

**NOTICE OF THE CONVENING OF  
THE 37<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Pursuant to Article 17 of the Articles of Incorporation, we hereby announce the convening of the 37th annual general meeting of shareholders as follows, and individual notice will be replaced by this notice for the shareholders who own less than one-hundredth of the total voting shares, pursuant to Article 4 of 542 of Commercial Law and Article 18 of the Articles of Incorporation ;

1. Date : March 11, 2011 (Friday) 10:00 a.m.

2. Place : Han-Ma-Woom Community Center, 290-16, Jeonha-dong, Dong-gu, Ulsan

3. Agenda

A. Report Item : Audit report and business report

B. Major Agenda

- Item No. 1: Approval of Financial Statements for the 37th Fiscal Year (from January 1, 2010 to December 31, 2010)
- Item No. 2: Approval of Amendment to Articles of Incorporation
- Item No. 3: Appointment of Directors (one inside director, two outside directors, one absentee director)

※ Nominees (4 persons):

<i>Name</i>	<i>Date of Birth /Recommended by</i>	<i>Inside/Outsi de Director Nominee</i>	<i>Major Career</i>	<i>Relationship with Major Shareholder / Transactions with Company during past three years</i>
Weon-gil Choe	Mar. 8, 1950 / BOD	Absentee	<ul style="list-style-type: none"> <li>•CEO, Hyundai Mipo Dockyard Co., Ltd.(Currently)</li> <li>• B.S., Electrical Engineering, Seoul National University</li> </ul>	Director of affiliate company / NO
Oi-hyun Kim	May. 1, 1954 / BOD	Inside	<ul style="list-style-type: none"> <li>•COO of Shipbuilding Division, Hyundai Heavy Industries Co., Ltd. (Currently)</li> <li>•Ph. D, Naval Architecture &amp; Ocean Engineering, University of Ulsan</li> </ul>	NO / NO
Ho-bum Pyun	Oct. 11, 1952 / Outside Director Nominee Recommendation Committee	Outside	<ul style="list-style-type: none"> <li>•Vice-President, Deloitte Anjin LLC(Currently)</li> <li>• Commissioner, the Board of Audit and Inspection</li> <li>•Ph. D, Business Administration, Sungkyunkwan University</li> </ul>	NO / NO
Chul Lee	May 25, 1952 / Outside Director Nominee Recommendation Committee	Outside	<ul style="list-style-type: none"> <li>•Professor, Business Administration, Sogang Univesity(Currently)</li> <li>•President, Korean Academy of International Business</li> <li>•Ph. D, Business Administration, University of Texas at Austin</li> </ul>	NO / NO

■ **Item No. 4: Appointment of Member of Audit Committee**

<i>Name</i>	<i>Date of Birth /Recommended by</i>	<i>Inside/Outside Director Nominee</i>	<i>Major Career</i>	<i>Relationship with Major Shareholder / Transactions with Company during past three years</i>
Ho-bum Pyun	Oct. 11, 1952 / BOD	Outside	<ul style="list-style-type: none"> <li>• Ph. D, Business Administration, Sungkyunkwan University</li> <li>• Commissioner, the Board of Audit and Inspection</li> <li>• Vice-President, Deloitte Anjin LLC(Currently)</li> </ul>	NO / NO

■ **Item No. 5: Approval of the Compensation Ceiling for the Directors**

- Proposed remuneration ceiling for the 37th fiscal year: KRW 4 billion
- Remuneration ceiling approved in the 36th fiscal year: KRW 4 billion
- Number of Directors: 7 (Outside Directors: 4)

[Attachment]

## I. Non-consolidated Financial Statements

### 1. Balance Sheet (Statement of Financial Position)

(Unit: Billions of KRW)

	<i>As of December 31, 2010</i>	<i>As of December 31, 2009</i>
<b>Total Assets</b>	28,888.1	24,872.6
1) Current Assets	10,875.2	10,609.9
2) Non-current Assets	18,012.9	14,262.7
i. Investment Assets	9089.3	4,866.4
ii. Tangible Assets	8,000.2	8,145.5
iii. Intangible Assets	306.0	288.5
iv. Other Non-current Assets	617.4	962.3
<b>Total Liabilities and Shareholders' Equity</b>	28,888.1	24,872.6
<b>Total Liabilities</b>	15,069.1	15,064.2
1) Current Liabilities	13,377.2	12,909.1
2) Non -Current Liabilities	1,691.9	2,155.1
<b>Total Shareholders' Equity</b>	13,819.0	9,808.4
1) Capital Stock (common stock)	380.0	380.0
2) Capital Surplus	2,954.4	2,869.6
3) Capital Adjustments	(1,705.4)	(1,697.8)
4) Accumulated Other Comprehensive Income	2,137.1	1,752.7
5) Appropriated Retained Earnings	10,052.9	6,503.9

## 2. Income Statement

(Unit: Billions of KRW)

	2010	2009
-Sales	22,405.1	21,142.2
i. Export	19,826.9	19,029.6
ii. Domestic	2,578.2	2,112.6
-Cost of sales	17,734.8	17,997.4
-Gross profit	4,670.3	3,144.8
-Selling and administrative expenses	1,230.9	922.2
-Operating income	3,439.4	2,222.6
-Non-operating income	3,083.9	3,309.6
-Non-operating expenses	1,739.0	2,884.1
-Net income before income tax	4,784.3	2,648.1
-Income tax expense	1,023.2	501.6
<b>-Net income</b>	<b>3,761.1</b>	<b>2,146.5</b>

## 3. Statement of Appropriation of Retained Earnings

(Unit: Billions of KRW)

	2010	2009
Retained earnings before appropriation	3,761.1	2,146.5
i. Beginning of year	0.0	0.0
ii. Net income	3,761.1	2,146.5
Transfer from voluntary reserve	76.7	76.7
i. Reserve for research and human development	76.7	76.7
Appropriations	3,837.8	2,223.2
i. Legal reserve	0	0
ii. Reserve for research and human development	100.0	300.0
iii. Voluntary reserve	3,308.8	1,711.0
iv. Cash dividends (2010 : KRW 7,000 – 140% of PAR value per share) (2009 : KRW 3,500 – 70% of PAR value per share)	429.0	212.2
<b>Unappropriated retained earnings, end of year</b>	<b>0.0</b>	<b>0.0</b>

## II. Change in Business Purpose

Item	Contents		Reason
<b>1. Added Business Purpose</b>	-Manufacturing and Sales of Medical Robots  -Development, Operation and Management of Renewable Energy Power Plant		Addition of Business Purpose to initiate new business
<b>2. Deleted Business Purpose</b>	-		-
<b>3. Changed Business Purpose</b>	Before Change	After Change	
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