

Both companies are now being run by independent third parties that are trying to hammer out a debt restructuring agreement with their lenders. They are also under investigation by the police.

Hin Leong and ZenRock did not respond to calls and emails seeking comment.

ZenRock has blamed its financial difficulties on the steep decline in crude oil prices and a tightening credit market “exacerbated” by banks’ increased caution, according to local media reports.

Prof Mak says the failure to hold companies and directors to account for their conduct has contributed to the string of collapses. “We certainly do not have much of a record in putting directors who break laws into jail or even disqualifying them,” he said.

In 2018, the white collar crime unit of the Singapore police launched an investigation into suspected “false and misleading statements” made at Noble Group, the commodity trader that came close to collapse in a debt and accounting crisis. To date, no charges have been made.

Noble, which was listed in Singapore, has always defended its accounting. Allegations about the company accounts first surfaced in 2015.

Enterprise Singapore, the government agency that promotes trade in the city state, said commodities trading was regulated under the Commodity Trading Act and the Securities and Futures Act.

“Trading companies that are suspected to have contravened Singapore laws may be investigated and dealt with in accordance with our laws,” it said. “Failure to comply with [commodities trading] regulations may result in an offence punishable by fine or imprisonment or both.”

Bankers also note that Hin Leong did not have to file annual results even though its revenues exceeded \$20bn in 2019, according to court documents. This is because of its classification as an “exempt private company”, defined as a business with fewer than 20 shareholders and no corporate investors. “How can a \$20bn revenue company not be a public interest entity?” asks Prof Mak.

Hin Leong’s creditors, which include HSBC, ABC and Société Générale as well as local banks DBS, OCBC and UOB, are owed almost \$4bn.