

Item 1: Approval of the Financial Statements for the 53rd Fiscal Year

* Financial statements for the 53rd fiscal year below are presented on a preliminary basis before the audit from an independent auditor. Actual audited results may subject to differ. Audited financial statements for the 53rd fiscal year, including auditor's opinion from the designated independent auditor, will be disclosed on March 9th, 2021.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

| ASSETS | December 31, 2020 | | December 31, 2019 | |
|---|-----------------------------|-------------|-------------------|-------------|
| | (In millions of Korean Won) | | | |
| Current assets: | | | | |
| Cash and cash equivalents | ₩ | 9,862,136 | ₩ | 8,681,971 |
| Short-term financial instruments | | 7,219,695 | | 7,292,626 |
| Other financial assets | | 12,897,108 | | 9,449,913 |
| Trade notes and accounts receivable | | 3,283,972 | | 3,513,090 |
| Other receivables | | 4,016,972 | | 3,402,059 |
| Inventories | | 11,333,734 | | 11,663,848 |
| Other assets | | 2,033,371 | | 1,777,627 |
| Current tax assets | | 138,848 | | 112,046 |
| Financial services receivables | | 32,596,052 | | 30,178,200 |
| Non-current assets classified as held for sales | | 304,469 | | 11,493 |
| Total current assets | | 83,686,357 | | 76,082,873 |
| Non-current assets: | | | | |
| Long-term financial instruments | | 61,859 | | 803,262 |
| Other financial assets | | 2,779,227 | | 3,059,526 |
| Long-term trade notes and accounts receivable | | 124,269 | | 127,430 |
| Other receivables | | 702,341 | | 705,154 |
| Property, plant and equipment | | 34,092,229 | | 32,831,524 |
| Investment property | | 160,967 | | 171,494 |
| Intangible assets | | 5,677,567 | | 5,266,496 |
| Investments in joint ventures and associates | | 19,925,260 | | 18,375,290 |
| Deferred tax assets | | 2,847,454 | | 2,340,096 |
| Financial services receivables | | 37,069,158 | | 32,080,426 |
| Operating lease assets | | 20,501,691 | | 21,068,340 |
| Other assets | | 879,509 | | 865,767 |
| Right-of-use assets | | 836,324 | | 734,542 |
| Total non-current assets | | 125,657,855 | | 118,429,347 |
| Total assets | ₩ | 209,344,212 | ₩ | 194,512,220 |

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019 (CONTINUED)

| LIABILITIES AND EQUITY | December 31, 2020 | | December 31, 2019 | |
|---|-----------------------------|-------------|-------------------|-------------|
| | (In millions of Korean Won) | | | |
| Current liabilities: | | | | |
| Trade notes and accounts payable | ₩ | 8,793,179 | ₩ | 7,669,424 |
| Other payables | | 6,123,714 | | 6,060,100 |
| Short-term borrowings | | 13,780,670 | | 12,570,693 |
| Current portion of long-term debt and debentures | | 16,104,005 | | 15,778,558 |
| Income tax payable | | 548,733 | | 370,100 |
| Provisions | | 6,360,770 | | 3,462,034 |
| Other financial liabilities | | 100,328 | | 9,970 |
| Non-current liabilities classified as held for sale | | 214,066 | | - |
| Lease liabilities | | 141,478 | | 132,388 |
| Other liabilities | | 7,292,585 | | 7,260,829 |
| Total current liabilities | | 59,459,528 | | 53,314,096 |
| Non-current liabilities: | | | | |
| Long-term other payables | | 798,547 | | 847,287 |
| Debentures | | 48,795,361 | | 41,805,814 |
| Long-term debt | | 12,726,724 | | 11,217,088 |
| Net defined benefit liabilities | | 247,566 | | 412,598 |
| Provisions | | 4,010,118 | | 3,682,895 |
| Other financial liabilities | | 459,507 | | 175,196 |
| Deferred tax liabilities | | 3,277,573 | | 3,503,077 |
| Lease liabilities | | 615,566 | | 635,596 |
| Other liabilities | | 2,612,752 | | 2,552,819 |
| Total non-current liabilities | | 73,543,714 | | 64,832,370 |
| Total liabilities | | 133,003,242 | | 118,146,466 |
| Equity: | | | | |
| Capital stock | | 1,488,993 | | 1,488,993 |
| Capital surplus | | 4,190,093 | | 4,197,015 |
| Other capital items | | (1,700,592) | | (1,516,817) |
| Accumulated other comprehensive loss | | (3,409,661) | | (2,353,022) |
| Retained earnings | | 68,911,800 | | 68,249,633 |
| Equity attributable to the owners of the Company | | 69,480,633 | | 70,065,802 |
| Non-controlling interests | | 6,860,337 | | 6,299,952 |
| Total equity | | 76,340,970 | | 76,365,754 |
| Total liabilities and equity | ₩ | 209,344,212 | ₩ | 194,512,220 |

(Concluded)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---|--------------------|
| | (In millions of Korean Won, except per share amounts) | |
| Sales | ₩ 103,997,601 | ₩ 105,746,422 |
| Cost of sales | <u>85,515,931</u> | <u>88,091,409</u> |
| Gross profit | 18,481,670 | 17,655,013 |
| Selling and administrative expenses | <u>16,086,999</u> | <u>14,049,508</u> |
| Operating profit | 2,394,671 | 3,605,505 |
| Gain on investments in joint ventures and associates, net | 162,162 | 542,826 |
| Finance income | 813,916 | 827,120 |
| Finance expenses | 955,991 | 475,218 |
| Other income | 1,308,642 | 1,120,958 |
| Other expenses | <u>1,630,144</u> | <u>1,457,425</u> |
| Profit before income tax | 2,093,256 | 4,163,766 |
| Income tax expense (benefit) | <u>168,703</u> | <u>978,120</u> |
| Profit for the period | <u>₩ 1,924,553</u> | <u>₩ 3,185,646</u> |
| Profit attributable to: | | |
| Owners of the Company | 1,424,436 | 2,980,049 |
| Non-controlling interests | 500,117 | 205,597 |
| Earnings per share attributable to the owners of the Company: | | |
| Basic earnings per share: | | |
| Common stock | <u>₩ 5,454</u> | <u>₩ 11,310</u> |
| 1 st preferred stock | <u>₩ 5,502</u> | <u>₩ 11,355</u> |
| Diluted earnings per share: | | |
| Common stock | <u>₩ 5,454</u> | <u>₩ 11,310</u> |
| 1 st preferred stock | <u>₩ 5,502</u> | <u>₩ 11,355</u> |

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------------|--------------------|
| | (In millions of Korean Won) | |
| Profit for the year | ₩ 1,924,553 | ₩ 3,185,646 |
| Other comprehensive income (loss): | | |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Profit (loss) on financial assets measured at FVOCI, net | 29,222 | (37,965) |
| Remeasurements of defined benefit plans | 39,564 | (53,144) |
| Changes in retained earnings of equity-accounted investees, net | 1,117 | (108,983) |
| Changes in share of earnings of equity-accounted investees, net | 53,248 | 16,966 |
| | <u>123,151</u> | <u>(183,126)</u> |
| Items that may be reclassified subsequently to profit or loss: | | |
| Profit on financial assets measured at FVOCI, net | 4,959 | 15,906 |
| Gain on valuation of cash flow hedge derivatives, net | 100,077 | 45,051 |
| Changes in share of earnings of equity-accounted investees, net | (278,999) | 271,542 |
| Gain (loss) on foreign operations translation, net | (971,213) | 481,848 |
| | <u>(1,145,176)</u> | <u>814,347</u> |
| Total other comprehensive income (loss) | <u>(1,022,025)</u> | <u>631,221</u> |
| Total comprehensive income | <u>₩ 902,528</u> | <u>₩ 3,816,867</u> |
| Comprehensive income attributable to: | | |
| Owners of the Company | 395,224 | 3,520,937 |
| Non-controlling interests | 507,304 | 295,930 |
| Total comprehensive income (loss) | <u>₩ 902,528</u> | <u>₩ 3,816,867</u> |

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

| | 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, 2019 | ₩ 1,488,993 | ₩ 4,201,214 | ₩ (1,155,244) | ₩ (3,051,076) | ₩ 66,490,082 | ₩ 67,973,969 | ₩ 5,922,041 | ₩ 73,896,010 |
| Comprehensive income: | | | | | | | | |
| Profit for the period | - | - | - | - | 2,980,049 | 2,980,049 | 205,597 | 3,185,646 |
| Gain (loss) on financial assets measured at FVOCI, net | - | - | - | (26,426) | (1,294) | (27,720) | 5,661 | (22,059) |
| Gain on valuation of cash flow hedge derivatives, net | - | - | - | 34,570 | - | 34,570 | 10,481 | 45,051 |
| Changes in valuation of equity-accounted investees, net | - | - | - | 276,430 | (108,983) | 167,447 | 12,078 | 179,525 |
| Remeasurements of defined benefit plans | - | - | - | - | (46,889) | (46,889) | (6,255) | (53,144) |
| Gain on foreign operations translation, net | - | - | - | 413,480 | - | 413,480 | 68,368 | 481,848 |
| Total comprehensive Income | - | - | - | 698,054 | 2,822,883 | 3,520,937 | 295,930 | 3,816,867 |
| Transactions with owners, recorded directly in equity: | | | | | | | | |
| Payment of cash dividends | - | - | - | - | (1,063,331) | (1,063,331) | (58,503) | (1,121,834) |
| Increase in paid-in capital of subsidiaries by issuing stock | - | - | - | - | - | - | 4,806 | 4,806 |
| Acquisitions of investment of subsidiaries | - | - | - | - | - | - | 13,004 | 13,004 |
| Disposals of investment of subsidiaries | - | - | - | - | - | - | (19,637) | (19,637) |
| Purchases of treasury stocks | - | - | (458,031) | - | - | (458,031) | - | (458,031) |
| Disposal of treasury stocks | - | 2,163 | 96,458 | - | - | 98,621 | - | 98,621 |
| Issue of hybrid bond | - | - | - | - | - | - | 150,323 | 150,323 |
| Others | - | (6,362) | - | - | (1) | (6,363) | (8,012) | (14,375) |
| Total transactions with owners, recorded directly in equity | - | (4,199) | (361,573) | - | (1,063,332) | (1,429,104) | 81,981 | (1,347,123) |
| Balance at December 31, 2019 | ₩ 1,488,993 | ₩ 4,197,015 | ₩ (1,516,817) | ₩ (2,353,022) | ₩ 68,249,633 | ₩ 70,065,802 | ₩ 6,299,952 | ₩ 76,365,754 |

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

| | 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 | - | - | - | - | 1,424,436 | 1,424,436 | 500,117 | 1,924,553 |
| Gain (loss) on financial assets measured at FVOCI, net | - | - | - | 31,827 | (5,560) | 26,267 | 7,914 | 34,181 |
| Gain on valuation of cash flow hedge derivatives, net | - | - | - | 90,265 | - | 90,265 | 9,812 | 100,077 |
| Changes in valuation of equity-accounted investees, net | - | - | - | (223,503) | 1,118 | (222,385) | (2,249) | (224,634) |
| Remeasurements of defined benefit plans | - | - | - | - | 31,869 | 31,869 | 7,695 | 39,564 |
| Loss on foreign operations translation, net | - | - | - | (955,228) | - | (955,228) | (15,985) | (971,213) |
| Total comprehensive Income (loss) | - | - | - | (1,056,639) | 1,451,863 | 395,224 | 507,304 | 902,528 |
| 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 | - | (2,586) | - | - | - | (2,586) | 239,519 | 236,933 |
| Disposals of investment of subsidiaries | - | - | - | - | - | - | (67,662) | (67,662) |
| Purchases of treasury stocks | - | - | (303,077) | - | - | (303,077) | - | (303,077) |
| Disposal of treasury stocks | - | (2,183) | 119,302 | - | - | 117,119 | - | 117,119 |
| Others | - | (2,153) | - | - | 793 | (1,360) | (15,486) | (16,846) |
| Total transactions with owners, recorded directly in equity | - | (6,922) | (183,775) | - | (789,696) | (980,393) | 53,081 | (927,312) |
| Balance at December 31, 2020 | ₩ 1,488,993 | ₩ 4,190,093 | ₩ (1,700,592) | ₩ (3,409,661) | ₩ 68,911,800 | ₩ 69,480,633 | ₩ 6,860,337 | ₩ 76,340,970 |

(Concluded)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|---|-----------------------------|---------------------|
| | (In millions of Korean Won) | |
| Cash flows from operating activities: | | |
| Cash generated from operations: | | |
| Profit for the period | ₩ 1,924,553 | ₩ 3,185,646 |
| Adjustments | 16,808,385 | 15,145,995 |
| Changes in operating assets and liabilities | <u>(16,991,771)</u> | <u>(15,644,327)</u> |
| | 1,741,167 | 2,687,314 |
| Interest received | 519,995 | 672,283 |
| Interest paid | (2,008,084) | (2,073,310) |
| Dividend received | 234,432 | 204,455 |
| Income tax paid | <u>(897,317)</u> | <u>(1,070,958)</u> |
| Net cash provided by (used in) operating activities | <u>(409,807)</u> | <u>419,784</u> |
| Cash flows from investing activities: | | |
| Changes in short-term financial instruments | 566,427 | (5,610) |
| Changes in other financial assets (current), net | (2,348,252) | 495,541 |
| Decreases in other financial assets (non-current) | 27,070 | 7,189 |
| Collection of other receivables | 37,388 | 51,417 |
| Disposals of long-term financial instruments | 42,935 | 2,861 |
| Proceeds from disposals of property, plant and equipment | 133,981 | 85,901 |
| Proceeds from disposals of intangible assets | 3,823 | 2,605 |
| Proceeds from disposals of investment of subsidiaries | 76,133 | - |
| Proceeds from disposals of investments in joint ventures and associates | 4,991 | 1,404 |
| Acquisition of subsidiaries, net of cash acquired | (50,313) | 13,004 |
| Increases in other financial assets (non-current) | (148,896) | (679,741) |
| Increases in other receivables | (25,077) | (49,631) |
| Purchases of long-term financial instruments | (11,894) | (18,759) |
| Acquisitions of property, plant and equipment | (4,687,842) | (3,586,716) |
| Acquisitions of intangible assets | (1,701,608) | (1,716,680) |
| Acquisitions of investments in joint ventures and associates | (1,359,278) | (588,541) |
| Others | <u>102,816</u> | <u>56,572</u> |
| Net cash used in investing activities | <u>(9,337,596)</u> | <u>(5,929,184)</u> |

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------------|--------------------|
| | (In millions of Korean Won) | |
| Cash flows from financing activities: | | |
| Proceeds from short-term borrowings, net | ₩ 301,587 | ₩ 1,418,012 |
| Proceeds from long-term debt and debentures | 35,536,741 | 25,557,933 |
| Proceeds from capital contribution from non-controlling interest | 5,080 | 4,806 |
| Repayment of long-term debt and debentures | (23,059,360) | (20,433,457) |
| Repayment of lease liabilities | (201,571) | (159,604) |
| Purchases of treasury stocks | (303,077) | (458,031) |
| Dividends paid | (893,769) | (1,121,820) |
| Issue of hybrid bond | - | 150,323 |
| Others | (33,158) | (83,236) |
| Net cash provided by financing activities | <u>11,352,473</u> | <u>4,874,926</u> |
| Decrease due to transfer to assets classified as held for sale | (27,784) | - |
| Effect of exchange rate changes on cash and cash equivalents | (397,121) | 202,820 |
| Net increase(decrease) in cash and cash equivalents | <u>1,180,165</u> | <u>(431,654)</u> |
| Cash and cash equivalents, beginning of the period | ₩ 8,681,971 | ₩ 9,113,625 |
| Cash and cash equivalents, end of the period | <u>₩ 9,862,136</u> | <u>₩ 8,681,971</u> |

(Concluded)

HYUNDAI MOTOR COMPANY

SEPARATE STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

| ASSETS | December 31, 2020 | December 31, 2019 |
|---|-----------------------------|-------------------|
| | (In millions of Korean Won) | |
| Current assets: | | |
| Cash and cash equivalents | ₩ 469,990 | ₩ 382,000 |
| Short-term financial instruments | 5,293,455 | 5,793,630 |
| Other financial assets | 9,512,741 | 6,983,208 |
| Trade notes and accounts receivable | 4,670,346 | 4,733,426 |
| Other receivables | 1,292,828 | 1,118,882 |
| Inventories | 3,043,468 | 3,065,329 |
| Non-current assets classified as held for sale | 73,398 | - |
| Other assets | 255,878 | 270,317 |
| Total current assets | 24,612,104 | 22,346,792 |
| Non-current assets: | | |
| Long-term financial instruments | 1,123 | 682,334 |
| Other financial assets | 2,194,803 | 2,359,601 |
| Long-term trade notes and accounts receivable | 28,064 | 20,449 |
| Other receivables | 486,250 | 475,659 |
| Property, plant and equipment | 24,825,586 | 24,413,350 |
| Investment property | 137,879 | 143,237 |
| Intangible assets | 4,513,565 | 4,270,089 |
| Investments in subsidiaries, joint ventures and associates | 20,332,009 | 18,416,453 |
| Deferred tax assets | 1,342,347 | 862,064 |
| Right-of-use assets | 139,709 | 148,128 |
| Other assets | 37,244 | 19,063 |
| Total non-current assets | 54,038,579 | 51,810,427 |
| Total assets | ₩ 78,650,683 | ₩ 74,157,219 |

(Continued)

HYUNDAI MOTOR COMPANY

SEPERATE STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019 (CONTINUED)

| LIABILITIES AND EQUITY | December 31, 2020 | December 31, 2019 |
|--|-----------------------------|-------------------|
| | (In millions of Korean Won) | |
| Current liabilities: | | |
| Trade notes and accounts payable | ₩ 4,624,880 | ₩ 4,349,005 |
| Other payables | 3,386,033 | 3,275,483 |
| Short-term borrowings | 3,164,607 | 3,293,370 |
| Current portion of long-term debt and debentures | 526,632 | 648,368 |
| Income tax payable | 405,304 | 207,081 |
| Provisions | 3,831,184 | 1,936,640 |
| Other financial liabilities | 14,957 | 12 |
| Lease liabilities | 50,786 | 49,478 |
| Other liabilities | 1,705,055 | 1,389,431 |
| Total current liabilities | 17,709,438 | 15,148,868 |
| Non-current liabilities: | | |
| Long-term other payables | 797,478 | 825,824 |
| Debentures | 598,275 | 299,617 |
| Long-term debt | 2,348,598 | 676,957 |
| Net defined benefit liabilities | 140,704 | 320,843 |
| Provisions | 2,921,723 | 2,521,136 |
| Other financial liabilities | 10,931 | 2,546 |
| Lease liabilities | 82,734 | 90,213 |
| Other liabilities | 453,899 | 352,206 |
| Total non-current liabilities | 7,354,342 | 5,089,342 |
| Total liabilities | 25,063,780 | 20,238,210 |
| Equity: | | |
| Capital stock | 1,488,993 | 1,488,993 |
| Capital surplus | 4,009,850 | 4,012,033 |
| Other capital items | (1,700,592) | (1,516,817) |
| Accumulated other comprehensive income | 157,539 | 64,476 |
| Retained earnings | 49,631,113 | 49,870,324 |
| Total equity | 53,586,903 | 53,919,009 |
| Total liabilities and equity | ₩ 78,650,683 | ₩ 74,157,219 |

(Concluded)

HYUNDAI MOTOR COMPANY

SEPERATE STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|--|---|--------------|
| | (In millions of Korean Won, except per share amounts) | |
| Sales | ₩ 50,661,002 | ₩ 49,155,693 |
| Cost of sales | 41,007,374 | 40,324,396 |
| Gross profit | 9,653,628 | 8,831,297 |
| Selling and administrative expenses | 8,885,002 | 7,251,133 |
| Operating profit | 768,626 | 1,580,164 |
| Gain (loss) on investments in joint ventures and associates, net | (228,325) | 181,110 |
| Finance income | 540,291 | 1,562,521 |
| Finance expenses | 251,973 | 144,315 |
| Other income | 530,229 | 866,840 |
| Other expenses | 832,005 | 856,427 |
| Profit before income tax | 526,843 | 3,189,893 |
| Income tax expense (benefit) | (132) | 357,604 |
| Profit for the period | ₩ 526,975 | ₩ 2,832,289 |
| Earnings per share | | |
| Basic earnings per share: | | |
| Common stock | ₩ 2,006 | ₩ 10,749 |
| 1 st preferred stock | ₩ 2,055 | ₩ 10,793 |
| Diluted earnings per share: | | |
| Common stock | ₩ 2,006 | ₩ 10,749 |
| 1 st preferred stock | ₩ 2,055 | ₩ 10,793 |

HYUNDAI MOTOR COMPANY

SEPERATE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------------|--------------------|
| | (In millions of Korean Won) | |
| Profit for the year | ₩ 526,975 | ₩ 2,832,289 |
| Other comprehensive income (loss): | | |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Profit (loss) on financial assets measured at FVOCI, net | 9,087 | (44,270) |
| Remeasurements of defined benefit plans | 29,864 | (34,891) |
| | <u>38,951</u> | <u>(79,161)</u> |
| Items that may be reclassified subsequently to profit or loss: | | |
| Gain on valuation of cash flow hedge derivatives, net | 78,415 | 12,835 |
| | <u>78,415</u> | <u>12,835</u> |
| Total other comprehensive income (loss) | <u>117,366</u> | <u>(66,326)</u> |
| Total comprehensive income | <u>₩ 644,341</u> | <u>₩ 2,765,963</u> |

HYUNDAI MOTOR COMPANY

SEPERATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | Capital stock | Capital surplus | Other capital items | Accumulated other comprehensive income (loss) | Retained earnings | Total equity |
|--|--------------------|--------------------|---------------------------|--|----------------------|---------------------|
| (In millions of Korean Won) | | | | | | |
| Balance at January 1, 2019 | ₩ 1,488,993 | ₩ 4,009,870 | ₩ (1,155,244) | ₩ 94,617 | ₩ 48,137,551 | ₩ 52,575,787 |
| Payment of cash dividends | - | - | - | - | (1,063,331) | (1,063,331) |
| Purchases of treasury stocks | - | - | (458,031) | - | - | (458,031) |
| Disposal of treasury stocks | - | 2,163 | 96,458 | - | - | 98,621 |
| Loss on financial assets measured at FVOCI, net | - | - | - | (42,976) | (1,294) | (44,270) |
| Gain on valuation of cash flow hedge derivatives, net | - | - | - | 12,835 | - | 12,835 |
| Remeasurements of defined benefit plans | - | - | - | - | (34,891) | (34,891) |
| Profit for the year | - | - | - | - | 2,832,289 | 2,832,289 |
| Balance at December 31, 2019 | <u>₩ 1,488,993</u> | <u>₩ 4,012,033</u> | <u>₩ (1,516,817)</u> | <u>₩ 64,476</u> | <u>₩ 49,870,324</u> | <u>₩ 53,919,009</u> |
| Balance at January 1, 2020 | ₩ 1,488,993 | ₩ 4,012,033 | ₩ (1,516,817) | ₩ 64,476 | ₩ 49,870,324 | ₩ 53,919,009 |
| Payment of cash dividends | - | - | - | - | (790,489) | (790,489) |
| Purchases of treasury stocks | - | - | (303,077) | - | - | (303,077) |
| Disposal of treasury stocks | - | (2,183) | 119,302 | - | - | 117,119 |
| Gain (loss) on financial assets measured at FVOCI, net | - | - | - | 14,648 | (5,561) | 9,087 |
| Gain on valuation of cash flow hedge derivatives, net | - | - | - | 78,415 | - | 78,415 |
| Remeasurements of defined benefit plans | - | - | - | - | 29,864 | 29,864 |
| Profit for the year | - | - | - | - | 526,975 | 526,975 |
| Balance at December 31, 2020 | <u>₩ 1,488,993</u> | <u>₩ 4,009,850</u> | <u>₩ (1,700,592)</u> | <u>₩ 157,539</u> | <u>₩ 49,631,113</u> | <u>₩ 53,586,903</u> |

(Concluded)

HYUNDAI MOTOR COMPANY

SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|--|-----------------------------|-------------|
| | (In millions of Korean Won) | |
| Cash flows from operating activities: | | |
| Cash generated from operations: | | |
| Profit for the year | ₩ 526,975 | ₩ 2,832,289 |
| Adjustments | 6,165,377 | 3,449,795 |
| Changes in operating assets and liabilities | (726,475) | (2,472,251) |
| | 5,965,877 | 3,809,833 |
| Interest received | 204,924 | 277,444 |
| Interest paid | (93,509) | (132,884) |
| Dividend received | 341,702 | 1,150,356 |
| Income tax paid | (325,618) | (450,238) |
| Net cash provided by operating activities | 6,093,376 | 4,654,511 |
| Cash flows from investing activities: | | |
| Proceeds from disposals of short-term financial instruments, net | 1,178,553 | 3,360 |
| Changes in other financial assets (current), net | (2,274,951) | 487,320 |
| Collection of other receivables | 27,231 | 30,066 |
| Disposals of long-term financial instrument | 6,295 | 2,825 |
| Decrease in other financial assets (non-current) | 2,232 | 1,261 |
| Proceeds from disposals of property, plant and equipment | 89,925 | 57,168 |
| Proceeds from disposals of investment property | - | 4,344 |
| Proceeds from disposals of intangible assets | 2,759 | 1,683 |
| Disposals of assets classified as held for sale | - | 43,830 |
| Proceeds from disposals of investment in subsidiaries, joint ventures, and associates | 4,991 | - |
| Increases in other financial assets (non-current) | (42,876) | (555,791) |
| Increases in other receivables | (19,181) | (31,902) |
| Purchase of long-term financial instruments | (5,095) | (3,366) |
| Acquisitions of property, plant and equipment | (2,328,781) | (1,776,500) |
| Acquisitions of intangible assets | (1,509,715) | (1,491,369) |
| Acquisitions of investments in subsidiaries, joint ventures and associates | (1,744,297) | (701,466) |
| Net cash used in investing activities | (6,612,910) | (3,928,537) |
| Cash flows from financing activities: | | |
| Repayment of short-term borrowings, net | (108,222) | 1,042,608 |
| Proceeds from long-term debt and debentures | 2,307,347 | - |
| Repayment of long-term debt (current) | (231,560) | - |
| Repayment of long-term debt and debentures | (200,000) | - |
| Repayment of lease liabilities | (64,505) | (59,438) |
| Purchase of treasury stock | (303,077) | (458,031) |
| Dividends paid | (790,479) | (1,063,316) |
| Net cash provided by (used in) financing activities | 609,504 | (538,177) |
| Effect of exchange rate changes on cash and cash equivalents | (1,980) | - |
| Net increase in cash and cash equivalents | 87,990 | 187,797 |
| Cash and cash equivalents, beginning of the year | 382,000 | 194,203 |
| Cash and cash equivalents, end of the year | ₩ 469,990 | ₩ 382,000 |

Item 2: Partial Amendments of the Articles of Incorporation

| Agenda | Pre-amended Provision | Post-amended Provision | Purpose of Amendment |
|--|---|--|---|
| <p>Article 31 (Sub-Committee under Board of Directors)</p> | <p>(1) The Recommendation Committee on Candidates for Outside Directors, the Audit Committee, the Remuneration Committee and the Corporate Governance & Communication Transparent Management Committee shall be established as Sub-Committees under the Board of Directors and, other Sub-Committees may be established that deliberate and decide the management strategies of the Company or such other matters as delegated by the Board of Directors.</p> | <p>(1) The Recommendation Committee on Candidates for Outside Directors, the Audit Committee, the Remuneration Committee and the <u>Sustainability Management Committee</u> shall be established as Sub-Committees under the Board of Directors and, other Sub-Committees may be established that deliberate and decide the management strategies of the Company or such other matters as delegated by the Board of Directors.</p> | <p>To expand its role in the future by changing name of the Corporate Governance & Communication Transparent Management Committee</p> |
| <p>Article 29-6 (Safety and Health Plans)</p> | <p><Newly Established></p> | <p>Article 29-6 (Plan for Safety and Health) (1) The Representative Director shall annually establish safety and health plans of the Company in accordance with applicable laws and regulations including the Occupational Safety and Health Act, (2) In accordance with the above provision, the Company shall report its safety and health plans to the board of directors and obtain the approval thereof</p> | <p>To reflect the amended Occupational Safety and Health Act</p> |
| <p>Addendum</p> | <p><Newly Established></p> | <p>Addendum (2021.3.24) Article 1. (Effective Date) The amended articles of Incorporation shall become effective on the resolution date of the annual general meeting of shareholders for the 53rd fiscal year</p> | <p>-</p> |

Item 3: Appointment of Director(s)

● Item 3-1 : Appointment of an Independent Director

*Nominee (1 person)

| Name | Date of birth | Major Career | Transaction with the Company |
|-------------------|--------------------|--|------------------------------|
| | Recommended by | | |
| Shim, Dal Hoon | June, 1959 | <ul style="list-style-type: none"> · Representative of Woorin Tax Partners (current) · Head of NTS Jungbu Regional Office (former) | None |
| | EDCRC ² | | |

● Item 3-2 : Appointment of Internal Directors

*Nominees (3 persons)

| Name | Date of birth | Major Career | Transaction with the Company |
|--------------------|------------------|---|---------------------------------------|
| | Recommended by | | |
| Ha, Eon Tae | October, 1962 | <ul style="list-style-type: none"> · CEO and President of HMC, President of HMC Domestic Production Division and President of HMC Ulsan Plant (current) · CEO and Executive Vice President of HMC and President of HMC Ulsan Plant (former) | None |
| | BOD ¹ | | |
| Chang, Jae Hoon | August, 1964 | <ul style="list-style-type: none"> · President of HMC, Head of Genesis Division and Commercial Vehicle Business Division (current) · Executive Vice President/President of HMC, Head of People & Business Operation Support Division, Korea Business Division and Genesis Division (former) | Owns 370 common shares of the Company |
| | BOD ¹ | | |
| Seo, Gang Hyun | January, 1968 | <ul style="list-style-type: none"> · Executive Vice President, CFO and Head of Business Strategy Planning Division of HMC (current) · Senior Vice President of Finance & Accounting Division of Hyundai Steel (former) | Owns 400 common shares of the Company |
| | BOD ¹ | | |

Item 4: Appointment of Independent Director to be an Audit Committee Member

*Nominees (1 persons)

| Name | Date of birth | Major Career | Transaction with the Company |
|----------------|---------------------------------------|--|------------------------------|
| | Recommended by | | |
| Lee, Ji Yun | September, 1974 | <ul style="list-style-type: none"> · Assistant Professor of Department of Aerospace Engineering at KAIST and Director of the Korean Society for Aeronautical and Space Sciences, the Institute of Positioning, Navigation and Timing and the Korean Navigation Institute (current) · Director of American Society of Navigation (former) | None |
| | BOD ¹ & EDCRC ² | | |

Item 5: Appointment of of Audit Committee Member(s)

*Nominees (1 persons)

| Name | Date of birth | Major Career | Transaction with the Company |
|-------------------|------------------|--|------------------------------|
| | Recommended by | | |
| Shim, Dal Hoon | June, 1959 | <ul style="list-style-type: none"> · Representative of Woorin Tax Partners (current) · Head of NTS Jungbu Regional Office (former) | None |
| | BOD ¹ | | |

1. Board of Directors

2. External Director Candidate Recommendation Committee

Item 6: Approval of Ceiling Amount of Remuneration for Directors

| Year | Number of BOD | Compensation Cap |
|------|---------------|-------------------------|
| 2021 | 11 persons | 13.5 billion Korean Won |