

# Noble Group shares soar after deal with key investor

June 20 2018

---



Noble had suspended trading in its shares on the Singapore Exchange as it sought to negotiate a way out

Noble Group shares surged more than 50 percent Wednesday after the embattled commodities trader sealed a deal with a major investor, paving the way for a debt restructuring.

The former stock market darling had been teetering on the brink of collapse after being hammered by plunging commodity prices, a ratings downgrade and allegations of irregular accounting practices.

It sold off assets and embarked on a US\$3.5 billion [debt restructuring](#), but the plan ran into opposition from a major shareholder, Goldilocks Investment Co.

Noble suspended trading in its shares on the Singapore Exchange on Monday as it sought to negotiate a way out.

Goldilocks agreed to back a revised restructuring plan which raises shareholders' equity in the company to 20 percent, up from 15 percent. Goldilocks also gets to nominate a representative to the Noble board of directors.

Abu Dhabi Financial Group, with which Goldilocks is affiliated, will also form a strategic partnership with Noble to explore opportunities in the Middle East.

Trading resumed Wednesday after the agreement was reached, with Noble shares soaring as much as 57 percent to 8.5 Singapore cents. The stock remains 60 lower than last year.

Goldilocks currently holds about 8.1 percent of Noble's shares.

"By reaching agreement with Goldilocks, the company is now able to move into the final stages of its [restructuring](#)," Noble chairman Paul Brough said in a statement.

Noble, which is headquartered in Hong Kong and listed in Singapore, reported a massive net loss of almost US\$5 billion last year despite selling many of its assets in a bid to ensure survival.

© 2018 AFP

Citation: Noble Group shares soar after deal with key investor (2018, June 20) retrieved 23 March 2023 from <https://phys.org/news/2018-06-noble-group-soar-key-investor.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.