

Honestbee applies for debt moratorium to pare down over US\$180m debt

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HONESTBEE has applied to the High Court to kick off a court-supervised restructuring process that would give it a six-month reprieve from its creditors, chief executive Ong Lay Ann told The Business Times on Friday.

Meanwhile, the startup has also laid off 38 employees in Singapore this week, in roles including operations and warehousing in its supermarket habitat, as well as at its headquarters. The restructuring and layoffs are needed to streamline honestbee's operations and work towards paring down its debt, said Mr Ong, who took the helm at honestbee on July 15.

honestbee owes its creditors over US\$180 million, Mr Ong estimated. Creditors include its key backer Formation Group, and associates of Brian Koo, the managing partner of Formation and current chairman of honestbee.

honestbee will be converting all secured and unsecured debt to equity as part of the restructuring. According to charge filings, Formation has charges over honestbee's assets, including all of its real property, interests in other companies, intellectual property and secured accounts.

honestbee has appointed Oon & Bazul as its legal adviser and DHC Capital as its independent financial adviser.

honestbee is seeking that for six months following the court order, no application can be made for the winding up of the company and no legal proceedings can be commenced or continued against honestbee. Under the moratorium, no legal proceedings can also be commenced against honestbee's property and no steps can be taken to enforce any security over its property or repossess goods.

If approved, the moratorium would also restrain any forfeiture of the lease of honestbee's premises.