December 31, 2020.

3. TRADE NOTES AND ACCOUNTS RECEIVABLE:

(1) Trade notes and accounts receivable as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
(In millions of Korean Won)				
Trade notes and accounts receivable	₩ 3,214,922	₩ 124,848	₩ 3,338,865	₩ 128,599
Loss allowance	(49,718)	(457)	(54,893)	(317)
Present value discount accounts	-	(3,550)	-	(4,013)
	<u>₩ 3,165,204</u>	<u>₩ 120,841</u>	<u>₩ 3,283,972</u>	<u>₩ 124,269</u>

(2) Aging analysis of trade notes and accounts receivable

As of March 31, 2021, aging analysis of total trade notes and accounts receivable that are past due, but not impaired are as follows.

Description	Not overdue	Overdue Within 90days	Overdue Within 180days More than 91days	Overdue More than 181 days	Total amounts	Amount of impaired receivables
(In millions of Korean Won)						
Total trade note and accounts receivable	₩ 2,994,897	₩ 257,781	₩ 15,159	₩ 71,933	₩ 3,339,770	₩ 50,175

As of December 31, 2020, aging analysis of total trade notes and accounts receivable that are past due, but not impaired are as follows.

Description	Not overdue	Overdue Within 90days	Overdue Within 180days	Overdue More than 181 days	Total amounts	Amount of impaired receivables
			More than 91days			
(In millions of Korean Won)						
Total trade note and accounts receivable	₩ 2,937,200	₩ 438,770	₩ 3,677	₩ 87,817	₩ 3,467,464	₩ 55,210

(3) The changes in loss allowance for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
(In millions of Korean Won)		
Beginning of the period	₩ 55,210	₩ 67,564
Reversal	(683)	(24,457)
Write-off	(4,408)	(47)
Effect of foreign exchange differences and others	56	(193)
End of the period	<u>₩ 50,175</u>	<u>₩ 42,867</u>

4. OTHER RECEIVABLES:

(1) Other receivables as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
(In millions of Korean Won)				
Accounts receivable – others (*)	₩ 2,635,565	₩ 365,159	₩ 2,757,116	₩ 350,549
Due from customers for contract work	1,303,553	-	1,252,117	-
Lease and rental deposits	27,097	300,643	16,296	302,052
Deposits	4,801	40,302	5,268	39,752
Others	5,315	7,061	4,050	10,282
Loss allowance	(18,060)	(294)	(17,875)	(294)
	₩ 3,958,271	₩ 712,871	₩ 4,016,972	₩ 702,341

(*) As of March 31, 2021 and December 31, 2020, the Group recognized the reimbursement related to the warranty provisions as a separate asset in the amount of ₩1,131,597 million and ₩1,073,098 million, respectively.

(2) The changes in other allowance for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
(In millions of Korean Won)		
Beginning of the period	₩ 18,169	₩ 15,403
Impairment loss (reversal)	402	(1,404)
Write-off	(232)	(305)
Effect of foreign exchange differences	15	(19)
End of the period	₩ 18,354	₩ 13,675

5. OTHER FINANCIAL ASSETS:

(1) Other financial assets as of March 31, 2021 are as follows.

Description	March 31, 2021	
	Current	Non-current
(In millions of Korean Won)		
Financial assets measured at FVPL	₩ 11,797,363	₩ 398,059
Financial assets measured at FVOCI	32,229	2,496,469
Financial assets measured at amortized cost	30,590	7,101
Derivative assets that are effective hedging instruments	67,353	126,362
	₩ 11,927,535	₩ 3,027,991

Other financial assets as of December 31, 2020 are as follows.

Description	December 31, 2020	
	Current	Non-current
(In millions of Korean Won)		
Financial assets measured at FVPL	₩ 12,705,388	₩ 388,069
Financial assets measured at FVOCI	36,831	2,286,113
Financial assets measured at amortized cost	29,565	8,400
Derivative assets that are effective hedging instruments	125,324	96,645
	₩ 12,897,108	₩ 2,779,227

(2) Financial assets measured at FVOCI as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	Acquisition cost	Book value	Book value	
(In millions of Korean Won)				
Debt instruments	₩ 332,234	₩ 345,537	₩ 327,730	
Equity instruments (*)	1,859,913	2,183,161	1,995,214	
	₩ 2,192,147	₩ 2,528,698	₩ 2,322,944	

(*) The Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading at the date of initial application.

(3) Equity instruments classified into financial assets measured at FVOCI as of March 31, 2021 and December 31, 2020 are as follows.

Name of the company	Ownership percentage (%)	March 31, 2021		December 31, 2020	
		Acquisition		Book value	
		cost	Book value	Book value	
(In millions of Korean Won)					
Hyundai Steel Company (*1)	6.87	₩ 903,897	₩ 548,025	₩ 451,650	
Hyundai Glovis Co., Ltd.	4.88	210,688	343,301	336,893	
Hyundai Oilbank Co., Ltd.	4.35	53,734	222,524	222,524	
Korea Shipbuilding & Offshore Engineering Co., Ltd (*3).	2.03	37,341	191,786	177,165	
Korea Aerospace Industries, Ltd. (*2)	-	73,331	173,865	122,061	
Hyundai Heavy Industries Holdings Co., Ltd.	2.20	9,018	101,137	98,361	
NICE Information Service Co., Ltd.	2.25	3,312	34,626	33,875	
Hyundai Green Food Co., Ltd.	2.36	15,005	24,346	20,215	
Hyundai M Partners Co., Ltd.	9.29	9,888	16,869	16,708	
NICE Holdings Co., Ltd.	1.30	3,491	8,407	9,562	
KT Corporation	0.09	8,655	6,783	5,762	
Hyundai Asan Corporation	1.40	22,500	2,117	2,117	
Others		509,053	509,375	498,321	
		₩ 1,859,913	₩ 2,183,161	₩ 1,995,214	

(*1) The Group entered into a total return swap agreement to transfer 2,231,716 shares out of total 11,405,311 shares with a third party.

(*2) The Group entered into a total return swap agreement to transfer total shares with a third party.

(*3) For the three-month period ended March 31, 2021, the Group has disposed of a portion of its shares.

6. INVENTORIES:

Inventories as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	(In millions of Korean Won)			
Finished goods	₩	7,588,865	₩	6,844,023
Merchandise		46,805		44,356
Semifinished goods		546,338		576,950
Work in progress		492,059		404,504
Raw materials		1,837,321		1,633,579
Supplies		298,017		299,259
Materials in transit		732,743		625,833
Others (*1)		717,838		905,230
Total (*2)	₩	12,259,986	₩	11,333,734

(*1) As of March 31, 2021 and December 31, 2020, others include inventories provided by operating lease with repurchase agreement in the amount of ₩87,290 million and ₩89,059 million, respectively.

(*2) As of March 31, 2021 and December 31, 2020, the Group recognized a valuation allowance in the amount of ₩160,034 million and ₩164,980 million, respectively.

7. OTHER ASSETS:

Other assets as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accrued income	₩ 334,263	₩ 848	₩ 327,079	₩ 866
Advanced payments	654,393	-	726,609	-
Prepaid expenses	512,490	858,779	459,580	792,529
Prepaid value-added tax and others	513,997	91,561	520,103	86,114
	₩ 2,015,143	₩ 951,188	₩ 2,033,371	₩ 879,509

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE:

(1) Non-current assets classified as held for sale as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	(In millions of Korean Won)			
Land	₩	12,849	₩	7,426
Building and others		30,447		-
Subsidiary (*)		245,654		297,043
Total	₩	288,950	₩	304,469
Non-current liabilities classified as held for sale (*)	₩	121,382	₩	214,066

(*) Hyundai Autoever Corp., an associate of the Company, entered into a contract to merge with Hyundai Autron Company Ltd., the subsidiary of the Company, and HYUNDAI MNSOFT, Inc., the associate of the Company, in December 2020 and the merger is completed as of April 4, 2021. Accordingly, the Group classified the assets and liabilities related to Hyundai Autron Company Ltd. to disposal group held for sale.

(2) Major assets and liabilities classified as disposal group held for sale as of March 31, 2021 are as follows.

Description	March 31, 2021	
	(In millions of Korean Won)	
The disposal group as held for sale		
Cash and cash equivalents	₩	153,054
Other financial assets		200
Trade notes and accounts receivable		12,540
Other receivables		9,336
Other assets		1,166
Property, plant and equipment		14,216
Intangible assets		42,166
Deferred tax assets		8,548
Right-of-use assets		4,428
Total assets	₩	245,654
Liabilities directly related to the disposal group as held for sale		
Trade notes and accounts payable		520
Other payables		6,026
Income tax payable		3,454
Other liabilities		24,529
Lease liabilities		4,247
Debentures		79,741
Provisions		4,096
Net defined benefit liabilities		(1,231)
Total liabilities	₩	121,382

(*) There are no cumulative income or expenses recognized in accumulated other comprehensive income or loss related to the disposal group held for sale.

9. PROPERTY, PLANT AND EQUIPMENT:

The changes in property, plant and equipment ("PP&E") for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Beginning of the period	₩ 34,092,229	₩ 32,831,524
Acquisitions	674,553	666,732
Disposals	(15,905)	(26,203)
Depreciation	(698,498)	(660,287)
Transfer to assets classified as held for sale	(39,936)	(64,889)
Others (*)	113,821	809,366
End of the period	₩ 34,126,264	₩ 33,556,243

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

10. INVESTMENT PROPERTY:

(1) The changes in investment property for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Beginning of the period	₩ 160,967	₩ 171,494
Depreciation	(1,342)	(2,698)
Effect of foreign exchange differences	358	654
End of the period	₩ 159,983	₩ 169,450

(2) Income and expenses related to investment property for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Rental income	₩ 11,889	₩ 11,707
Operating and maintenance expenses	3,196	4,246

11. INTANGIBLE ASSETS:

(1) The changes in intangible assets for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Beginning of the period	₩ 5,677,567	₩ 5,266,496
Internal developments and external acquisitions	271,004	320,617
Disposals	(8,624)	(2)
Amortization	(385,998)	(346,120)
Impairment loss	(7,064)	-
Others (*)	314,017	331,263
End of the period	₩ 5,860,902	₩ 5,572,254

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

(2) Research and development expenditures for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Development costs (intangible assets)	₩ 232,617	₩ 264,901
Research and development (*1)	346,675	332,630
Total (*2)	₩ 579,292	₩ 597,531

(*1) Presented in manufacturing costs, administrative expenses and other expenses

(*2) Amortization of development costs is not included.

12. LEASES (AS A LESSEE):

(1) The changes in right-of-use assets for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,			
	2021		2020	
	(In millions of Korean Won)			
Beginning of the period	₩	836,324	₩	734,542
Acquisitions		109,997		56,636
Disposals		(21,979)		(5,034)
Depreciation		(50,877)		(50,331)
Others (*)		3,389		138,047
End of the period	₩	876,854	₩	873,860

(*) Others include the effect of foreign exchange differences, changes in the scope of consolidation and others.

(2) Lease liabilities as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	(In millions of Korean Won)			
Undiscounted lease liabilities	₩	1,021,025	₩	943,470
Discounted lease liabilities		818,475		757,044
Current		141,492		141,478
Non-current		676,983		615,566

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

(1) Investments in joint ventures and associates as of March 31, 2021 and December 31, 2020 are as follows.

Name of the company	Nature of business	Location	March 31, 2021		December 31, 2020	
			Ownership percentage	Book value	Book value	
			(%)	(In millions of Korean Won)		
Beijing-Hyundai Motor Company (BHMC) (*1)	Manufacturing	China	50.00	₩ 716,171	₩ 779,958	
Beijing Hyundai Qiche Financing Company (BHAFF) (*1,3)	Financing	China	53.00	668,343	627,895	
Hyundai WIA Automotive Engine (Shandong) Company (WAE)	Manufacturing	China	31.40	227,150	224,979	
Motional AD LLC (*1,4)	R&D	USA	26.00	1,069,846	1,053,282	
Hyundai Capital Bank Europe GmbH (HCBE)	Financing	Germany	49.00	491,142	495,999	
Kia Corporation (*5)	Manufacturing	Korea	33.88	10,301,997	9,972,824	
Hyundai Engineering & Construction Co., Ltd.	Construction	Korea	20.95	2,852,696	2,835,399	
Hyundai Transys Inc.	Manufacturing	Korea	41.13	1,045,811	1,017,906	
Hyundai WIA Corporation	Manufacturing	Korea	25.35	704,216	694,991	
Hyundai Motor Securities Co., Ltd.	Securities brokerage	Korea	26.84	305,977	310,472	
Hyundai Commercial Inc.	Financing	Korea	37.50	261,227	261,601	
Hyundai Autoever Corp.	IT service	Korea	28.48	156,619	158,073	
Eukor Car Carriers Inc. (*2)	Transportation	Korea	12.00	155,803	150,503	
Haevichi Hotels & Resorts Co., Ltd.	Hotelkeeping	Korea	41.90	96,959	97,655	
Others				1,358,722	1,243,723	
				₩ 20,412,679	₩ 19,925,260	

- (*1) Each of the joint arrangements in which the Group retains joint control is structured through a separate entity and there are no contractual terms stating that the parties retain rights to the assets and obligations for the liabilities relating to the joint arrangement or other relevant facts and circumstances. As a result, the Group considers that the parties that retain joint control in the arrangement have rights to the net assets and classifies the joint arrangements as joint ventures. Also, there are restrictions, which require consent from the director who is designated by the other investors, for certain transactions, such as payment of dividend.
- (*2) As the Group is considered to be able to exercise significant influence by representation on the board of directors of the investee and other reasons, although the total ownership percentage is less than 20%, the investment is accounted for using the equity method.
- (*3) The entity is categorized as a joint venture although the Group's total ownership percentage is a majority share of 53%, because the Group does not have control over the entity by virtue of an agreement with the other investors.
- (*4) During the year ended December 31, 2020, the name of the company was changed from Hyundai-Aptiv AD LLC to Motional AD LLC.
- (*5) During the three-month period ended March 31, 2021, the name of the company was changed from Kia Motors Corporation to Kia Corporation.

- (2) The changes in investments in joint ventures and associates for the three-month period ended March 31, 2021 are as follows.

Name of the company	Beginning of the period	Acquisitions (disposals)	Share of profits (losses) for the period	Dividends	Others (*)	End of the period
(In millions of Korean Won)						
BHMC	₩ 779,958	₩ -	₩ (89,697)	₩ -	₩ 25,910	₩ 716,171
BHAF	627,895	-	20,131	-	20,317	668,343
WAE	224,979	-	(4,694)	-	6,865	227,150
Motional AD LLC	1,053,282	-	(28,581)	-	45,145	1,069,846
HCBE	495,999	-	(897)	-	(3,960)	491,142
Kia Corporation	9,972,824	-	382,039	(137,318)	84,452	10,301,997
Hyundai Engineering & Construction Co., Ltd.	2,835,399	-	23,012	(13,996)	8,281	2,852,696
Hyundai Transys Inc.	1,017,906	-	19,934	-	7,971	1,045,811
Hyundai WIA Corporation	694,991	-	8,387	(4,826)	5,664	704,216
Hyundai Motor Securities Co., Ltd.	310,472	-	4,149	(5,444)	(3,200)	305,977
Hyundai Commercial Inc.	261,601	-	14,548	(3,750)	(11,172)	261,227
Hyundai Autoever Corp.	158,073	-	2,479	(4,485)	552	156,619
Eukor Car Carriers Inc.	150,503	-	(974)	-	6,274	155,803
Haevichi Hotels & Resorts Co., Ltd.	97,655	-	(692)	-	(4)	96,959
Others	1,243,723	71,056	18,113	(2,335)	28,165	1,358,722
	<u>₩ 19,925,260</u>	<u>₩ 71,056</u>	<u>₩ 367,257</u>	<u>₩ (172,154)</u>	<u>₩ 221,260</u>	<u>₩ 20,412,679</u>

- (*) Others consist of changes in accumulated other comprehensive income (loss) and others.

The changes in investments in joint ventures and associates for the three-month period ended March 31, 2020 are as follows.

Name of the company	Beginning of the period	Acquisitions (disposals)	Share of profits (losses) for the period	Dividends	Others (*1)	End of the period
(In millions of Korean Won)						
BHMC	₩ 1,256,925	₩ -	₩ (100,851)	₩ -	₩ 51,495	₩ 1,207,569
BHAF	577,810	-	12,026	-	23,433	613,269
WAE	154,136	-	(3,686)	-	6,188	156,638
Hyundai-Aptiv AD LLC(*2)	-	1,283,292	(27,965)	-	(8,459)	1,246,868
HCBE	159,948	103,275	(108)	-	8,771	271,886
Kia Motors Corporation	9,655,017	-	113,250	(157,916)	(9,304)	9,601,047
Hyundai Engineering & Construction Co., Ltd.	2,859,169	-	13,257	(13,996)	14,054	2,872,484
Hyundai Transys Inc.	1,026,563	-	(3,987)	-	4,801	1,027,377
Hyundai WIA Corporation	682,526	-	26,890	(4,826)	5,319	709,909
Hyundai Motor Securities Co., Ltd.	283,446	-	6,920	(4,839)	(351)	285,176
Hyundai Commercial Inc.	255,800	-	6,868	-	(8,674)	253,994
Eukor Car Carriers Inc.	173,212	-	(3,541)	-	9,251	178,922
Hyundai Autoever Corp.	145,076	-	2,519	(4,246)	411	143,760
Haevichi Hotels & Resorts Co., Ltd.	101,578	-	(2,013)	-	(14)	99,551
Others	1,044,084	10,957	3,816	(3,205)	6,622	1,062,274
	<u>₩ 18,375,290</u>	<u>₩ 1,397,524</u>	<u>₩ 43,395</u>	<u>₩ (189,028)</u>	<u>₩ 103,543</u>	<u>₩ 19,730,724</u>

(*1) Others consist of changes in accumulated other comprehensive income (loss) and others.

(*2) The joint venture was incorporated during the three-month period ended March 31, 2020, and the acquisition cost is measured as the fair value of paid cash, contributed patent licenses and the provision of services in exchange for the shares of the joint venture.

(3) Summarized financial information of the Group's major joint ventures and associates as of and for the three-month period ended March 31, 2021 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
(In millions of Korean Won)				
BHMC	₩ 3,266,595	₩ 4,212,229	₩ 5,094,629	₩ 901,499
BHAF (*)	6,270,091	-	5,009,067	-
WAE	625,480	588,573	243,415	285,829
Motional AD LLC	1,525,924	2,841,540	54,195	99,742
HCBE (*)	5,706,948	-	4,729,711	-
Kia Corporation	29,288,098	34,680,895	23,380,161	9,763,791
Hyundai Engineering & Construction Co., Ltd.	13,667,416	4,579,136	6,956,129	2,401,425
Hyundai Transys Inc.	3,665,853	2,744,789	2,316,159	1,592,052
Hyundai WIA Corporation	4,108,995	3,646,779	2,124,382	2,066,436
Hyundai Motor Securities Co., Ltd (*)	10,759,926	-	9,673,700	-
Hyundai Commercial Inc. (*)	9,548,070	-	8,250,207	-
Hyundai Autoever Corp.	870,863	270,694	492,016	91,937
Eukor Car Carriers Inc.	273,797	3,000,442	454,064	1,523,997
Haevichi Hotels & Resorts Co., Ltd.	39,188	410,521	221,009	58,774

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (loss)	Total comprehensive income (loss)
(In millions of Korean Won)				
BHMC	₩ 1,594,553	₩ (187,780)	₩ -	₩ (187,780)
BHAF (*)	110,214	37,983	-	37,983
WAE	209,956	(2,026)	-	(2,026)
Motional AD LLC	-	(113,336)	(988)	(114,324)
HCBE (*)	174,177	(2,075)	(7,727)	(9,802)
Kia Corporation	16,581,735	1,035,035	299,265	1,334,300
Hyundai Engineering & Construction Co., Ltd.	4,149,570	194,434	59,774	254,208
Hyundai Transys Inc.	2,050,247	45,749	12,042	57,791
Hyundai WIA Corporation	1,854,756	22,494	35,195	57,689
Hyundai Motor Securities Co., Ltd (*)	244,043	41,194	2,985	44,179
Hyundai Commercial Inc. (*)	113,093	51,292	(28,346)	22,946
Hyundai Autoever Corp.	356,603	8,951	2,022	10,973
Eukor Car Carriers Inc.	346,223	(7,092)	52,191	45,099
Haevichi Hotels & Resorts Co., Ltd.	22,444	(1,682)	(10)	(1,692)

(*) The companies operate financial business and their total assets (liabilities) are included in current assets (liabilities) as the companies do not distinguish current and non-current portion in their separate financial statements.

Summarized financial information of the Group's major joint ventures and associates as of and for the three-month period ended March 31, 2020 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
(In millions of Korean Won)				
BHMC	₩ 3,059,365	₩ 4,505,362	₩ 4,244,908	₩ 622,056
BHAF (*)	6,047,617	-	4,890,505	-
WAE	602,455	638,880	318,143	211,200
Hyundai-Aptiv AD LLC	1,976,460	2,992,366	19,563	48,045
HCBE (*)	2,605,653	-	2,099,045	-
Kia Motors Corporation	21,285,716	34,400,755	17,546,503	9,396,230
Hyundai Engineering & Construction Co., Ltd.	14,483,130	4,893,465	7,705,134	2,880,938
Hyundai Transys Inc.	2,866,343	2,764,737	1,966,183	1,187,847
Hyundai WIA Corporation	3,486,417	3,190,832	1,698,214	1,813,320
Hyundai Motor Securities Co., Ltd. (*)	9,499,269	-	8,508,229	-
Hyundai Commercial Inc. (*)	9,114,800	-	7,844,900	-
Eukor Car Carriers Inc.	349,561	3,347,224	642,151	1,565,797
Hyundai Autoever Corp.	761,740	287,694	430,109	109,750
Haevichi Hotels & Resorts Co., Ltd.	33,061	422,392	216,866	63,845

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (loss)	Total comprehensive income (loss)
(In millions of Korean Won)				
BHMC	₩ 973,926	₩ (239,034)	₩ -	₩ (239,034)
BHAF (*)	59,606	22,690	-	22,690
WAE	222,219	(17,222)	28,594	11,372
Hyundai-Aptiv AD LLC	6	(1,981)	-	(1,981)
HCBE (*)	24,149	141	16,068	16,209
Kia Motors Corporation	14,566,900	265,969	(39,298)	226,671
Hyundai Engineering & Construction Co., Ltd.	4,058,864	196,540	10,895	207,435
Hyundai Transys Inc.	1,757,931	3,788	13,646	17,434
Hyundai WIA Corporation	1,647,757	76,499	16,000	92,499
Hyundai Motor Securities Co., Ltd. (*)	316,631	24,612	(1,275)	23,337
Hyundai Commercial Inc. (*)	112,676	17,364	(6,798)	10,566
Eukor Car Carriers Inc.	379,410	(28,875)	77,814	48,939
Hyundai Autoever Corp.	329,020	8,932	1,494	10,426
Haevichi Hotels & Resorts Co., Ltd.	21,505	(3,181)	(32)	(3,213)

(*) The companies operate financial business and their total assets (liabilities) are included in current assets (liabilities) as the companies do not distinguish current and non-current portion in their separate financial statements.

- (4) Summarized additional financial information of the Group's major joint ventures as of and for the three-month period ended March 31, 2021 is as follows.

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHMC	₩ 639,358	₩ 749,378	₩ 616,690	₩ 117,722	₩ 2,232	₩ 16,647	₩ 646
BHAF(*)	1,654,158	4,908,113	-	1,924	107,099	44,865	11,383
Motional AD LLC	1,489,136	10,096	61,110	17,746	867	-	(2,255)

- (*) Operating finance business of which total assets (liabilities) are included in current financial liabilities as BHAF does not distinguish current and non-current portion in its separate financial statements.

Summarized additional financial information of the Group's major joint ventures as of and for the three-month period ended March 31, 2020 is as follows.

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHMC	₩ 631,658	₩ 1,093,206	₩ 260,024	₩ 116,823	₩ 2,625	₩ 21,527	₩ -
BHAF(*)	1,067,560	4,644,042	-	1,806	106,702	45,265	7,563
Hyundai-Aptiv AD LLC	1,964,641	19,563	48,045	-	95	-	492

- (*) Operating finance business of which total assets (liabilities) are included in current financial liabilities as BHAF does not distinguish current and non-current portion in its separate financial statements.

- (5) Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of March 31, 2021 is as follows.

Name of the company	Group's share of net assets	Goodwill	Unrealised profit (loss) and others	Carrying amounts
(In millions of Korean Won)				
BHMC	₩ 741,348	₩ -	₩ (25,177)	₩ 716,171
BHAF	668,343	-	-	668,343
WAE (*)	219,303	7,809	38	227,150
Motional AD LLC	1,095,518	-	(25,672)	1,069,846
HCBE	467,862	22,341	939	491,142
Kia Corporation	10,176,583	197,089	(71,675)	10,301,997
Hyundai Engineering & Construction Co., Ltd. (*)	2,121,334	731,362	-	2,852,696
Hyundai Transys Inc.	1,030,967	-	14,844	1,045,811
Hyundai WIA Corporation	798,721	-	(94,505)	704,216
Hyundai Motor Securities Co., Ltd.	265,925	40,052	-	305,977
Hyundai Commercial Inc.	261,227	-	-	261,227
Hyundai Autoever Corp.	156,619	-	-	156,619
Eukor Car Carriers Inc.	155,541	-	262	155,803
Haevichi Hotels & Resorts Co., Ltd. (*)	93,383	3,576	-	96,959

- (*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date is included in the amount of net assets.

Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of December 31, 2020 is as follows.

Name of the company	Group's share of net assets	Goodwill	Unrealised profit (loss) and others	Carrying amounts
		(In millions of Korean Won)		
BHMC	₩ 809,320	₩ -	₩ (29,362)	₩ 779,958
BHAF	627,895	-	-	627,895
WAE (*)	217,132	7,809	38	224,979
Motional AD LLC	1,079,841	-	(26,559)	1,053,282
HCBE	472,534	22,341	1,124	495,999
Kia Motors Corporation	9,857,162	197,089	(81,427)	9,972,824
Hyundai Engineering & Construction Co., Ltd. (*)	2,104,036	731,362	1	2,835,399
Hyundai Transys Inc.	1,003,185	-	14,721	1,017,906
Hyundai WIA Corporation	789,544	-	(94,553)	694,991
Hyundai Motor Securities Co., Ltd.	271,503	40,052	(1,083)	310,472
Hyundai Commercial Inc.	261,601	-	-	261,601
Eukor Car Carriers Inc.	150,241	-	262	150,503
Hyundai Autoever Corp.	158,073	-	-	158,073
Haevichi Hotels & Resorts Co., Ltd. (*)	94,079	3,576	-	97,655

(*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date is included in the amount of net assets.

(6) The market price of listed equity securities as of March 31, 2021 is as follows.

Name of the company	Price per share	Total number of shares	Market value
	(In millions of Korean Won, except price per share)		
Kia Corporation	₩ 82,900	137,318,251	₩ 11,383,683
Hyundai Engineering & Construction Co., Ltd.	44,050	23,327,400	1,027,572
Hyundai Autoever Corp.	118,000	5,980,000	705,640
Hyundai WIA Corporation	77,100	6,893,596	531,496
Hyundai Motor Securities Co., Ltd.	13,050	8,065,595	105,256

14. FINANCIAL SERVICES RECEIVABLES:

(1) Financial services receivables as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Loans	₩ 55,313,045	₩ 52,461,355
Card receivables	17,179,426	17,094,598
Financial lease receivables	2,349,211	2,429,420
Others	34,228	34,407
	74,875,910	72,019,780
Loss allowance	(1,658,537)	(1,685,229)
Loan origination fee	(541,567)	(643,063)
Present value discount accounts	(25,706)	(26,278)
	₩ 72,650,100	₩ 69,665,210

- (2) The changes in loss allowance of financial services receivables for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Beginning of the period	₩ 1,685,229	₩ 1,480,555
Impairment loss	135,607	237,830
Write-off	(179,997)	(104,930)
Disposals and others	234	(86,573)
Effect of foreign exchange differences	17,464	18,124
End of the period	₩ 1,658,537	₩ 1,545,006

- (3) Gross investments in financial leases and their present value of minimum lease receipts as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	Gross investments in financial leases	Present value of minimum lease payment receivable	Gross investments in financial leases	Present value of minimum lease payment receivable
	(In millions of Korean Won)			
Not later than one year	₩ 936,225	₩ 833,238	₩ 979,318	₩ 875,646
Later than one year and not later than five years	1,603,752	1,506,016	1,643,708	1,542,578
Later than five years	5,806	5,599	6,908	6,691
	₩ 2,545,783	₩ 2,344,853	₩ 2,629,934	₩ 2,424,915

- (4) Unearned interest income of financial leases as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Gross investments in financial lease	₩ 2,545,783	₩ 2,629,934
Net lease investments:		
Present value of minimum lease payment receivable	2,344,853	2,424,915
Present value of unguaranteed residual value	4,358	4,505
	<u>2,349,211</u>	<u>2,429,420</u>
Unearned interest income	₩ 196,572	₩ 200,514

15. INVESTMENTS IN OPERATING LEASES (AS A LESSOR):

- (1) Investments in operating leases as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	(In millions of Korean Won)			
Acquisition cost	₩	24,936,031	₩	23,322,479
Accumulated depreciation		(2,882,976)		(2,688,950)
Accumulated impairment loss		(113,575)		(131,838)
	₩	21,939,480	₩	20,501,691

- (2) Future minimum lease payment receivable related to investments in operating leases as of March 31, 2021 and December 31, 2020 is as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Not later than one year	₩ 4,435,286	₩ 4,091,315
Later than one year and not later than five years	4,721,611	4,454,173
Later than five years	15	-
	₩ 9,156,912	₩ 8,545,488

16. BORROWINGS AND DEBENTURES:

- (1) Short-term borrowings as of March 31, 2021 and December 31, 2020 are as follows.

Description	Lender	Annual interest rate	March 31, 2021	December 31, 2020
		(%)	(In millions of Korean Won)	
Overdrafts	Citi Bank and others	0.12~1.13	₩ 650,931	₩ 650,851
General borrowings	Korea Development Bank and others	0.11~7.17	3,758,018	3,735,030
Borrowings collateralized by trade receivables	KEB Hana Bank and others	0.00001~0.78	2,752,708	2,914,830
Banker's Usance	KEB Hana Bank and others	0.04~3.53	380,420	373,230
Commercial paper	Shinhan Bank and others	0.11~2.83	6,056,077	4,827,568
Asset-backed securities	RBC and others	0.31~1.34	1,346,086	1,279,161
			₩ 14,944,240	₩ 13,780,670

- (2) Long-term debt as of March 31, 2021 and December 31, 2020 are as follows.

Description	Lender	Annual interest rate	March 31, 2021	December 31, 2020
		(%)	(In millions of Korean Won)	
General borrowings	Mizuho Bank and others	0.10~8.41	₩ 9,230,877	₩ 8,911,475
Credit facilities	NH Bank and others	1.57~2.05	551,100	551,100
Commercial paper	BNK Investment & Securities and others	1.37~2.48	1,460,000	1,490,000
Asset-backed securities	HSBC and others	0.71~2.79	5,424,150	5,652,711
Others(*)	NH Investment & Securities and others		435,607	435,607
			17,101,734	17,040,893
Less: present value discounts			(88,572)	(90,201)
Less: current maturities			(4,901,481)	(4,223,968)
			₩ 12,111,681	₩ 12,726,724

- (*) The Group transferred a portion of its voting shares to a third party with the total revenue swap agreement. However, the Group still recognizes it as the financial asset because the Group still owns the majority of the risks and rewards of ownership of the transferred shares. Also the Group recognized the amount received from disposal as borrowings.

(3) Debentures as of March 31, 2021 and December 31, 2020 are as follows.

Description	Latest maturity date	Annual interest rate (%)	March 31, 2021	December 31, 2020
(In millions of Korean Won)				
Non-guaranteed public debentures	November 12, 2030	0.96~4.04	₩ 30,713,712	₩ 30,083,284
Non-guaranteed private debentures	April 8, 2030	0.80~6.38	19,383,480	16,774,640
Asset-backed securities	December 15, 2027	0.17~3.29	14,324,747	13,931,180
			64,421,939	60,789,104
Less: discount on debentures			(130,460)	(113,706)
Less: current maturities			(11,710,848)	(11,880,037)
			₩ 52,580,631	₩ 48,795,361

17. PROVISIONS:

The changes in provisions for the three-month period ended March 31, 2021 are as follows.

Description	Warranty	Other long-term employee benefits	Others
(In millions of Korean Won)			
Beginning of the period	₩ 8,514,173	₩ 729,996	₩ 1,126,719
Charged	696,844	16,340	237,038
Utilized	(476,748)	(28,113)	(224,054)
Effect of foreign exchange differences and others	81,777	(16)	9,119
End of the period	₩ 8,816,046	₩ 718,207	₩ 1,148,822

The changes in provisions for the three-month period ended March 31, 2020 are as follows.

Description	Warranty	Other long-term employee benefits	Others
(In millions of Korean Won)			
Beginning of the period	₩ 5,447,307	₩ 726,356	₩ 971,266
Charged	722,771	17,664	344,032
Utilized	(531,571)	(24,746)	(369,389)
Effect of foreign exchange differences and others	39,915	139	757
End of the period	₩ 5,678,422	₩ 719,413	₩ 946,666

18. OTHER FINANCIAL LIABILITIES:

(1) Other financial liabilities as of March 31, 2021 are as follows.

Description	March 31, 2021	
	Current	Non-current
(In millions of Korean Won)		
Financial liabilities measured at FVPL	₩ 175	₩ 16,393
Derivative liabilities that are effective hedging instruments	10,382	224,223
	₩ 10,557	₩ 240,616

(2) Other financial liabilities as of December 31, 2020 are as follows.

Description	December 31, 2020	
	Current	Non-current
	(In millions of Korean Won)	
Financial liabilities measured at FVPL	₩ 5,285	₩ 25,759
Derivative liabilities that are effective hedging instruments	95,043	433,748
	₩ 100,328	₩ 459,507

19. OTHER LIABILITIES:

Other liabilities as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Advances received	₩ 1,220,727	₩ 28,722	₩ 1,080,726	₩ 22,580
Withholdings	1,247,760	197,824	1,094,177	194,927
Accrued expenses	3,167,323	-	2,957,418	-
Unearned income	765,822	1,859,829	742,484	1,705,607
Due to customers for contract work	1,011,192	-	855,866	-
Others	1,417,237	705,143	561,914	689,638
	₩ 8,830,061	₩ 2,791,518	₩ 7,292,585	₩ 2,612,752

20. FINANCIAL INSTRUMENTS:

(1) Financial assets by categories as of March 31, 2021 are as follows.

Description	Financial assets measured at FVPL		Financial assets measured at amortised cost		Financial assets measured at FVOCI		Derivative assets that are effective hedging instruments	Book value	Fair value			
	(In millions of Korean Won)											
Cash and cash equivalents	₩	-	₩	11,035,251	₩	-	₩	-	₩	11,035,251	₩	11,035,251
Short-term and long-term financial instruments		-		7,764,696		-		-		7,764,696		7,764,696
Trade notes and accounts receivable		-		3,286,045		-		-		3,286,045		3,286,045
Other receivables		-		3,102,649		-		-		3,102,649		3,102,649
Other financial assets		12,195,422		37,691		2,528,698		193,715		14,955,526		14,955,526
Other assets		20,720		314,796		-		-		335,516		335,516
Financial services receivables		-		72,650,100		-		-		72,650,100		73,149,118
	₩	12,216,142	₩	98,191,228	₩	2,528,698	₩	193,715	₩	113,129,783	₩	113,628,801

Financial assets by categories as of December 31, 2020 are as follows.

Description	Financial assets measured at FVPL	Financial assets measured at amortised cost	Financial assets measured at FVOCI (In millions of Korean Won)	Derivative assets that are effective hedging instruments	Book value	Fair value
Cash and cash equivalents	₩ -	₩ 9,862,136	₩ -	₩ -	₩ 9,862,136	₩ 9,862,136
Short-term and long-term financial instruments	-	7,281,554	-	-	7,281,554	7,281,554
Trade notes and accounts receivable	-	3,408,241	-	-	3,408,241	3,408,241
Other receivables	-	3,025,835	-	-	3,025,835	3,025,835
Other financial assets	13,093,457	37,965	2,322,944	221,969	15,676,335	15,676,335
Other assets	24,203	303,986	-	-	328,189	328,189
Financial services receivables	-	69,665,210	-	-	69,665,210	70,435,392
	<u>₩ 13,117,660</u>	<u>₩ 93,584,927</u>	<u>₩ 2,322,944</u>	<u>₩ 221,969</u>	<u>₩ 109,247,500</u>	<u>₩ 110,017,682</u>

(2) Financial liabilities by categories as of March 31, 2021 are as follows.

Description	Financial liabilities measured at FVPL	Financial liabilities measured at amortised cost	Derivative liabilities that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 9,638,600	₩ -	₩ 9,638,600	₩ 9,638,600
Other payables	-	3,725,599	-	3,725,599	3,725,599
Borrowings and debentures	-	96,248,881	-	96,248,881	97,494,879
Other financial liabilities	16,568	-	234,605	251,173	251,173
Lease liabilities	-	818,475	-	818,475	818,475
Other liabilities	-	3,472,804	-	3,472,804	3,472,804
	<u>₩ 16,568</u>	<u>₩ 113,904,359</u>	<u>₩ 234,605</u>	<u>₩ 114,155,532</u>	<u>₩ 115,401,530</u>

Financial liabilities by categories as of December 31, 2020 are as follows.

Description	Financial liabilities measured at FVPL	Financial liabilities measured at amortised cost	Derivative liabilities that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 8,793,179	₩ -	₩ 8,793,179	₩ 8,793,179
Other payables	-	5,280,286	-	5,280,286	5,280,286
Borrowings and debentures	-	91,406,760	-	91,406,760	92,947,639
Other financial liabilities	31,044	-	528,791	559,835	559,835
Lease liabilities	-	757,044	-	757,044	757,044
Other liabilities	-	2,519,044	-	2,519,044	2,519,044
	<u>₩ 31,044</u>	<u>₩ 108,756,313</u>	<u>₩ 528,791</u>	<u>₩ 109,316,148</u>	<u>₩ 110,857,027</u>

(3) Fair value estimation

The Group categorizes the assets and liabilities measured at fair value into the following three-level fair value hierarchy in accordance with the inputs used for fair value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements of financial instruments by fair value hierarchy levels as of March 31, 2021 are as follows.

Description	March 31, 2021			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets measured at FVPL	₩ 85,730	₩ 11,607,977	₩ 522,435	₩ 12,216,142
Derivative assets that are effective hedging instruments	-	193,715	-	193,715
Financial assets measured at FVOCI	1,441,712	331,625	755,361	2,528,698
	<u>₩ 1,527,442</u>	<u>₩ 12,133,317</u>	<u>₩ 1,277,796</u>	<u>₩ 14,938,555</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 16,568	₩ -	₩ 16,568
Derivative liabilities that are effective hedging instruments	-	234,605	-	234,605
	<u>₩ -</u>	<u>₩ 251,173</u>	<u>₩ -</u>	<u>₩ 251,173</u>

Fair value measurements of financial instruments by fair value hierarchy levels as of December 31, 2020 are as follows.

Description	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets measured at FVPL	₩ 96,561	₩ 12,506,079	₩ 515,020	₩ 13,117,660
Derivative assets that are effective hedging instruments	-	221,969	-	221,969
Financial assets measured at FVOCI	1,264,786	318,489	739,669	2,322,944
	<u>₩ 1,361,347</u>	<u>₩ 13,046,537</u>	<u>₩ 1,254,689</u>	<u>₩ 15,662,573</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 31,044	₩ -	₩ 31,044
Derivative liabilities that are effective hedging instruments	-	528,791	-	528,791
	<u>₩ -</u>	<u>₩ 559,835</u>	<u>₩ -</u>	<u>₩ 559,835</u>

The changes in financial instruments classified as Level 3 for the three-month period ended March 31, 2021 are as follows.

Description	Beginning of the period	Purchases	Disposals	Valuation	Others	End of the period
Financial assets measured at FVPL	₩ 515,020	₩ 8,062	₩ (235)	₩ (412)	₩ -	₩ 522,435
Financial assets measured at FVOCI	739,669	7,243	(2,579)	9,529	1,499	755,361

The changes in financial instruments classified as Level 3 for the three-month period ended March 31, 2020 are as follows.

Description	Beginning of the period	Purchases	Disposals	Valuation	End of the period
(In millions of Korean Won)					
Financial assets measured at FVPL	₩ 572,618	₩ 11,332	₩ (21,817)	₩ (2,908)	₩ 559,225
Financial assets measured at FVOCI	748,091	15,180	-	5,715	768,986

(4) Interest income, dividend income and interest expenses by categories of financial instruments for the three-month period ended March 31, 2021 are as follows.

Description	Three-month period ended March 31, 2021		
	Interest income	Dividend income	Interest expenses
(In millions of Korean Won)			
Non-financial services:			
Financial assets measured at amortised cost	₩ 54,552	₩ -	₩ -
Financial assets measured at FVPL	24,846	-	-
Financial assets measured at FVOCI	-	24,280	-
Financial liabilities measured at amortised cost	-	-	66,162
	<u>₩ 79,398</u>	<u>₩ 24,280</u>	<u>₩ 66,162</u>
Financial services:			
Financial assets measured at amortised cost	₩ 994,330	₩ -	₩ -
Financial assets(liabilities) measured at FVPL	922	1,355	40
Financial assets measured at FVOCI	29	-	-
Financial liabilities measured at amortised cost	-	-	429,495
	<u>₩ 995,281</u>	<u>₩ 1,355</u>	<u>₩ 429,535</u>

Interest income, dividend income and interest expenses by categories of financial instruments for the three-month period ended March 31, 2020 are as follows.

Description	Three-month period ended March 31, 2020		
	Interest income	Dividend income	Interest expenses
	(In millions of Korean Won)		
Non-financial services:			
Financial assets measured at amortised cost	₩ 82,812	₩ -	₩ -
Financial assets measured at FVPL	26,652	-	-
Financial assets measured at FVOCI	-	31,400	-
Financial liabilities measured at amortised cost	-	-	74,660
	<u>₩ 109,464</u>	<u>₩ 31,400</u>	<u>₩ 74,660</u>
Financial services:			
Financial assets measured at amortised cost	₩ 974,253	₩ -	₩ -
Financial assets measured at FVPL	2,023	1,351	-
Financial assets measured at FVOCI	297	-	-
Financial liabilities measured at amortised cost	-	-	465,232
	<u>₩ 976,573</u>	<u>₩ 1,351</u>	<u>₩ 465,232</u>

- (5) The commission income (financial services revenue) arising from financial assets or liabilities other than financial assets or liabilities measured at FVPL for the three-month periods ended March 31, 2021 and 2020 are ₩215,384 million and ₩197,126 million, respectively. In addition, the fee expenses (cost of sales from financial services) related to financial assets or liabilities other than financial assets or liabilities measured at FVPL for the three-month periods ended March 31, 2021 and 2020 are ₩78,609 million and ₩82,700 million, respectively.
- (6) The Group recognizes transfers between levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. There are no significant transfers between Level 1 and Level 2 for the three-month period ended March 31, 2021.
- (7) Descriptions of the valuation techniques and the inputs used in the fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy are as follows.

- Currency forwards, options and swap

Fair value of currency forwards, options and swap is measured based on forward exchange rate quoted in the current market at the end of the reporting period, which has the same remaining period of derivatives to be measured. If the forward exchange rate, which has the same remaining period of currency forwards, options and swap, is not quoted in the current market, fair value is measured using estimates of similar period of forward exchange rate by applying interpolation method with quoted forward exchange rates.

As the inputs used to measure fair value of currency forwards, options and swap are supported by observable market data, such as forward exchange rates, the Group classifies the estimates of fair value measurements of the currency forwards, options and swap as Level 2 of the fair value hierarchy.

- Interest rate swap

The discount rate and forward interest rate used to measure the fair value of interest rate swap are determined based on an applicable yield curve derived from interest quoted in the current market at the end of the reporting period. The fair value of interest rate swap was measured as a discount on the estimated future cash flows of interest rate swap based on forward interest rates derived from the above method at an appropriate discount rate.

As the inputs used to measure fair value of interest rate swap are supported by observable market data, such as yield curves, the Group classifies the estimates of fair value measurements of the interest rate swap as Level 2 of the fair value hierarchy.

- Debt instruments including corporate bonds

Fair value of debt instruments including corporate bonds is measured applying discounted cash flow method. The rate used to discount cash flows is determined based on swap rate and credit spreads of debt instruments, which have the similar credit rating and period quoted in the current market with those of debt instruments including corporate bonds that should be measured. The Group classifies fair value measurements of debt instruments including corporate bonds as Level 2 of the fair-value hierarchy since the rate, which has significant effects on fair value of debt instruments including corporate bonds, is based on observable market data.

- Unlisted equity securities

Fair value of unlisted equity securities is measured using discounted cash flow projection and others, and certain assumptions not based on observable market prices or rate, such as sales growth rate, pre-tax operating income ratio and discount rate based on business plan and circumstance of industry are used to estimate the future cash flow. The discount rate used to discount the future cash flows, is calculated by applying the Capital Asset Pricing Model (CAPM), using the data of similar listed companies. The Group determines that the effect of estimation and assumptions referred above affecting fair value of unlisted equity securities is significant and classifies fair value measurements of unlisted securities as Level 3 of the fair value hierarchy.

- Total return swap (Derivatives)

The fair value of total revenue swaps (derivatives) is measured based on the stock price volatility up to the fair value, exercise price, maturity and maturity of the underlying asset, using the binomial option pricing model. The discount rate used in the binomial option pricing model is based on the risk-free interest rate, which corresponds to the remaining maturity, and the stock price volatility up to maturity uses the historical volatility of the financial sector over the past one year. The fair value of the underlying assets is measured using the cash flow discount model. In order to estimate the future cash flows, assumptions reflecting the business plan and current industry such as sales growth rate, pre-tax operating profit margin or discount rates etc. and estimates such as observable market price or rates are partially used. The discount rate used to discount future cash flows was calculated by applying the Capital Asset Pricing Model (CAPM), using data from similar listed companies. The Group classifies the fair value measurement of total revenue swap (derivatives) as Level 3 in the fair value hierarchy based on the assumption that the effect of the above assumptions and estimates on the fair value of the total revenue swap classified.

- (8) The quantitative information about significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy and the description of relationships of significant unobservable inputs to the fair value are as follows.

Description	Fair value at March 31, 2021 (In millions of Korean Won)	Valuation techniques	Unobservable inputs	Description of relationship
Unlisted equity securities, total return swap and others	₩ 1,277,796	Discounted cash flow and others	Sales growth rate Pre-tax operating income margin ratio Discount rate	If the sales growth rate and the pre-tax operating income ratio rise or the discount rate declines, the fair value increases.

The Group does not expect changes in significant unobservable inputs that are used for reflecting alternative assumptions would have significant impact on the fair value.

21. CAPITAL STOCK:

The Company's number of shares authorized is 600,000,000 shares. Common stock and preferred stock as of March 31, 2021 and December 31, 2020 are as follows.

(1) Common stock

Description	March 31, 2021 (In millions of Korean Won, except par value)		December 31, 2020 (In millions of Korean Won, except par value)	
Issued		213,668,187 shares		213,668,187 shares
Par value	₩	5,000	₩	5,000
Capital stock		1,157,982		1,157,982

The Company completed stock retirement of 10,000,000 common shares, 1,320,000 common shares and 6,608,292 common shares as of March 5, 2001, May 4, 2004 and July 27, 2018 respectively. Due to these stock retirements, the total face value of outstanding stock differs from the capital stock amount.

(2) Preferred stock

Description	Par value	Issued	Korean Won (In millions of Korean Won)	Dividend rate
1 st preferred stock	₩ 5,000	24,356,685 shares	₩ 125,550	Dividend rate of common stock + 1%
2 nd preferred stock	"	36,485,451 shares	193,069	The lowest stimulated dividend rate : 2%
3 rd preferred stock	"	2,428,735 shares	12,392	The lowest stimulated dividend rate : 1%
		<u>63,270,871 shares</u>	<u>₩ 331,011</u>	

As of March 5, 2001, the Company retired 1,000,000 second preferred shares and as of July 27, 2018, the Company retired 753,297 first preferred shares, 1,128,414 second preferred shares and 49,564 third preferred shares. Due to the stock retirement, the total face value of outstanding stock differs from the capital stock amount.

22. CAPITAL SURPLUS:

Capital surplus as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Paid-in capital in excess of par value	₩ 3,321,334	₩ 3,321,334
Others	704,192	868,759
	₩ 4,025,526	₩ 4,190,093

23. OTHER CAPITAL ITEMS:

Other capital items consist of treasury stocks purchased for the stabilization of stock price. Number of treasury stocks as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(Number of shares)	
Common stock	13,091,418	13,091,418
1 st preferred stock	2,186,993	2,186,993
2 nd preferred stock	1,353,570	1,353,570
3 rd preferred stock	48,574	48,574

24. ACCUMULATED OTHER COMPREHENSIVE LOSS:

(1) Accumulated other comprehensive loss as of March 31, 2021 is as follows.

Description	March 31, 2021
	(In millions of Korean Won)
Gain on valuation of financial assets measured at FVOCI	₩ 513,107
Loss on valuation of financial assets measured at FVOCI	(280,536)
Gain on valuation of cash flow hedge derivatives	42,536
Loss on valuation of cash flow hedge derivatives	(21,729)
Gain on share of the other comprehensive income of equity-accounted investees	49,614
Loss on share of the other comprehensive income of equity-accounted investees	(769,662)
Loss on foreign operations translation, net	(2,259,823)
	₩ (2,726,493)

(2) Accumulated other comprehensive loss as of December 31, 2020 is as follows.

Description	December 31, 2020
	(In millions of Korean Won)
Gain on valuation of financial assets measured at FVOCI	₩ 453,715
Loss on valuation of financial assets measured at FVOCI	(351,813)
Gain on valuation of cash flow hedge derivatives	102,057
Loss on valuation of cash flow hedge derivatives	(40,175)
Gain on share of the other comprehensive income of equity-accounted investees	22,501
Loss on share of the other comprehensive income of equity-accounted investees	(925,992)
Loss on foreign operations translation, net	(2,669,954)
	₩ (3,409,661)

25. RETAINED EARNINGS:

Retained earnings as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Legal reserve (*)	₩ 744,836	₩ 744,836
Discretionary reserve	48,099,696	48,333,996
Unappropriated	20,669,614	19,832,968
	₩ 69,514,146	₩ 68,911,800

(*) The Commercial Code of the Republic of Korea requires the Company to appropriate as a legal reserve, a minimum of 10% of annual cash dividends declared, until such reserve equals 50% of its capital stock issued. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit, if any.

Appraisal gains, amounting to ₩1,852,871 million, derived from asset revaluation pursuant to the Asset Revaluation Law of Korea are included in retained earnings. It may be only transferred to capital stock or used to reduce accumulated deficit, if any.

26. HYBRID BOND:

(1) Hyundai Card Co., Ltd., a subsidiary of the Company, issued hybrid bond and the Group classified it as equity (non-controlling interests). As of March 31, 2021, hybrid bond is as follows.

Description	Issue date	Maturity date	Annual interest rate (%)	March 31, 2021 (In millions of Korean Won)
The 731st Hybrid Tier 1 (Private)	July 5, 2018	July 5, 2048	4.70	₩ 300,000
Issue cost				(760)
				₩ 299,240

Hyundai Rotem Company, a subsidiary of the Company, issued hybrid bond and the Group classified it as equity (non-controlling interests). As of March 31, 2021, hybrid bond is as follows.

Description	Issue date	Maturity date	Annual interest rate (%)	March 31, 2021 (In millions of Korean Won)
The 1st Hybrid Tier 1 (Private)	November 8, 2019	November 8, 2049	4.50	₩ 106,000
The 2nd Hybrid Tier 1 (Private)	December 23, 2019	December 23, 2049	4.50	45,000
Issue cost				(677)
				₩ 150,323

(2) As of March 31, 2021, the conditions of hybrid bond that Hyundai Card Co., Ltd., a subsidiary of the Company issued are as follows.

	Description
Maturity	Thirty years (Maturity extension is possible according to the issuer's decision upon maturity)
Interest rate	Issue date ~ July 5, 2023 : An annual fixed interest rate 4.7% Increase of 2% after five years which is limited to one time only in accordance with Step-up clause
Interest payment condition	Three months, optional postponement of payment
Others	Repayment before maturity by issuer is available after five years from issue date

As of March 31, 2021, the conditions of hybrid bond that Hyundai Rotem Company, a subsidiary of the Company issued are as follows.

	Description
Maturity	Thirty years (Maturity extension is possible according to the issuer's decision upon maturity)
Interest rate	First two years: An annual fixed interest rate of 4.5% After two to three years: Initial interest rate + 2.5 % + adjusted interest rate(*) After three years: Interest rate at the day before each anniversary + 0.5%
Interest payment condition	Three months, optional postponement of payment
Others	Repayment before maturity by issuer is available after two years from issue date

(*) Adjusted interest rate equals the interest rate for two-year maturity treasury bond interest rate at 2 working days before the 2nd anniversary of the issue date less the interest rate of two-year treasury bond at 2 working days before the issue date (zero when it is minus).

27. SALES:

(1) Sales for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Sales of goods	₩ 23,116,729	₩ 20,758,808
Rendering of services	606,142	643,862
Royalties	21,465	57,167
Financial services revenue	2,890,881	3,031,258
Revenue related to construction contracts	641,027	616,391
Others	114,627	211,962
	₩ 27,390,871	₩ 25,319,448

(2) As of March 31, 2021, the aggregate transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligation that is expected to be recognized as revenue in future periods is as follows.

Description	Within a year		After a year	
	(In millions of Korean Won)			
Deferred revenue and others	₩	1,500,018	₩	1,780,687

28. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Selling expenses:		
Export expenses	₩ 11,522	₩ 14,456
Overseas market expenses	101,765	92,743
Advertisements and sales promotion	550,710	617,293
Sales commissions	240,148	180,918
Expenses for warranties	648,290	681,278
Transportation expenses	26,076	29,277
	<u>1,578,511</u>	<u>1,615,965</u>
Administrative expenses:		
Payroll	665,532	648,719
Post-employment benefits	44,824	46,352
Welfare expenses	123,471	118,440
Service charges	333,198	341,941
Research	295,134	289,121
Others	339,285	340,996
	<u>1,801,444</u>	<u>1,785,569</u>
	<u>₩ 3,379,955</u>	<u>₩ 3,401,534</u>

29. GAIN ON INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

Gain on investments in joint ventures and associates for the three-month periods ended March 31, 2021 and 2020 is as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Gain on share of earnings of equity-accounted investees, net	₩ 367,257	₩ 43,395
Gain on disposals of investments in associates	(6,650)	42,424
	<u>₩ 360,607</u>	<u>₩ 85,819</u>

30. FINANCE INCOME AND EXPENSES:

(1) Finance income for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Interest income	₩ 79,398	₩ 109,464
Gain on foreign exchange transactions	24,675	16,117
Gain on foreign currency translation	29,138	27,312
Dividend income	24,280	31,400
Gain on derivatives	13,195	64,503
Others	1,078	941
	<u>₩ 171,764</u>	<u>₩ 249,737</u>

(2) Finance expenses for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Interest expenses	₩ 71,275	₩ 82,364
Loss on foreign exchange transactions	7,841	5,380
Loss on foreign currency translation	66,461	226,487
Loss on derivatives	1,231	11,136
Others	142	784
	₩ 146,950	₩ 326,151

31. OTHER INCOME AND EXPENSES:

(1) Other income for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Gain on foreign exchange transactions	₩ 177,963	₩ 158,493
Gain on foreign currency translation	113,633	184,385
Gain on disposals of PP&E	3,424	5,566
Commission income	5,391	5,269
Rental income	24,096	24,758
Others	102,962	71,299
	₩ 427,469	₩ 449,770

(2) Other expenses for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Loss on foreign exchange transactions	₩ 161,228	₩ 196,134
Loss on foreign currency translation	137,014	295,956
Loss on disposals of PP&E	6,304	13,865
Donations	11,312	11,560
Others	107,370	81,168
	₩ 423,228	₩ 598,683

32. EXPENSES BY NATURE:

Expenses by nature for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Changes in inventories	₩ (801,785)	₩ 24,186
Raw materials and merchandise used	16,597,174	13,896,551
Employee benefits	2,289,182	2,283,286
Depreciation	699,840	662,985
Amortization	385,998	346,120
Others	6,987,075	7,841,227
Total (*)	₩ 26,157,484	₩ 25,054,355

(*) Sum of cost of sales, selling and administrative expenses and other expenses in the consolidated statements of income.

33. EARNINGS PER COMMON STOCK AND PREFERRED STOCK:

Basic earnings per common stock and preferred stock are computed by dividing profit available to common stock and preferred stock by the weighted-average number of common stock and preferred stock outstanding during the period. The Group does not compute diluted earnings per common stock for the three-month periods ended March 31, 2021 and 2020, since there are no dilutive items during the period.

Basic earnings per common stock and preferred stock for the three-month periods ended March 31, 2021 and 2020 are computed as follows.

Description	Three-month period ended March 31,					
	2021			2020		
	Profit available to share	Weighted- average number of shares outstanding (*1)	Basic earnings per share	Profit available to share	Weighted- average number of shares outstanding (*1)	Basic earnings per share
(In millions of Korean Won, except per share amounts)						
Common stock	₩ 1,021,975	200,576,769	₩ 5,095	₩ 356,155	200,997,773	₩ 1,772
1 st Preferred stock (*2)	113,236	22,169,692	5,108	39,643	22,217,983	1,784
2 nd Preferred stock	179,882	35,131,881	5,120	63,260	35,204,067	1,797
3 rd Preferred stock	12,157	2,380,161	5,108	4,256	2,384,938	1,785

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in K-IFRS 1033 'Earnings per Share'.

34. INCOME TAX EXPENSE:

Income tax expense is computed by adjusting from income tax currently payable to adjustments recognized in the current period in relation to prior periods, changes in deferred taxes due to temporary differences, income tax expense in relation to items not recognized as profit or loss and others. The average effective tax rates (income tax expense divided by profit before income tax) for the three-month periods ended March 31, 2021 and 2020 are 25.6% and 23.7% respectively.

35. RETIREMENT BENEFIT PLAN:

(1) Expenses recognized in relation to defined contribution plans for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
(In millions of Korean Won)		
Paid-in cash	₩ 2,293	₩ 2,209
Recognized liability	1,241	1,253
	₩ 3,534	₩ 3,462

(2) The significant actuarial assumptions used by the Group as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
Discount rate(*)	3.15%	3.44%
Rate of expected future salary increase	4.28%	4.37%

(*) The Group applied the market yields of high-quality corporate bonds (AA+) and others as the discount rate at March 31, 2021, to discount the defined benefit obligation to the present value, and the same discount rate was applied as the expected return rate when calculating interest income on plan assets.

Employee turnover and mortality assumptions used for actuarial valuation are based on the economic conditions and statistical data of each country where entities within the Group are located.

- (3) The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021		December 31, 2020	
	(In millions of Korean Won)			
Present value of defined benefit obligations	₩	6,370,469	₩	6,490,583
Fair value of plan assets		(6,052,638)		(6,253,299)
	₩	317,831	₩	237,284
Net defined benefit liabilities		324,892		247,566
Net defined benefit assets		(7,061)		(10,282)

- (4) Changes in net defined benefit assets and liabilities for the three-month period ended March 31, 2021 are as follows.

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities	
	(In millions of Korean Won)					
Beginning of the period	₩	6,490,583	₩	(6,253,299)	₩	237,284
Current service cost		148,570		-		148,570
Interest expenses (income)		35,036		(34,874)		162
		6,674,189		(6,288,173)		386,016
Remeasurements:						
Return on plan assets		-		12,136		12,136
Actuarial gains and losses arising from changes in financial assumptions		(38,801)		-		(38,801)
Actuarial gains and losses arising from experience adjustments and others		684		-		684
		(38,117)		12,136		(25,981)
Contributions		-		(2,438)		(2,438)
Benefits paid		(284,603)		240,272		(44,331)
Transfers in (out)		591		450		1,041
Effect of foreign exchange differences and others		18,409		(14,885)		3,524
End of the period	₩	6,370,469	₩	(6,052,638)	₩	317,831

Changes in net defined benefit assets and liabilities for the three-month period ended March 31, 2020 are as follows.

Description	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
	(In millions of Korean Won)		
Beginning of the period	₩ 6,321,408	₩ (5,913,514)	₩ 407,894
Current service cost	154,991	-	154,991
Interest expenses (income)	33,859	(32,707)	1,152
	<u>6,510,258</u>	<u>(5,946,221)</u>	<u>564,037</u>
Remeasurements:			
Return on plan assets	-	24,935	24,935
Actuarial gains and losses arising from changes in financial assumptions	15,844	-	15,844
Actuarial gains and losses arising from experience adjustments and others	(4,152)	-	(4,152)
	<u>11,692</u>	<u>24,935</u>	<u>36,627</u>
Contributions	-	(139,668)	(139,668)
Benefits paid	(296,965)	256,285	(40,680)
Transfers in (out)	1,214	(445)	769
Effect of foreign exchange differences and others	20,960	(14,795)	6,165
End of the period	<u>₩ 6,247,159</u>	<u>₩ (5,819,909)</u>	<u>₩ 427,250</u>

(5) The fair value of the plan assets as of March 31, 2021 and December 31, 2020 is as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Insurance instruments	₩ 6,048,421	₩ 6,249,450
Others	4,217	3,849
	<u>₩ 6,052,638</u>	<u>₩ 6,253,299</u>

36. CASH GENERATED FROM OPERATIONS:

Cash generated from operations for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Profit for the period	₩ 1,522,225	₩ 552,682
Adjustments:		
Retirement benefit costs	149,973	157,396
Depreciation	699,840	662,985
Amortization of intangible assets	385,998	346,120
Provision for warranties	596,034	635,987
Income tax expense	524,052	171,586
Loss on foreign currency translation, net	60,704	310,746
Loss on disposals of PP&E, net	2,880	8,299
Interest income, net	(8,123)	(27,100)
Gain on share of earnings of equity-accounted investees, net	(367,257)	(43,395)
Cost of sales from financial services, net	1,415,491	1,743,291
Others	233,775	105,593
	<u>3,693,367</u>	<u>4,071,508</u>
Changes in operating assets and liabilities:		
Decrease in trade notes and accounts receivable	154,566	626,842
Decrease in other receivables	375,823	392,998
Decrease (increase) in other financial assets	313,444	(332,370)
Increase in inventories	(438,878)	(69,730)
Increase in other assets	(350,846)	(97,306)
Increase (decrease) in trade notes and accounts payable	649,759	(42,107)
Decrease in other payables	(1,704,568)	(1,388,549)
Increase in other liabilities	689,139	1,906
Decrease in other financial liabilities	(15,836)	(3,707)
Increase (decrease) in net defined benefit liabilities	1,731	(135,962)
Payment of severance benefits	(44,331)	(40,680)
Decrease in provisions	(727,687)	(925,706)
Changes in financial services receivables	(1,941,568)	(3,498)
Investment in operating leases	(1,559,879)	(1,253,118)
Others	(12,725)	69,750
	<u>(4,611,856)</u>	<u>(3,201,237)</u>
Cash generated from operations	₩ <u>603,736</u>	₩ <u>1,422,953</u>

37. RISK MANAGEMENT:

(1) Capital risk management

The Group manages its capital to maintain an optimal capital structure for maximizing profit of its shareholder and reducing the cost of capital. Debt to equity ratio calculated as total liabilities divided by total equity is used as an index to manage the Group's capital. The overall capital risk management policy is consistent with that of the prior period. Debt to equity ratios as of March 31, 2021 and December 31, 2020 are as follows.

Description		March 31, 2021		December 31, 2020
		(In millions of Korean Won)		
Total liabilities	₩	138,626,886	₩	133,003,242
Total equity		77,523,661		76,340,970
Debt-to-equity ratio		178.8%		174.2%

(2) Financial risk management

The Group is exposed to various financial risks such as market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk related to its financial instruments. The purpose of risk management of the Group is to identify potential risks related to financial performance and reduce, eliminate and evade those risks to an acceptable level of risks to the Group. Overall, the Group's financial risk management policy is consistent with the prior period policy.

1) Market risk

The Group is mainly exposed to financial risks arising from changes in foreign exchange rates and interest rates. Accordingly, the Group uses financial derivative contracts to hedge and to manage its interest rate risk and foreign currency risk.

a) Foreign exchange risk management

The Group is exposed to various foreign exchange risks by making transactions in foreign currencies. The Group is mainly exposed to foreign exchange risk in USD, EUR, JPY and others.

The Group manages foreign exchange risk by matching the inflow and the outflow of foreign currencies according to each currency and maturity, and by adjusting the foreign currency settlement date based on its exchange rate forecast. The Group uses foreign exchange derivatives, such as currency forward, currency swap, and currency option; as hedging instruments. However, speculative foreign exchange trade on derivative financial instruments is prohibited.

Sensitivity analysis for a 5% change in exchange rate of the functional currency against each foreign currency on profit before income tax as of March 31, 2021 is as follows.

Foreign Currency	Foreign Exchange Rate Sensitivity	
	Increase by 5%	Decrease by 5%
	(In millions of Korean Won)	
USD	₩ (119,567)	₩ 119,567
EUR	(30,747)	30,747
JPY	(6,524)	6,524

b) Interest rate risk management

The Group has borrowings with fixed or variable interest rates. Also, the Group is exposed to interest rate risk arising from financial instruments with variable interest rates. To manage the interest rate risk, the Group maintains an appropriate balance between borrowings with fixed and variable interest rates for short-term borrowings and has a policy to borrow funds with fixed interest rates to avoid the future cash flow fluctuation risk for long-term debt if possible. The Group manages its interest rate risk through regular assessments of the change in market conditions and the adjustments in nature of its interest rates.

Sensitivity analysis for a 1% change in interest rates on profit before income tax as of March 31, 2021 is as follows.

Accounts	Interest Rate Sensitivity	
	Increase by 1%	Decrease by 1%
	(In millions of Korean Won)	
Cash and cash equivalents	₩ 16,723	₩ (16,723)
Financial assets measured at FVPL	(5,881)	6,244
Short-term and long-term financial instruments	11,095	(11,095)
Borrowings and debentures	(114,530)	114,530

The Company's subsidiaries, Hyundai Card Co., Ltd. and Hyundai Capital Services, Inc., that are operating financial business, are managing interest rate risk by utilizing value at risk (VaR). VaR is defined as a threshold value which is a statistical estimate of the maximum potential loss based on normal distribution. As of March 31, 2021 and December 31, 2020, the amounts of interest rate risk measured at VaR are ₩190,416 million and ₩180,240 million, respectively.

c) Price risk

The Group is exposed to market price fluctuation risk arising from equity instruments. As of March 31, 2021, the amounts of financial assets measured at FVPL and financial assets measured at FVOCI are ₩243,649 million and ₩2,183,161 million, respectively.

2) Credit risk

The Group is exposed to credit risk when a counterparty defaults on its contractual obligation resulting in a financial loss for the Group. The Group operates a policy to transact with counterparties who only meet a certain level of credit rating which was evaluated based on the counterparty's financial conditions, default history, and other factors. The credit risk in the liquid funds and derivative financial instruments is limited as the Group transacts only with financial institutions with high credit-ratings assigned by international credit-rating agencies. Except for the guarantee of indebtedness discussed in Note 39, the book value of financial assets in the consolidated financial statements represents the maximum amounts of exposure to credit risk.

3) Liquidity risk

The Group manages liquidity risk based on maturity profile of its funding. The Group analyses and reviews actual cash outflow and its budget to match the maturity of its financial liabilities to that of its financial assets.

The Group retains an appropriate level of deposit to cope with uncertainty caused by the inherent nature of the industry which is sensitive to economic fluctuation and to invest in R&D constantly.

In addition, the Group has agreements with financial institutions related to trade financing and overdraft to mitigate any significant unexpected market deterioration. Also, the Group continues to strengthen its credit rates to secure a stable financing capability.

The Group's maturity analysis of its non-derivative liabilities according to their remaining contract period before expiration as of March 31, 2021 is as follows.

Description	Remaining contract period				Total
	Not later than one year	Later than one year and not later than five years	Later than five years		
	(In millions of Korean Won)				
Non-interest-bearing liabilities	₩ 16,826,230	₩ 11,610	₩ -	₩	16,837,840
Interest-bearing liabilities	33,158,626	59,464,795	9,045,025		101,668,446
Financial guarantee	1,066,305	10,715	12		1,077,032

The maturity analysis is based on the non-discounted cash flows and the earliest maturity date at which payments, i.e. both principal and interest, should be made.

(3) Derivative instruments

The Group enters into derivative instrument contracts such as currency forwards, currency options, currency swaps and interest swaps to hedge its exposure to changes in foreign exchange rate.

As of March 31, 2021 and December 31, 2020, the Group recognized an accumulative net profit of ₩20,807 million and ₩61,882 million, respectively, in accumulated other comprehensive loss, for effective cash flow hedging instruments.

The longest period in which the forecasted transactions are expected to occur is within 102 months as of March 31, 2021.

For the three-month periods ended March 31, 2021 and 2020, the Group recognized a net profit of ₩249,665 million and ₩347,286 million in profit or loss (before tax), respectively, which resulted from the ineffective portion of its cash flow hedging instruments and changes in the valuation of its other non-hedging derivative instruments.

38. RELATED-PARTY AND OTHER TRANSACTIONS:

The transactions and balances of receivables and payables within the Group are wholly eliminated in the preparation of consolidated financial statements of the Group.

- (1) For the three-month period ended March 31, 2021, significant transactions arising from operations between the Group and related parties or affiliates by the Monopoly Regulation and Fair Trade Act of the Republic of Korea (“the Act”) are as follows.

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 135,529	₩ 132,432	₩ 1,993,517	₩ 13,658
	Mobis Alabama, LLC	44,921	138	361,671	3,194
	Mobis Automotive Czech s.r.o.	-	122	442,519	3
	Mobis India, Ltd.	3,545	752	293,954	900
	Mobis Parts America, LLC	18,045	851	213,471	156
	Mobis Module CIS, LLC.	-	88	96,019	90
	Mobis Parts Europe N.V.	2,911	91	101,178	-
	Others	6,724	264	238,199	1,901
Joint ventures and associates	Kia Corporation	291,620	93,173	184,141	206,687
	Kia Russia & CIS, LLC	235,284	45	-	-
	Kia Slovakia s.r.o..	24,399	1	156,119	-
	Kia Georgia, Inc.	160,394	282	-	-
	BHMC	42,047	45	34,835	-
	HMGC	7,129	337	26,492	3,342
	Hyundai WIA Corporation	32,230	95	360,276	1,405
	Others	174,023	18,318	1,123,675	362,413
Other related parties		2,711	1,795	25	2
Affiliates by the Act		209,807	35,485	2,152,883	180,881

For the three-month period ended March 31, 2020, significant transactions arising from operations between the Group and related parties or affiliates by the Act are as follows.

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 261,480	₩ 2,503	₩ 1,566,412	₩ 3,909
	Mobis Alabama, LLC	46,199	1,811	366,187	-
	Mobis Automotive Czech s.r.o.	-	137	323,084	1,296
	Mobis India, Ltd.	3,140	804	233,993	1,023
	Mobis Parts America, LLC	17,300	880	253,967	36
	Mobis Module CIS, LLC.	-	91	92,378	10
	Mobis Parts Europe N.V.	4,775	67	91,963	-
	Others	7,239	221	227,063	170
Joint ventures and associates	Kia Motors Corporation	217,865	96,845	21,493	175,305
	Kia Motors Russia LLC.	262,305	-	-	-
	Kia Motors Slovakia s.r.o.	36,274	4	91,955	-
	Kia Motors Mexico S.A de C.V.	3,010	461	134,616	-
	BHMC	36,589	-	29,302	-
	HMGC	802	-	17,196	838
	Hyundai WIA Corporation	29,777	425	317,155	316
	Others	348,784	14,491	888,389	342,880
Other related parties		1,974	1,169	26	1
Affiliates by the Act		287,221	35,978	1,797,898	164,664

- (2) As of March 31, 2021, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows.

Description		Receivables (*1,2)		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 140,210	₩ 18,215	₩ 1,357,501	₩ 392,871
	Mobis Alabama, LLC	13,965	-	152,029	-
	Mobis Automotive Czech s.r.o.	-	287	233,148	-
	Mobis India, Ltd.	1,167	4	170,543	2
	Mobis Parts America, LLC	13,367	84	88,321	-
	Mobis Module CIS, LLC	-	35	46,428	-
	Mobis Parts Europe N.V.	539	107	37,683	-
	Others	4,137	1,192	101,637	6,467
Joint ventures and associates	Kia Corporation	437,538	269,203	108,282	169,634
	Kia Russia & CIS, LLC	109,506	118	-	-
	Kia Slovakia s.r.o.	9,260	343	64,263	572
	Kia Georgia, Inc.	91,205	83,356	2,388	8,098
	Kia America, Inc.	-	84,493	76	20,376
	BHMC	80,128	14,532	8,042	1,675
	HMGC	7,242	20,334	16,252	3,336
	Hyundai WIA Corporation	37,310	11,436	187,440	34,863
Other related parties	Others	208,084	85,989	682,616	845,706
		69	757	10	1
Affiliates by the Act		168,567	37,868	1,229,392	279,498

- (*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩230 million as of March 31, 2021 and the reversal of impairment loss is recognized in the amount of ₩35 million for the three-month period ended March 31, 2021.
- (*2) As of March 31, 2021, outstanding payment of ₩19,743 million of corporate purchase card agreement provided by Hyundai Card Co., Ltd. is included. For the three-month period ended March 31, 2021, amount used and repayment of agreement are ₩86,092 million and ₩111,279 million, respectively.

As of December 31, 2020, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows.

Description		Receivables (*1,2)		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 305,479	₩ 422,870	₩ 1,326,453	₩ 363,166
	Mobis Alabama, LLC	10,425	-	135,098	3,116
	Mobis Automotive Czech s.r.o.	-	160	236,598	2,420
	Mobis India, Ltd.	2,021	3	172,639	4
	Mobis Parts America, LLC	19,410	71	73,300	-
	Mobis Module CIS, LLC	-	33	41,556	-
	Mobis Parts Europe N.V.	1,242	106	27,709	-
	Others	5,121	1,404	74,319	8,078
Joint ventures and associates	Kia Motors Corporation	451,424	227,908	87,563	173,321
	Kia Motors Russia LLC.	136,195	21	-	-
	Kia Motors Slovakia s.r.o.	7,501	676	55,316	87
	Kia Motors Manufacturing Georgia, Inc.	57,050	96,725	2,292	4,517
	Kia Motors America, Inc.	-	93,361	69	19,491
	BHMC	84,642	15,409	7,552	1,801
	HMGC	16,103	19,546	10,739	28,404
	Hyundai WIA Corporation	34,683	10,120	206,312	44,536
	Others	240,510	59,201	693,955	901,694
Other related parties		57	600	10	-
Affiliates by the Act		166,666	35,421	991,058	337,537

(*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩265 million as of December 31, 2020 and the impairment loss is recognized in the amount of ₩171 million for the year ended December 31, 2020.

(*2) As of December 31, 2020, outstanding payment of ₩44,930 million of corporate purchase card agreement provided by Hyundai Card Co., Ltd. is included. For the year ended December 31, 2020, amount used and repayment of agreement are ₩296,011 million and ₩272,308 million, respectively.

(3) Significant fund transactions and equity contribution transactions for the three-month period ended March 31, 2021, between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity
	Lending	Collection	Borrowing	Repayment	contribution
	(In thousands of US Dollar)				(In millions of Korean won)
Joint ventures and associates	-	-			₩ 71,056

Significant fund transactions and equity contribution transactions for the three-month period ended March 31, 2020, between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity contribution (In millions of Korean won)
	Lending	Collection	Borrowing	Repayment	
Joint ventures and associates	-	-	USD 5,000	-	₩ 1,397,524

For the three-month period ended March 31, 2021, the Group traded in other financial assets and others of ₩670,000 million with HYUNDAI MOTOR SECURITIES Co., Ltd., an associate of the Group. The Group has other financial assets of ₩1,080,000 million in the consolidated statement of financial position as of March 31, 2021.

For three-month period ended March 31, 2021, HYUNDAI MOTOR SECURITIES CO., Ltd, an associate of the Group, acquired bonds issued by the consolidated entities, Hyundai Capital Services Inc in amount of ₩10,000 million, and for three-month period ended March 31, 2020, HYUNDAI MOTOR SECURITIES CO., Ltd, an associate of the Group, acquired bonds issued by the consolidated entities, Hyundai Capital Services Inc. and Hyundai Card Co, Ltd. in amount of ₩10,000 million and ₩10,000 million respectively.

- (4) Compensation of registered and unregistered directors, who are considered to be the key management personnel for the three-month periods ended March 31, 2021 and 2020 are as follows.

Description	Three-month period ended March 31,	
	2021	2020
	(In millions of Korean Won)	
Short-term employee salaries	₩ 66,022	₩ 70,305
Retirement benefit costs	11,534	11,506
Other long-term benefits	455	224
	₩ 78,011	₩ 82,035

- (5) As of March 31, 2021, the Group offers payment guarantee to related parties and affiliates by the Act.

39. COMMITMENTS AND CONTINGENCIES:

- (1) As of March 31, 2021, the debt guarantees provided by the Group, excluding the ones provided to the Company's subsidiaries are as follows.

Description	Domestic		Overseas (*)	
	(In millions of Korean Won)			
To associates	₩	28,299	₩	-
To others		8,195		1,071,509
	₩	36,494	₩	1,071,509

- (*) The guarantee amounts in foreign currencies are translated into Korean Won using the Base Rate announced by Seoul Money Brokerage Services, Ltd. as of March 31, 2021.

- (2) As of March 31, 2021, the Group is involved in domestic and foreign lawsuits as a defendant. In addition, the Group is involved in lawsuits for product liabilities and others. The Group obtains insurance for potential losses which may result from product liabilities and other lawsuits. In addition, as of March 31, 2021, the Group is under investigation by related authorities in relation to the theta 2 engine recall, and its results and impacts are unpredictable. The Group is unable to estimate the outcome of the lawsuits and the amount and timing of outflows of resources are uncertain. The Group expects that the impact on the consolidated financial statements will not be material.

- (3) As of March 31, 2021, a substantial portion of the Group's PP&E is pledged as collateral for various loans and leasehold deposits up to ₩777,657 million. In addition, the Group pledged certain bank deposits, checks and promissory notes, including 213,466 shares of Kia Corporation, as collateral to financial institutions and others. Certain receivables held by the Company's foreign subsidiaries, such as financial services receivables are pledged as collateral for their borrowings.
- (4) As of March 31, 2021, the Group has overdrafts, general loans, and trade-financing agreements with numerous financial institutions including Kookmin Bank. .
- (5) As of March 31, 2021, Hyundai Capital Services, Inc. and Hyundai Card Co., Ltd. have entered into agreements for certain borrowings including trigger clauses for the purpose of credit enhancement. If the credit rating of Hyundai Capital Services, Inc. and Hyundai Card Co., Ltd. falls below a certain level, this may result in early repayment of the borrowings or termination of the contracts.
- (6) As of March 31, 2021, Hyundai Capital Services, Inc. and Hyundai Card Co., Ltd., the subsidiaries of the Company are able to exercise the priority purchasing rights for the leased office building when the lessor wants to sell the building or after 4 years and 5 months from the lease contract commencement date.
- (7) As of March 31, 2021, the Company entered into a total return swap contract for stocks of Hyundai Capital Services, Inc., the subsidiary of the Company, held by other investors of a third parties.
- (8) As of March 31, 2021, the Company has a shareholder agreement with investors of third parties regarding shares of Hyundai card Co., Ltd. and Hyundai Commercial Inc. This includes the Call options that allow the Company to buy shares from the investors and the Put options that allow the investors to dispose of the shares to the Company.
- (9) In December 2019, the Company entered into an agreement to invest ₩1,408,220 million in the construction of new Global Business Centre (GBC). As of March 31, 2021, the Company has recognized relevant liability in the amount of ₩939,801 million in accordance with the agreement with the Seoul government to implement public contributions relating to the new construction project.
- (10) In December 2020, the Company entered into a contract to acquire Boston Dynamics with Hyundai MOBIS Co., Ltd. and Hyundai Glovis Co., Ltd. in order to expand robotics capabilities and enhance synergy with new business.

40. SEGMENT INFORMATION:

- (1) The Group has vehicle segment, finance segment and others segment. The vehicle segment is engaged in the manufacturing and sale of motor vehicles. The finance segment operates vehicle financing, credit card processing and other financing activities. Others segment includes the R&D, train manufacturing and other activities.
- (2) Sales and operating profit by operating segments for the three-month periods ended March 31, 2021 and 2020 are as follows.

	For the three-month period ended March 31, 2021				
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total sales	₩ 34,035,877	₩ 4,381,044	₩ 1,760,264	₩ (12,786,314)	₩ 27,390,871
Inter-company sales	(12,335,830)	(93,554)	(356,930)	12,786,314	-
Net sales	21,700,047	4,287,490	1,403,334	-	27,390,871
Operating profit	1,188,501	530,296	76,506	(138,688)	1,656,615

For the three-month period ended March 31, 2020					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total sales	₩ 30,085,228	₩ 4,349,236	₩ 1,957,995	₩ (11,073,011)	₩ 25,319,448
Inter-company sales	(10,530,527)	(173,141)	(369,343)	11,073,011	-
Net sales	19,554,701	4,176,095	1,588,652	-	25,319,448
Operating profit	569,188	218,312	70,945	5,331	863,776

(3) Assets and liabilities by operating segments as of March 31, 2021 are as follows.

March 31, 2021					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total assets	₩ 117,755,287	₩ 107,194,523	₩ 8,823,489	₩ (17,622,752)	₩ 216,150,547
Total liabilities	52,078,835	92,750,486	5,371,060	(11,573,495)	138,626,886
Borrowings and debentures	11,450,186	85,237,310	2,561,006	(2,999,621)	96,248,881

Assets and liabilities by operating segments as of December 31, 2020 are as follows.

December 31, 2020					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total assets	₩ 115,561,852	₩ 102,201,169	₩ 8,532,445	₩ (16,951,254)	₩ 209,344,212
Total liabilities	50,893,713	88,267,154	5,182,892	(11,340,517)	133,003,242
Borrowings and debentures	10,920,355	80,440,613	2,520,615	(2,474,823)	91,406,760

(4) Sales by region based on where the Group's entities are located in for the three-month periods ended March 31, 2021 and 2020 are as follows.

For the three-month period ended March 31, 2021						
	Korea	North America	Asia	Europe	Others	Consolidation adjustments
	(In millions of Korean Won)					
Total sales	₩ 16,159,068	₩ 11,671,159	₩ 2,954,851	₩ 8,821,995	₩ 570,112	₩ (12,786,314)
Inter-company sales	(6,113,710)	(2,090,441)	(112,137)	(4,469,931)	(95)	12,786,314
Net sales	10,045,358	9,580,718	2,842,714	4,352,064	570,017	-

For the three-month period ended March 31, 2020						
	Korea	North America	Asia	Europe	Others	Consolidation adjustments
	(In millions of Korean Won)					
Total sales	₩ 14,407,608	₩ 11,296,478	₩ 2,283,292	₩ 7,876,627	₩ 528,454	₩ (11,073,011)
Inter-company sales	(5,360,852)	(1,930,260)	(86,380)	(3,693,439)	(2,080)	11,073,011
Net sales	9,046,756	9,366,218	2,196,912	4,183,188	526,374	-

- (5) Non-current assets by region where the Group's entities are located in as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Korea	₩ 32,599,765	₩ 32,562,450
North America	2,749,907	2,691,789
Asia	2,563,459	2,429,368
Europe	2,208,323	2,234,466
Others	361,590	354,279
	40,483,044	40,272,352
Consolidation adjustments	(335,895)	(341,589)
Total (*)	₩ 40,147,149	₩ 39,930,763

- (*) Total amount is the same as summation of PP&E, intangible assets and investment properties.
- (6) There is no single external customer who represents 10% or more of the Group's revenue for the three-month periods ended March 31, 2021 and 2020.

41. CONSTRUCTION CONTRACTS:

- (1) Cost, income and loss and claimed construction from construction in progress as of March 31, 2021 and December 31, 2020 are as follows.

Description	March 31, 2021	December 31, 2020
	(In millions of Korean Won)	
Accumulated cost	₩ 10,775,562	₩ 11,602,563
Accumulated income	36,472	254,593
Accumulated construction in process	10,812,034	11,857,156
Progress billing	10,519,673	11,460,905
Due from customers	1,303,553	1,252,117
Due to customers	1,011,192	855,866
Reserve (*)	94,460	95,459

- (*) Reserve is recognized as long-term trade notes and accounts receivable in the consolidated financial statements.
- (2) Effects on profit or loss of current and future periods, due from customers related to changes in accounting estimates of total contract revenue and total contract costs of ongoing contracts of Hyundai Rotem, a subsidiary of the Company, as of March 31, 2021 are as follows.

Description	March 31, 2021
	(In millions of Korean Won)
Changes in accounting estimates of total contract revenue	₩ 25,989
Changes in accounting estimates of total contract costs	19,418
Effects on profit or loss of current period	(22,616)
Effects on profit or loss of future periods	29,187
Changes in due from customers	13,891
Provision for construction loss	69,356

Effects on profit or loss of current and future periods were calculated with estimated total contract costs and estimated total contract revenue based on factors that are considered to be relevant from commencement of the contract to March 31, 2021. Total contract revenue and costs may change in future periods.

- (3) There is no contract as of March 31, 2021, in which contract revenue has recognized by the proportion of contract costs incurred and has accounted for more than 5% of the Group's revenue in the prior period.

42. **BUSINESS COMBINATIONS:**

For the three-month period ended March 31, 2021, the Company acquired 50% of the shares of the HYUNDAI THANH CONG VIET NAM AUTO JOINT VENTURE JOINT STOCK COMPANY (HTV).

The accounting for the business combination at the acquisition date is as follows.

Description	Amount(*)	
	(In millions of Korean Won)	
Total considerations transferred	₩	285,050
Non-controlling interests		57,331
Assets and liabilities acquired:		
Current assets		110,152
Non-current assets		4,700
Current liabilities		190
Non-current liabilities		-
Fair value of identifiable net assets		114,662
Goodwill	₩	227,719

(*) The amounts have been measured provisionally, pending completion of an independent valuation on the fair value of acquired assets and liabilities.