

ZenRock Commodities Trading said it had “ability and experience” to navigate “profitably” the unprecedented challenges facing the industry — including negative oil prices.

“We assure you that we do not have any open account sale to Hin Leong and/or any of its associated or related entities,” it added in a letter to clients, also seen by the Financial Times. “We also assure you that we are not under statutory restructuring/insolvency protection,” it said.

Winson and ZenRock did not immediately respond to requests for comment.

Following the collapse of Hin Leong, banks have become more nervous about lending to the industry. Deals to finance oil inventories and unsold oil cargoes have come under particular scrutiny.

“This is confined to Asia-Pacific at the moment, but it could go global,” said one senior banker.

Hin Leong’s founder Lim Oon Kuin admitted last week he had sold inventories pledged as collateral for loans after the company was hit by a cash crunch.

“Banks will be looking very closely at their exposure to commodity traders,” said Baldev Bhinder, managing director of Singapore-based law firm Blackstone & Gold. “Inventory financing will also be affected when collateral held has reduced in value, leading to margin calls.”

It also emerged on Thursday that April 30 has been set as the date for a High Court hearing where Hin Leong will seek to appoint PwC as an [interim manager](#) to run the business as it pursues a debt restructuring of almost \$4bn.

The scandal comes as Singapore — which this year had seemed to contain the spread of coronavirus — struggles to stem a new wave of infections among foreign workers living in crowded dormitories. The number of overall cases has jumped 150 per cent to 11,178 in the past week.

In light of the extended lockdown, Singapore’s deputy prime minister and finance minister added S \$3.8bn to the country’s relief package aimed at countering the outbreak’s impact on an economy that analysts say will dip into recession this year. The unprecedented support scheme now totals S \$63.7bn.