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## US firm to acquire HotApps from Singapore eDevelopment

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Chan Heng Fai, SeD's chief executive officer and single largest shareholder, said: "North America is a market which has not only embraced such technologies but has a pool of investors who are willing to invest in such applications." - PHOTO: EDEVELOPMENT

SINGAPORE eDevelopment Ltd (SeD) on Thursday said that Fragmented Industry Exchange Inc (FIE) intends to acquire its instant messaging software subsidiary for US\$700 million in shares and bonds.

FIE is a US public company that has filed for Over-The-Counter Bulletin Board (OTCBB) quotation of its shares.

Catalist-listed SeD fully owns HotApps International Pte Ltd, which it acquired last month.

The proposed transaction will allow HotApps to tap the US capital market and facilitate the launch of HotApp IM and e-commerce mobile application in North and South America.

SeD said that it plans to launch HotApps in 24 countries, including Singapore, before the end of the year.

As part of the deal, SeD has entered into a term sheet for FIE to acquire HotApps for one million new shares at US\$10 each and US\$690 million worth of zero-coupon perpetual bonds.

Upon completion, the deal will result in SeD owning 99.84 per cent of FIE, while FIE will fully own HotApps.

SeD has identified information technology - led by companies such as HotApps - and construction/international property development as the two engines which will propel corporate recovery and growth.

Chan Heng Fai, SeD's chief executive officer and single largest shareholder, said: "North America is a market which has not only embraced such technologies but has a pool of investors who are willing to invest in such applications."

SeD has been active recently. It entered into a deal with cloud-based communication solutions provider CloudTel Pte Ltd. It is also completing the issue of 12 rights shares at 0.3 Singapore cent each for every existing share held, and one bonus share for every rights share subscribed for. Trading of the rights and bonus shares is expected to start on Sept 22.

This week, SeD also announced that it sold US\$20.72 million worth of land lots in Texas and received US\$800,000 worth of deposits.

"With the encouraging sales of the Texas project and the proposed injection of HotApps into a US quoted security, both our engines of growth are being set in motion in a dynamic manner which will accelerate our corporate recovery and growth so that we can restore and enhance shareholder value rapidly," said Mr Chan.