Hin Leong Trading

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The founder and the company

Hin Leong Trading was founded in 1963 by Lim Oon Kuin, a migrant from Fujian who began his business by delivering diesel to fishing boats and grew it into one of the largest independent oil traders in Asia.[1] The company stood at the centre of a family group that also owned a tanker fleet through Ocean Tankers. In December 2010 it announced plans to build what would have been Singapore's fourth oil refinery. In 2014 it prepared an initial public offering, which it cancelled before the end of that year.[2]

The company remained a private family business. Its founder, known in the trade as OK Lim, controlled it with his children, who served with him as directors. The accounts that it presented to its lenders showed a large and profitable business. For the financial year 2019 Hin Leong reported revenue of about US$20 billion and a net income of close to US$80 million.[3] On that basis some two dozen banks, among them the three Singapore banks and several of the largest international trade finance lenders, extended credit lines to the group.

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April 2020: the disclosure

The oil price collapse of early 2020, which followed the outbreak of the pandemic in China, exposed the company within weeks. Lim Oon Kuin had bet that prices would rise as China recovered, a position that his associates described as the quintessential Hin Leong trade. When prices fell further, the losses could no longer be concealed. He told the lenders that the company had written off about US$800 million of futures trading losses that had never appeared in its accounts. He also disclosed that oil held as collateral for the banks had been sold.[4]

On 17 April 2020 Hin Leong applied to the High Court for protection from its creditors under section 211B of the Companies Act, the moratorium provision then in force. Lim resigned as a director on the same day, expressing the wish that his children remain on the board. The police confirmed on 21 April 2020 that they were investigating the company. On 27 April 2020 the court approved the company's application for judicial management and the appointment of PricewaterhouseCoopers as judicial managers. The debts amounted to about US$3.85 billion owed to 23 lenders. HSBC was the largest creditor with about US$600 million. Among the Singapore banks, DBS was owed about US$290 million, OCBC about US$200 million and UOB about US$100 million.[5]

Other figures circulated at the time. Trade press reports put the exposure of ABN Amro at about US$300 million and that of Société Générale at about US$240 million, with the three Singapore banks together owed about US$680 million. Later reports refer to an exposure of up to US$3.5 billion. The difference between the totals reflects different dates, different definitions of exposure and the inclusion or exclusion of off-balance-sheet instruments such as letters of credit. The order of magnitude is not in doubt.[6]

The judicial managers' findings

The judicial managers described a business that had for years financed its losses through new borrowing. Their reports spoke of a "vicious cycle" of fraud, in which the company obtained financing against forged or recycled bills of lading and used

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each new advance to repay earlier ones, much as a Ponzi scheme would. Trade press reports summarised the practices alleged by the banks as inflated figures, fictitious trades, the sale of the same cargo several times and sales of cargoes that did not exist.[7]

The mechanism depended on the separation of the financing banks from one another. Each bank saw only its own transaction and the documents presented to it: a sale contract, an invoice, a bill of lading or a letter of indemnity, perhaps an inspection certificate. No bank could see that another lender had financed the same cargo, nor that the buyer named in the invoice had never agreed to buy. Where the trade was a circular one, in which the goods returned to Hin Leong through a chain of intermediaries, the documents were genuine in form while the transaction served only to raise cash. The later litigation, which this chapter examines below, turned largely on such chains.

The criminal case against the founder

Lim Oon Kuin was first charged with forgery on 14 August 2020. In June 2021 the prosecution added 105 charges to the 25 already brought. The new charges concerned, among other things, a bill of lading for about 500,000 barrels of gasoil purportedly loaded in March 2020 and receivables financing of about US$1.2 billion that eight financial institutions had provided on the basis of purported sales of oil to Unipec Singapore. Five of those institutions were at that time still owed about US$235 million. A report of January 2023 speaks of 128 counts of cheating, which shows that the count varied as charges were amended.[8]

The trial proceeded on three charges. In May 2024 the State Courts convicted Lim of two counts of cheating and one count of instigating forgery. Through employees of the company he had induced HSBC to provide nearly US$112 million of financing for two oil sales that had never taken place, supported by forged documents that showed purported sales to China Aviation Oil and Unipec. HSBC recovered about US$26 million, which left it with a loss of about US$85 million on these transactions.[9] The offences fell under section 420 of the Penal Code (cheating and

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dishonestly inducing delivery of property) and under section 468 read with section 109 (forgery for the purpose of cheating, by instigation), provisions whose colonial origins Chapter I of Part B describes.[10]

Sentence and appeal

On 18 November 2024 the court sentenced Lim, then aged 82, to seventeen and a half years' imprisonment. The sentence combined two terms of eight and a half years for the cheating charges, ordered to run concurrently, with a consecutive term of nine years for the forgery charge. The prosecution had asked for twenty years and described the sums involved as unprecedented in Singapore's criminal history. The judge called them "staggeringly large" and placed the case in the highest tier of cheating offences. He held that a deterrent sentence was required to protect Singapore's financial system against the reaction that such frauds provoke, namely stricter compliance rules or the withdrawal of trade finance by banks.[11]

On 4 March 2026 the High Court, sitting as Hoo Sheau Peng J, allowed his appeal against sentence and reduced the term to thirteen and a half years. Lim, who had been on bail of S$4 million for medical reasons, was hospitalised shortly before the sentence was due to begin. He was taken into custody at Gleneagles Hospital on 2 April 2026.[12] The judge found the original term "crushing", even with the usual remission of one third. She gave discounts for substantial restitution and for his age, which reduced the loss attributed to HSBC on one cheating charge from US$56 million to US$29.7 million. She also held that the district judge had given too much weight to the argument that the offences undermined public confidence in the oil trading sector, while rejecting the plea for judicial mercy.[13] The remaining 127 of the 130 charges eventually brought did not proceed. On 17 July 2026, after the prosecution had administered a stern warning in lieu of prosecution, a district court granted him a discharge amounting to an acquittal on them.[14]

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The settlement with the family

The civil consequences for the family were settled in September 2024. Lim Oon Kuin agreed to pay about US$3.59 billion to the company's liquidators and to HSBC, while he and his two children, Evan Lim Chee Meng and Lim Huey Ching, undertook to file for personal bankruptcy.[15] A settlement of this size is largely a recognition of liability. What the creditors actually recover depends on the realisable assets of the family, which the bankruptcy proceedings will determine. The figure shows the scale of the claims more than the scale of the recovery.

Notes

1. The founder's Fujian origins and his early business supplying diesel to fishermen are widely reported in press profiles of Lim Oon Kuin. ↩
2. Wikipedia, "Hin Leong" (accessed November 2026): founded in 1963 by Lim Oon Kuin; announcement in December 2010 of plans to build Singapore's fourth oil refinery; plans for an initial public offering announced in 2014 and cancelled by the end of that year. ↩
3. Wikipedia, "Hin Leong" (accessed November 2026): reported revenue of US$20 billion and net income of close to US$80 million for the 2019 financial year. ↩
4. Wikipedia, "Hin Leong" (accessed November 2026): Lim bet that oil prices would rise as China recovered from Covid-19, described as the "quintessential Hin Leong play"; Lim told lenders the company had written off US$800 million in futures trading losses – *Global Trade Review* (GTR), "Analysis: Banks nervous over fraud losses as Singapore oil traders collapse", 20 May 2020: in April 2020 Lim Oon Kuin disclosed US$800 million in undisclosed futures losses, and oil held as collateral had been sold. ↩
5. Wikipedia, "Hin Leong" (accessed November 2026): application for protection under section 211B of the Companies Act on 17 April 2020; Lim resigned the same day; police confirmed an investigation on 21 April 2020; judicial management under PwC approved on 27 April 2020 – Wikipedia,

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"Hin Leong" (accessed November 2026): US$3.85 billion owed to 23 lenders; HSBC the largest creditor with US$600 million; DBS US$290 million, OCBC US$200 million, UOB US$100 million. ↩

6. GTR, 20 May 2020 (above): exposures of HSBC initially US$600 million, ABN Amro US$300 million, Société Générale US$240 million, and DBS, OCBC and UOB together about US$680 million – GTR, "Singapore authorities seek end to paper-based trade finance after fraud scandals", 14 October 2020: initial bank exposure to Hin Leong believed to be as high as US$3.5 billion; GTR, "Singapore ups fight against fraud with real-time BL verification tool", 12 February 2025: losses of up to US$3.5 billion. ↩
7. GTR, "Agritrade executive charged by police over deceptive bills of lading", 22 September 2021: Hin Leong's judicial managers said it relied on financing against forged bills of lading, a "vicious cycle" of fraud operating like a Ponzi scheme – GTR, 20 May 2020 (above): alleged practices of inflated figures, fake trades, multiple sales of the same cargo and fictitious sales where the cargo did not exist. ↩
8. Wikipedia, "Hin Leong" (accessed November 2026): Lim was charged with forgery on 14 August 2020 – GTR, 22 September 2021 (above): in June 2021 Lim Oon Kuin faced 105 new charges in addition to 25 earlier ones, including a bill of lading for about 500,000 barrels of gasoil purportedly loaded in March 2020 and the deception of eight financial institutions into providing US$1.2 billion in receivables financing based on sales to Unipec Singapore; five institutions were still owed about US$235 million – GTR, "Agritrade executive jailed for 20 years for role in fraud scandal", 18 January 2023: Lim Oon Kuin faces 128 counts of cheating, including Singapore's first cheating charges based on invalid bills of lading. ↩
9. GTR, "Hin Leong founder jailed over fraud scandal that shocked Singapore", 18 November 2024: convicted in May 2024 of two counts of cheating and one count of instigating forgery; HSBC induced to provide nearly US$112 million for oil trades that did not occur; forged documents showing sales to China Aviation Oil and Unipec; HSBC recovered about US$26 million, leaving losses of US$85 million. ↩

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10. Singapore Police Force, "Founder of Hin Leong Trading sentenced and jailed for cheating and instigating forgery", 18 November 2024, as cited in Chapter B.I of this book. ↩
11. GTR, 18 November 2024 (above): sentence of 17.5 years on 18 November 2024, consisting of two concurrent terms of 8.5 years and a further 9 years; prosecution sought 20 years; Judge Toh Han Li called the sums "staggeringly large" and placed the case at the top tier of cheating cases – GTR, 18 November 2024 (above): the judge said a deterrent sentence was warranted to protect Singapore's financial ecosystem from stricter bank compliance rules or the withdrawal of trade financing; the plea for leniency on grounds of age and health was rejected. ↩
12. Wikipedia, "Hin Leong" (accessed November 2026): appeal partly successful on 4 March 2026, sentence reduced to 13 years and 6 months; Lim on S$4 million bail for medical reasons; hospitalised on 28 March 2026, bail extended to 2 April 2026 and taken into custody at Gleneagles hospital that day. ↩
13. *The Star*, "Hin Leong founder O.K. Lim hospitalised three days before 13½-year jail sentence starts", 31 March 2026: appeal allowed on 4 March 2026 by Justice Hoo Sheau Peng, term of 13½ years; original term "crushing" even with one-third remission; too much weight given to the prosecution's argument on public confidence in the oil trading sector; discounts for substantial restitution and old age; loss to HSBC on one charge reduced from US$56 million to US$29.7 million; plea for judicial mercy rejected; hospitalised at Gleneagles on 28 March 2026. ↩
14. *The Straits Times*, report of July 2026, as relayed by Singapore Law Watch ("Remaining charges against Hin Leong founder OK Lim withdrawn") and *The Online Citizen*, 21 July 2026: 130 charges brought in all, 127 remaining charges, stern warning in lieu of prosecution, discharge amounting to an acquittal on 17 July 2026. ↩
15. Wikipedia, "Hin Leong" (accessed November 2026): in September 2024 Lim agreed to pay about US$3.59 billion to the liquidators and HSBC; he and his

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children Evan Lim Chee Meng and Lim Huey Ching would each file for personal bankruptcy. ↩

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