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**M.9343 - HYUNDAI HEAVY INDUSTRIES / DAEWOO SHIPBUILDING & MARINE ENGINEERING**

**SECTION 1.2**

**Description of the concentration**

1. The transaction concerns the proposed acquisition by Korea Shipbuilding & Offshore Engineering (**KSOE**) of a majority interest in Daewoo Shipbuilding & Marine Engineering Co., Ltd. (**DSME**) from the current largest shareholder of DSME, the Korea Development Bank (**KDB**). KSOE is the newly incorporated holding company of Hyundai Heavy Industries Co., Ltd (**HHI**) and its affiliates<sup>1</sup>. HHI and DSME are referred to as the **Parties**.
2. As a pre-requisite to the implementation of the Proposed Transaction, certain activities of HHI (including its shipbuilding, offshore facilities and marine engine businesses) have been spun off into a newly established subsidiary and HHI has been converted into a holding company and renamed KSOE. KSOE controls the newly established subsidiary (named Hyundai Heavy Industries) and the existing affiliates (Hyundai Samho Heavy Industries and Hyundai Mipo Dockyard). The Proposed Transaction will be accomplished by way of KDB transferring all of its shares in DSME to KSOE, as a result of which KSOE (former HHI) will acquire sole control over DSME within the meaning of Article 3(1)(b) of the Merger Regulation<sup>2</sup>.
3. Both Parties are Korean companies active globally, mainly in shipbuilding (producing a range of commercial vessels such as oil tankers, containerships, liquefied natural gas and liquefied petroleum gas carriers), as well as in producing offshore facilities used to explore, produce and process oil and gas resources under the sea. HHI also produces marine engines and other vessel parts.

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<sup>1</sup> For the sake of consistency all references to HHI in this Form CO should be taken to refer to HHI, its affiliates and/or KSOE as the context requires.

<sup>2</sup> Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) Official Journal L 24, 29.01.2004, pages 1-22.  
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