

Hin Leong: the collapse of a giant

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Hin Leong Trading, founded in Singapore in 1963 by Lim Oon Kuin, was one of the largest independent oil traders in Asia.¹ Its founder, who had started out with a single lorry, had built an empire through hard work and risky bets, which had earned him a legendary reputation among traders.² On 17 April 2020, the company applied to the Singapore court for a moratorium in order to restructure debts of nearly four billion dollars.³

The founder then disclosed to investors that the company had suffered 800 million dollars of undeclared losses and that oil pledged as collateral had been sold.⁴ According to sources close to the matter, the company had inflated its figures and increased its borrowing by creating sham transactions alongside its legitimate business, with the result that banks found themselves holding claims over the same assets and, in some cases, over cargoes that had never existed.⁵

Hin Leong's debts to banks and other creditors amounted to around 3.5 billion dollars, and more than twenty lenders were affected.⁶ HSBC, the largest creditor, had an exposure of 600 million dollars, ABN Amro of 300 million and Standard Chartered of 240 million.⁷ In the first quarter of 2020, HSBC booked substantial provisions against an exposure of two billion dollars to oil traders.⁸

In May 2024, the founder was found guilty by a Singapore court on two counts of cheating HSBC and one count of instigating forgery. Prosecutors accused him of having induced the bank to pay out nearly 112 million dollars by representing that his company had entered into oil sale contracts with two companies, when those transactions were complete fabrications supported by forged documents. He faced 130 charges in total and risked up to ten years in prison.⁹

Key points. Hin Leong, one of the largest oil traders in Asia, collapsed in April 2020 with nearly four billion dollars of debt, having concealed 800

Hin Leong: the collapse of a giant

million of losses, sold pledged oil and created sham transactions. Its founder was convicted in 2024 of having cheated HSBC by means of fictitious contracts.

1 Notes

1. “Covid-19: Singapore’s legendary oil trader in debt trap as oil price plunge”, Business Standard, 27 April 2020. ↩
2. AFP via Malay Mail, 10 May 2024, cited above. ↩
3. Business Standard, 27 April 2020, cited above. ↩
4. “ABN Amro to exit trade and commodity finance after losses”, Global Trade Review, 12 August 2020. ↩
5. Global Trade Review, 12 August 2020, cited above. ↩
6. “5 topics that shaped trade finance in 2020”, Global Trade Review, 6 January 2021; “BNP shuts Swiss commodity trade finance team amid frauds”, Bloomberg via AJOT, 23 September 2020. ↩
7. Business Standard, 27 April 2020, cited above. ↩
8. “SocGen shuts Singapore trade commodity desk after Hin Leong”, Bloomberg, 1 August 2020. ↩
9. AFP via Malay Mail, 10 May 2024, cited above. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/geneva-hin-leong-the-collapse-of-a-giant