

FOLLOW-UP MEASURES ON HANJIN SHIPPING'S FILING FOR COURT RECEIVERSHIP

FSC Chairman Yim Jong-yong held a meeting on September 1 with the Korea Development Bank (KDB) and Hyundai Merchant Marine (HMM) to discuss follow-up measures regarding Hanjin Shipping's filing for court receivership. Chairman Yim asked the KDB and HMM to exert their utmost concerted efforts to minimize problems with cargo delivery and shippers in the aftermath of Hanjin's filing for bankruptcy protection.

1. HMM will immediately go into emergency management to minimize disorder in cargo delivery and damage to shippers. HMM will add to its sea routes the ones which used to be serviced exclusively by Hanjin Shipping – 1 in America, 1 in Europe – and start servicing of more than 13 additional ships as soon as possible. HMM will maintain freight rates for the newly-established routes to an appropriate level to ensure shippers should not face excessive increase in freight rates.
2. The Seoul Central District Court will soon determine whether to accept Hanjin Shipping's filing, however, since we cannot completely rule out the possibility of Hanjin's liquidation HMM will immediately form a task force to review its possible acquisition of Hanjin's healthy assets. The TF will sort out and review Hanjin's profitable vessels, overseas sales network and key work forces, and devise detailed plan to sell the assets to HMM.

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