

HD Hyundai Heavy Industries – HD Hyundai Mipo Merger and Business Restructuring

Aug 27. 2025



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Contents

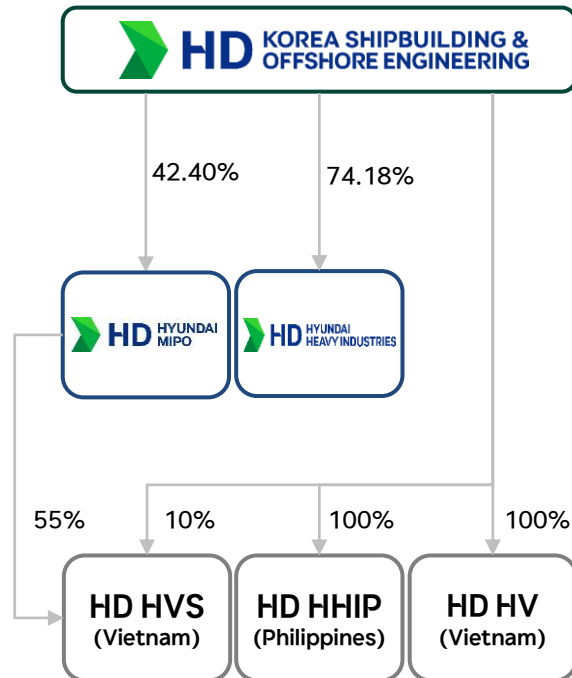
1. Overview

2. Background and Objectives

3. Vision

1. Overview

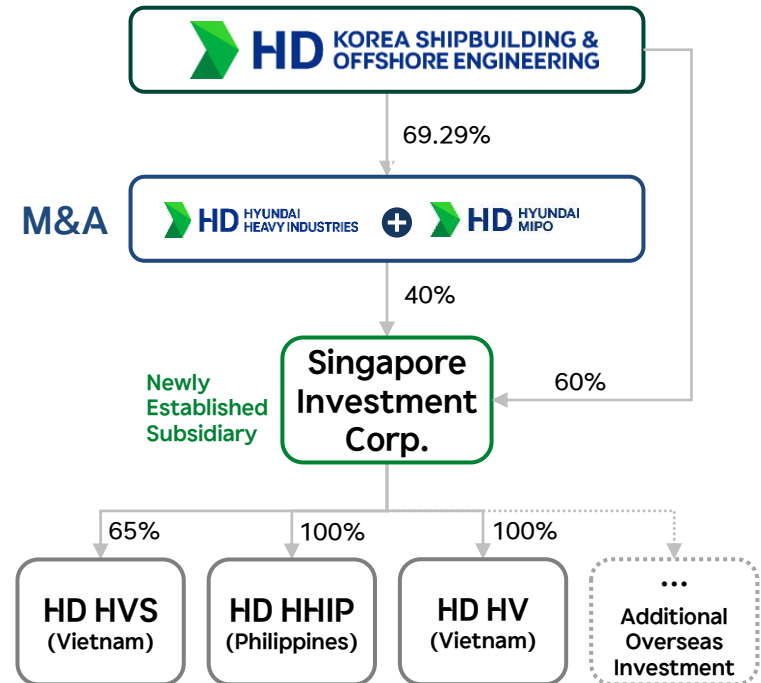
As-is



※ HD HV (HD Hyundai Vietnam, assumed): Formerly Doosan Enerbility Vietnam
(Acquired on Aug.20)

- Increasing need to actively pursue new business opportunities, including securing growth drivers by entering new markets
- Need to enhance competitiveness through quantitative and qualitative expansion amid intensifying competition

To-be

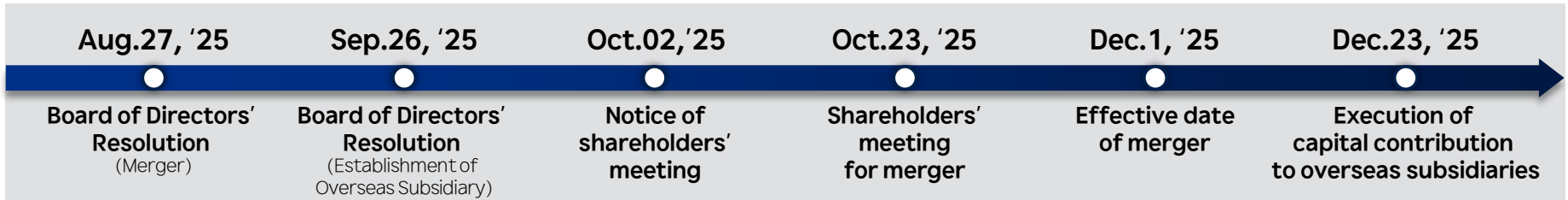


- Creation of an integrated entity through the merger of HD Hyundai Heavy Industries(*HD HHI*) and HD Hyundai Mipo(*HD HMD*)
- Establishment of a subsidiary in Singapore to focus on overseas business investments

(Amount, method, and schedule to be determined by future Board resolutions)

1. Overview

Timeline*1



Method of merger

HD HHI – HD HMD Merger By Absorption

Issuance of new shares of HD HHI
to shareholders of HD HMD

- Surviving Entity :



- Dissolved Entity :



Merger ratio

For each share of HD HMD,
0.4059146 shares of HD HHI
will be allocated.

- Method:** Since both are listed, ratio is calculated in accordance with the article 176-5, paragraph 1, item 1 of the Enforcement Decree of the Capital Markets Act.
- Reference price:** (Average closing price for the past 1 month*2 + for the past 1 week*2 + and the closing price on the last day)/3

Appraisal rights

Reference price

- HD HHI : **KRW 462,626**
- HD HMD : **KRW 192,695**

- Method :** In accordance with the article 176-7, paragraph 3, item 1 of the Enforcement Decree of the Capital Market Act.
- Reference price:** (Average closing price for the past 2 month*2 + for the past 1 month*2 + for the past 1 week*2)/3
- Exercise period:** Oct.23, '25 ~ Nov.12, '25

*1 The above schedule is subject to change due to permits, approvals and consultations with relevant authorities in accordance with applicable laws and regulations

*2 Average closing price : Calculated as the volume-weighted arithmetic average of closing prices

Contents

1. Overview

2. Background and Objectives

3. Vision

2. Background and Objectives

Maximizing future shipbuilding growth via resource & capability consolidation



Increasing opportunities in the K-defense market driven by global naval expansion and MASGA agreement

Rapid paradigm shift in shipbuilding industry due to stricter environmental regulations

Domestic shipyards losing ground as China takes commercial vessel M/S

1

Unifying defense tech., track record, and production capabilities, **to leap toward global leader in MASGA and K-defense**

2

Pursuing quantitative and qualitative expansion
based on synergies from integrating special-purpose vessel expertise, accelerating new tech. adoption, and strengthening core competitiveness

3

Accelerating development of overseas yards
to reclaim lost market share and improve profitability through an efficient integrated operating system.

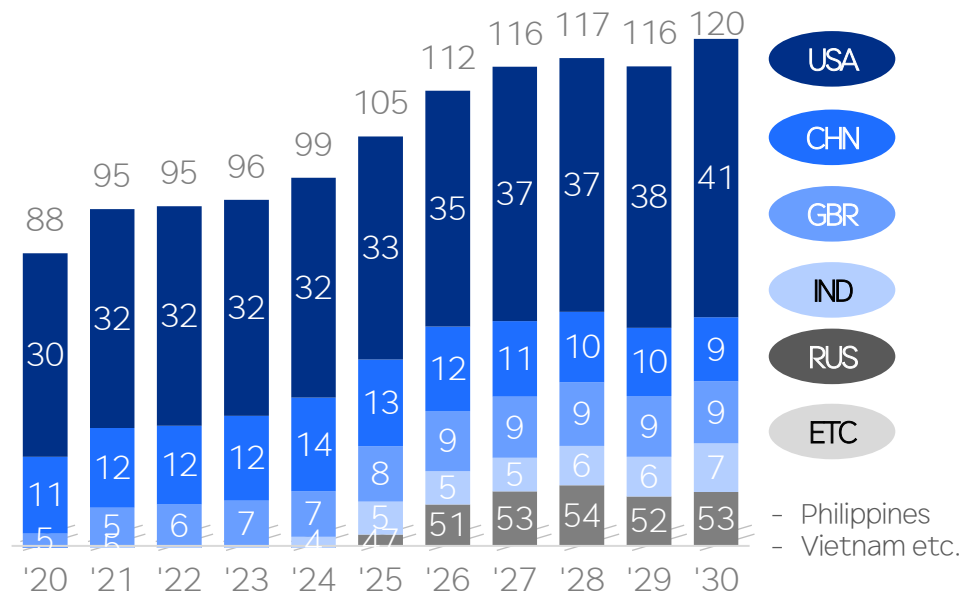
2-1. Leap toward a Global Leader in K-Defense

Rising global naval demand & K-Defense cooperation → new overseas opportunities

Global Naval Market Growth Potential

Acceleration of global naval defense budget
amid worsening global security environment

Budget plans for new naval vessels worldwide (unit: bn.USD)



Rising K-Defense Exports

Rising Global Demand for K-Defense Naval Cooperation



- | | |
|-----|---|
| USA | • Strong promotion of Korea-U.S. shipbuilding cooperation under the new administration |
| CAN | • Requests for submarine replacement projects to Korean shipyards as one K-defense team |
| PHL | • Requests for warship construction from Korean shipyards to respond to the South China Sea dispute |
| PER | • Requests for fleet modernization and local shipyard reconstruction |
- ⋮

2-1. Leap toward a Global Leader in K-Defense

MASGA deal: new growth foothold, expanding shipbuilding & defense via joint construction and tech collaboration

Korea-US shipbuilding cooperation project "MASGA"^{*1}

From a total \$350 bil. Investment fund in the U.S, **\$150 bil. allocated to MASGA**

Fund Allocation

- ✓ Construction of new shipyard in the U.S
- ✓ Expansion of the construction and MRO
- ✓ Technology transfer & Workforce training
- ✓ Reconstruction of the supply chain

HD HHI's contribution plan to "MASGA"



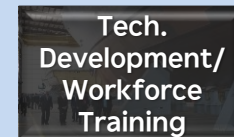
Joint Construction with U.S Shipyard



Accelerate Collaboration in U.S Warship Construction and MRO Business



Establishment of a U.S Overseas Corporation



Technology Transfer & Support Workforce Development by Specialist Deployment



Expand Local Production & Procurement Collaboration

^{*1} Make American Shipbuilding Great Again

2-1. Leap toward a Global Leader in K-Defense

U.S. shipbuilding capacity limits + MASGA project : rising cooperation requests & new opportunities



U.S Newbuilding & MRO Opportunities

Strategic Commercial Fleet^{*1}

Transport Defense
Materials · Troops
U.S-Built Commercial
Ships

Maritime/Tanker Security Commercial Fleet^{*2}

Commercial Ships
Military Materials ·
Fuel Transport
U.S-flagged ships

Ready Reserve Fleet^{*3}

Ready Reserve
Fleet Designed to
Support Military
Logistics

SHIPS Act Bill Proposal^{*4}
Clear Demand
Projection for at least
30 ships by '30

TSP^{*5} Fleet
10 ships → 20 ships
Expected
(incl. fuel supply infra.)

Expected Order of
10 Newbuilding
Ro-Ro

Legislation-driven demand
growth outpacing U.S
shipbuilding capacity^{*6}



Strategic Commercial Fleet ('30FY)
MSP&TSP and RRF may register foreign-built
vessels with no time restrictions



U.S Navy's Expansion of MRO in the
APAC Region



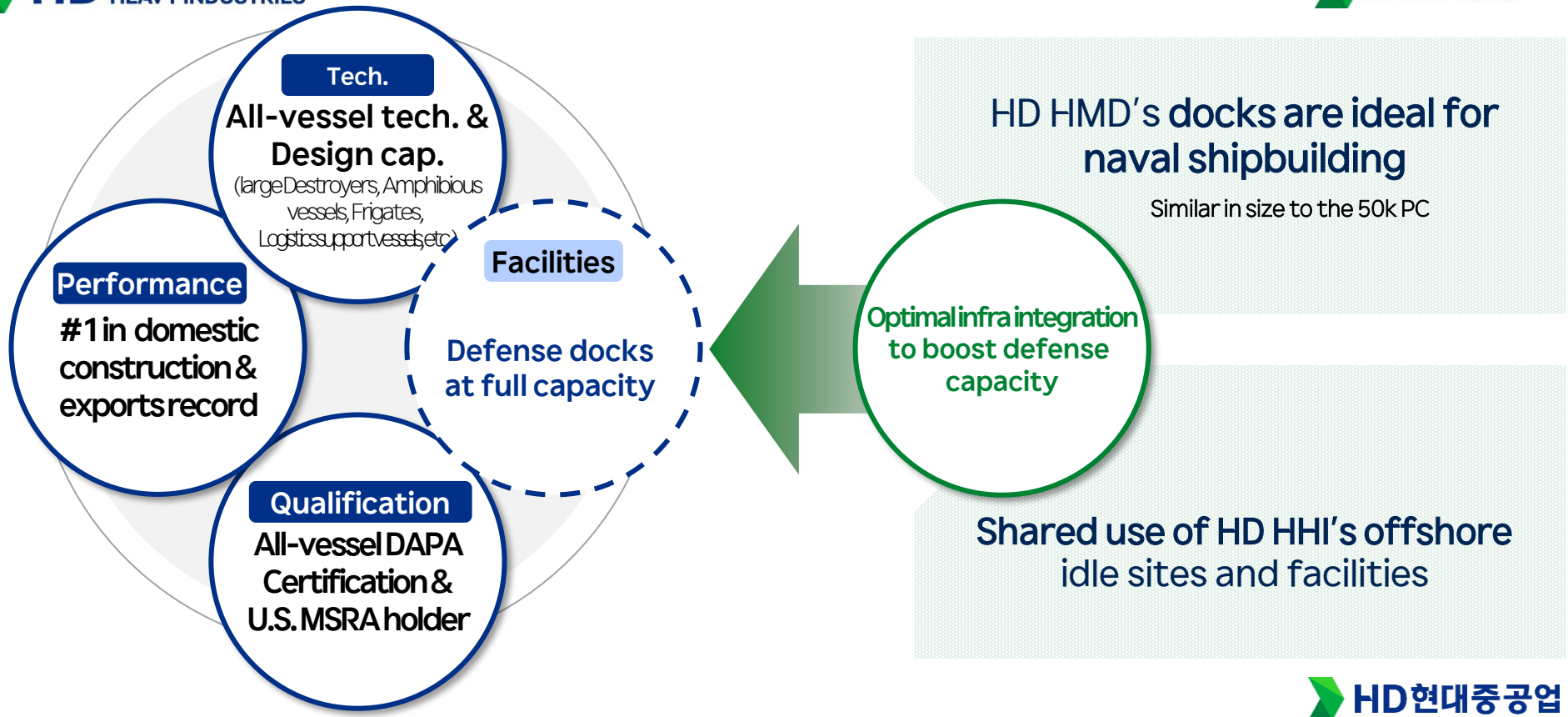
**Rising Orders for
Korean Shipyards**

^{*1} Strategic Commercial Fleet ^{*2} Maritime/Tanker Security Fleet (MSP & TSP) ^{*3} Ready Reserved Force (RRF) ^{*4} Proposed on '25 ^{*5} Tanker Security Program

^{*6} Limited Large Commercial Shipyards and Shortage of Skilled Labor in the U.S

2-1. Leap toward a Global Leader in K-Defense

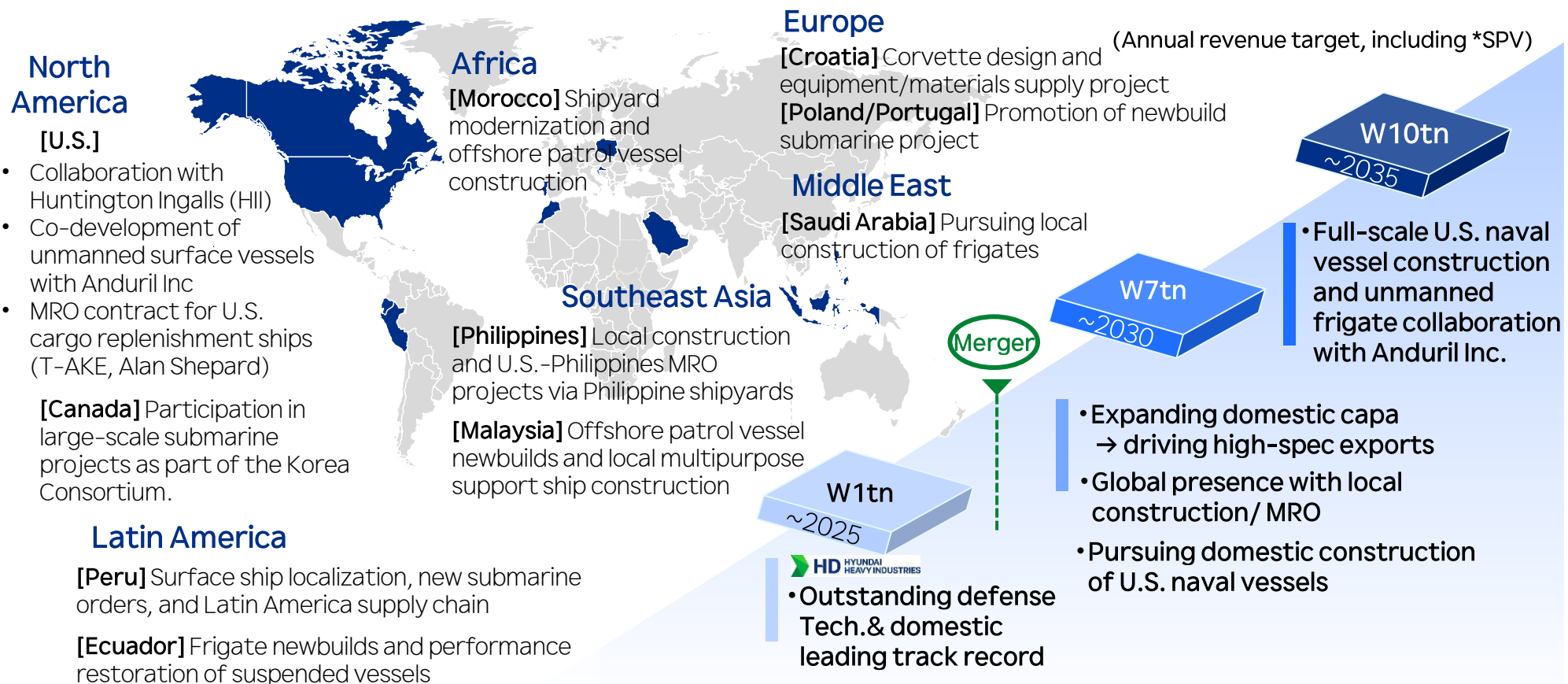
Capture defense opportunities via HD HHI & HD HMD strengths



2-1. Leap toward a Global Leader in K-Defense

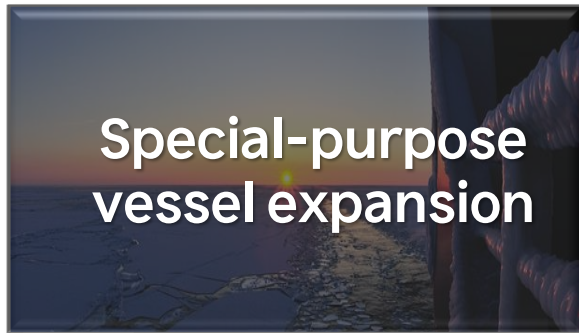
Global defense expansion via restructuring and focused deployment

Status of overseas defense cooperation and roadmap for business expansion

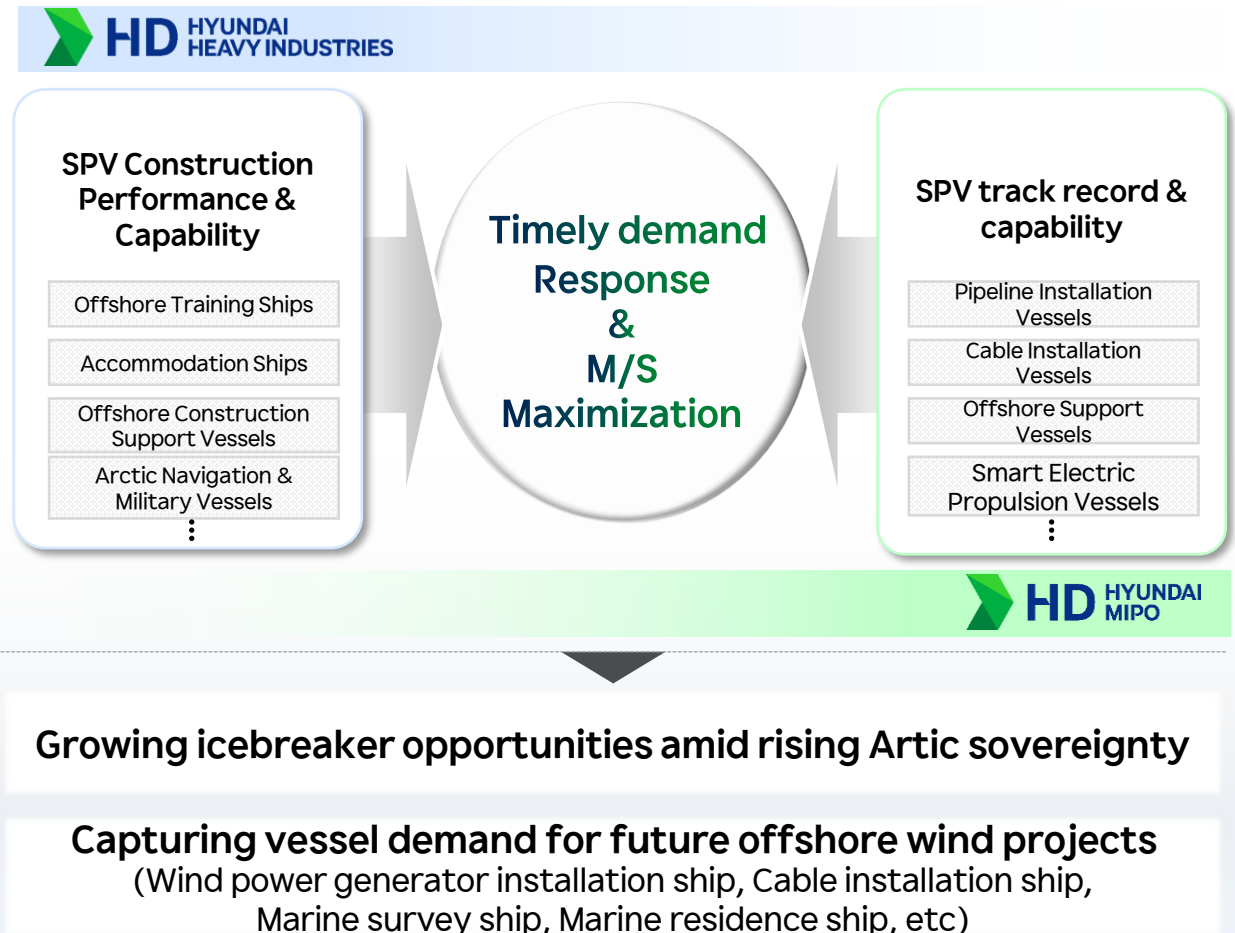


2-2. Promote Quantitative and Qualitative Growth

Maximizing special-purpose vessel market share through integration synergy



Track record vital with vessel-specific systems

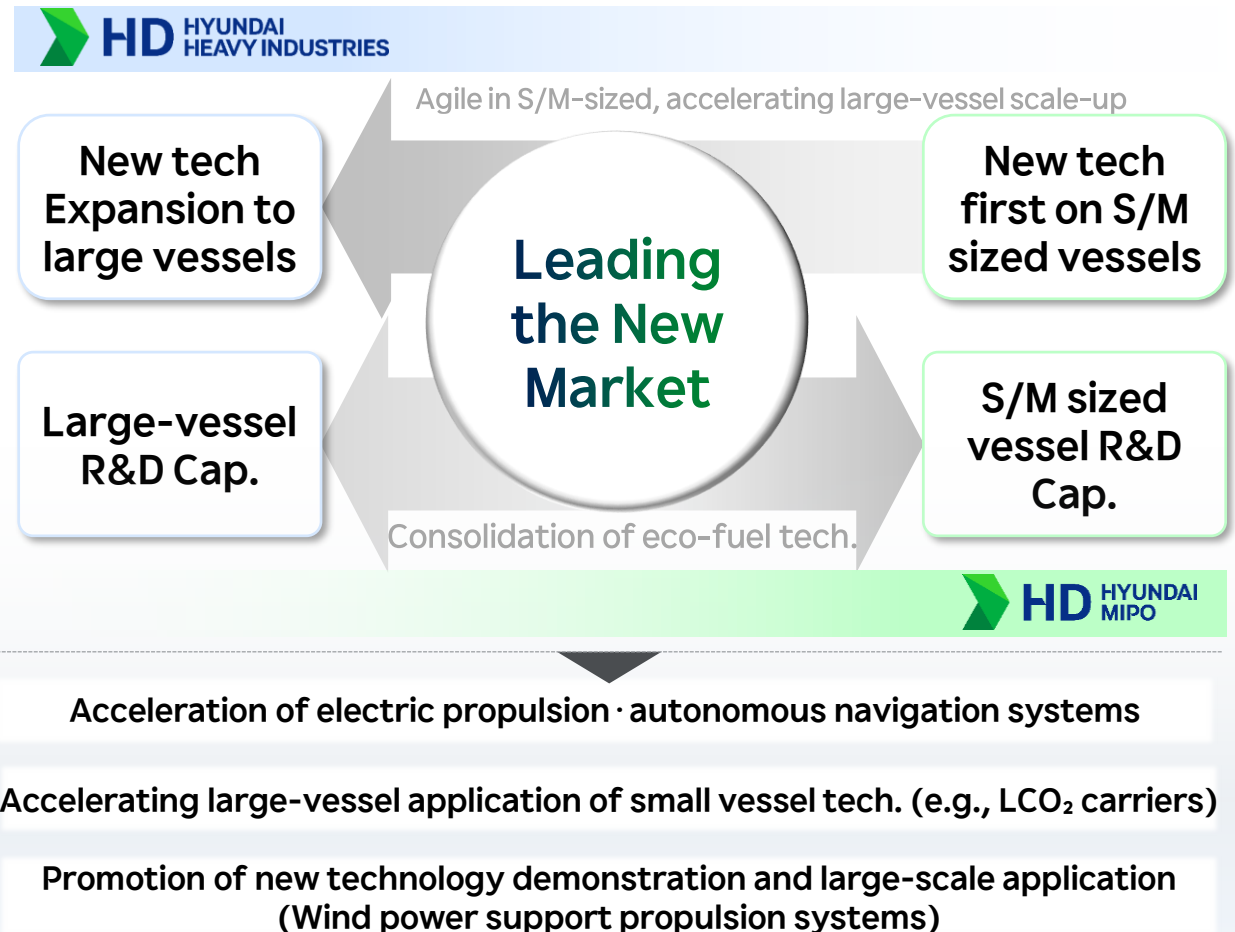


2-2. Quantitative and Qualitative Expansion

Accelerating new technology scale-up through consolidated R&D

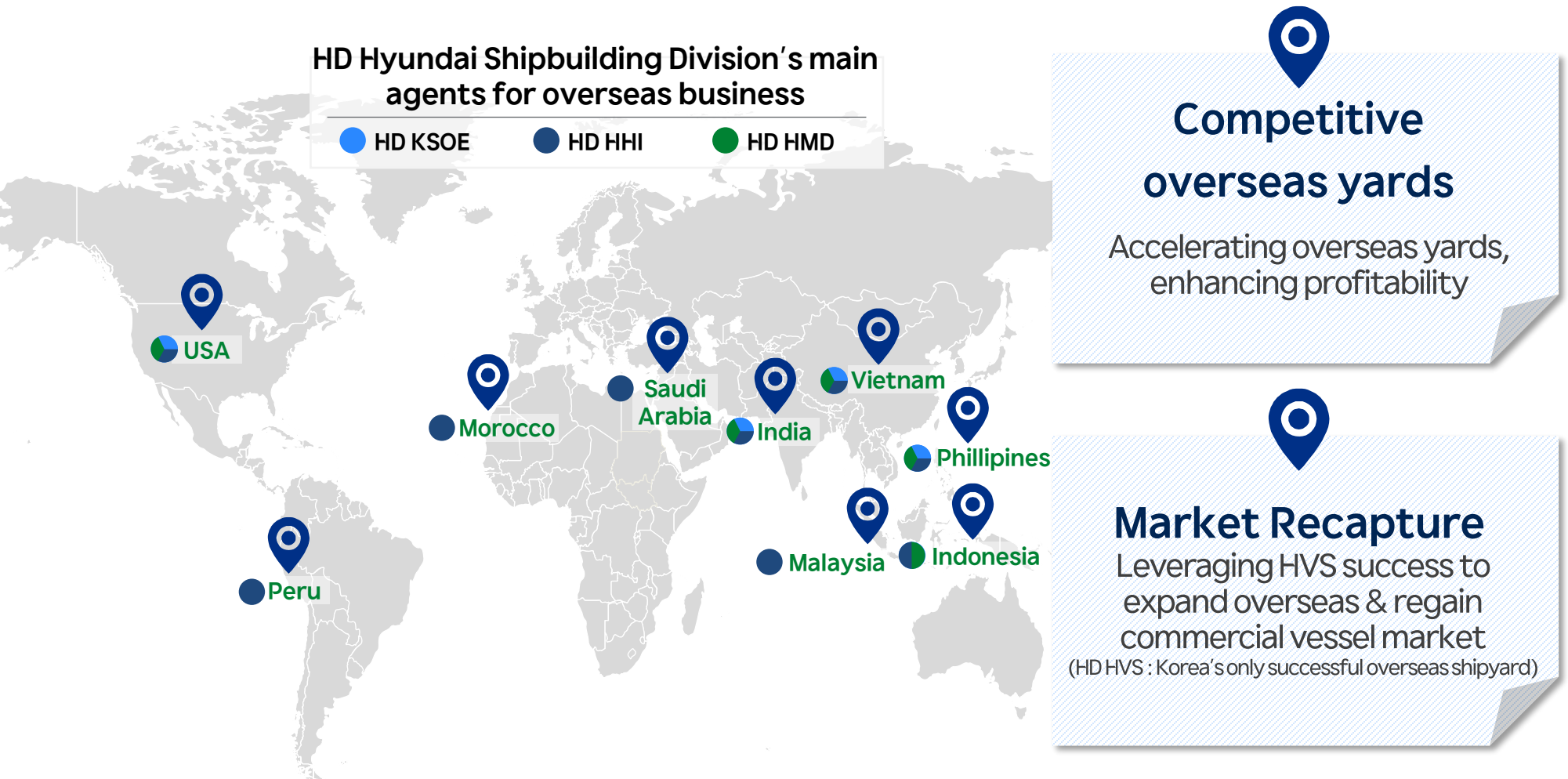


Securing eco-fuel tech & leading new tech



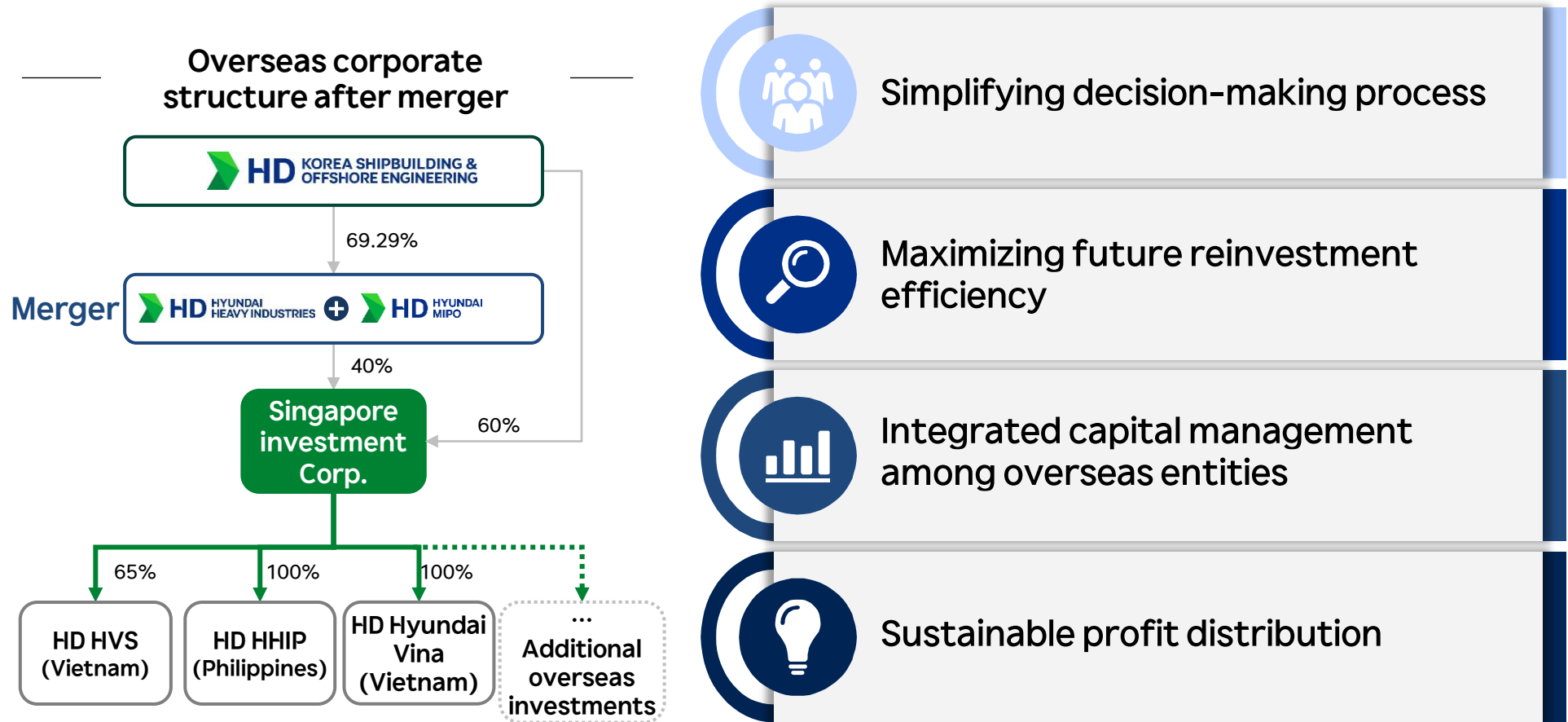
2-3. Accelerating Development of Overseas Yards

Overseas operations integration → regain markets & strengthen profitability



2-3. Accelerating Development of Overseas Yards

Establishment of Singapore investment corp. → efficiency & stable returns



Contents

1. Overview

2. Background and Objectives

3. Vision

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Center of the Future Shipbuilding Market, Global Market Leader

Advance to lead broader market



Move for a stronger shipbuilding

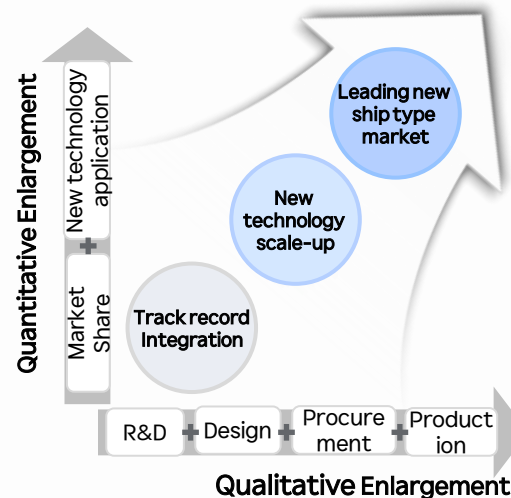
Leadership in K-defense

Accelerating K-defense global expansion via MASGA, targeting KRW 10 trillion+ revenue by 2035



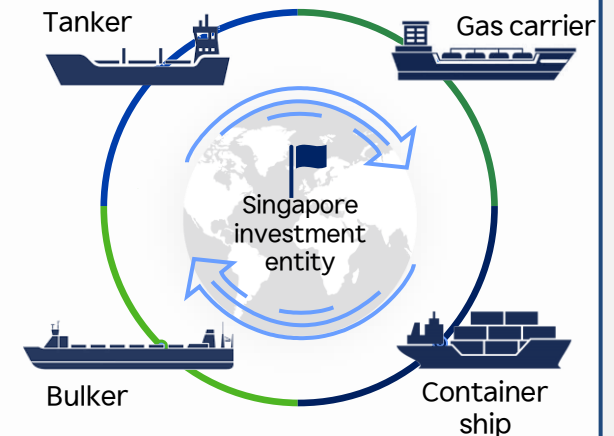
Synergy-driven scale-up

Strengthening core capabilities to lead the new ship type market



Competitive overseas yards

Reclaim market leadership across all commercial ship segments including high-value vessels



3. Vision

“ Targeting sales over KRW 37 tril. by 2035 ”

