

# High Court stays all action against Hanjin



A tug boat pulling away from the Hanjin Greece container ship after it docked for unloading at the Port of Long Beach, California on Sept 10, 2016. PHOTO: AFP

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Ruling freezes S'pore proceedings temporarily against troubled South Korean shipping line, pending full hearing

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**K.C. Vijayan Senior Law Correspondent** (<mailto:vijayan@sph.com.sg>)

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The High Court has temporarily frozen all Singapore proceedings against troubled South Korean industry giant Hanjin Shipping and its Singapore subsidiaries, pending a full hearing for all parties here on whether the freeze should continue until next January.

Judicial Commissioner Aedit Abdullah approved the interim stay order last week sought by Hanjin's president and chief executive, Mr Suk Tai Soo, who is the company's custodian in its court-mandated rehabilitation proceedings in Seoul.

The interim orders, which recognise the rehabilitation proceedings in Seoul designed to protect the firm against bankruptcy, also restrain any enforcement action against any of its assets here, among other things.

"The imperative for orderly rehabilitation and restructuring of a company running a global business across jurisdictions, and the need to ensure that the company's assets could be marshalled and collected for such effort, both provided sufficiently strong grounds for the exercise of the inherent powers of the court to grant the restraint and stay orders," said the judge in brief decision grounds released yesterday.

The difficulties of debt-ridden Hanjin, the ninth-largest container-shipping firm in the world, have led to serious disruptions in goods transport globally.

Hanjin filed for rehabilitation proceedings to the Korean Bankruptcy Court in Seoul last month, preserving its assets.

A Seoul district court on Sept 1 approved the rehabilitation process, entailing a plan expected to take about four months to complete for a court review. Hence, Mr Suk's application here seeks the stay order to remain till Jan 25 next year.

Mr Suk's lawyers, Mr Sim Chong and Ms Yap Hao Jin, argued that the application for restraint and stay orders here mirrored similar moves across the world "to prevent piecemeal and haphazard resolution of the company's difficulties".

They added that the application underscored the global scope of the rehabilitation, in which all creditors, including Singaporean interests, would participate. Among other things, Hanjin's 112 employees based here risk job loss without the rehabilitation, said Hanjin.

The judge found the proposed steps in the rehabilitation proceedings to be fair to Hanjin's foreign creditors and ruled that court assistance to the proceedings be extended to prevent the arrest of Hanjin ships, except for the Hanjin Rome, which was earlier arrested on the application of creditors.

The judge, who noted that British and United States courts had recognised the South Korean rehabilitation proceedings, said he was satisfied "that the Korean rehabilitation orders should be recognised and assistance rendered".

A High Court case management conference for all parties was held yesterday.