

# Singapore's HotApps to be injected into US firm

By **JACQUELINE WOO**

SINGAPORE-BASED instant messaging (IM) developer HotApps International is to be injected into a United States firm.

The move is aimed at allowing HotApps to tap US capital markets as it prepares to launch its flagship application in 24 countries, including Singapore, by the year end. The US\$700 million (S\$877 million) deal will involve

shares and bonds, but not cash.

HotApps is owned by Singapore eDevelopment (SeD), which will effectively take over Fragmented Industry Exchange (FIE), a US company pending quotation on an over-the-counter bulletin board.

Catalist-listed SeD, which holds HotApps as a wholly owned unit, said the move will also facilitate the launch of the IM and e-commerce mobile app

in North and South America.

FIE will acquire HotApps as a wholly owned unit for one million new FIE shares at US\$10 each and US\$690 million worth of zero-coupon perpetual bonds. Once the deal is sealed, SeD will own 99.8 per cent of FIE.

HotApps' flagship product is a mobile communications platform that combines IM and e-commerce features.

"North America is a market

that has not only embraced such technologies but has a pool of investors who are willing to invest in such applications," said SeD chief executive Chan Heng Fai, its No. 1 shareholder.

SeD acquired HotApps for \$98,000 last month, after identifying infocommunications technology and property as its two main growth engines. It disposed of loss-making unit CCM Industrial in May.

Earlier this week, SeD also announced that it had sold 35 per cent – or 140 lots – of its land development project in Texas for \$25.9 million.

"Both our engines of growth are being set in motion in a dynamic manner that will accelerate our corporate recovery and growth so we can restore and enhance shareholder value rapidly," said Mr Chan.

✉ [tsjwoo@sph.com.sg](mailto:tsjwoo@sph.com.sg)