



# Singapore eDevelopment Limited

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200916763W)

---

## ENTRY INTO SHARE EXCHANGE AGREEMENT IN RELATION TO PROPOSED US\$50 MILLION SHARE SWAP

---

### Introduction

The Board of Directors (the “**Board**”) of Singapore eDevelopment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcement made by the Company on 16 March 2020 (the “**16 March 2020 Announcement**”) in relation to, *inter alia*, the entry into a legally binding term sheet dated 12 March 2020 (the “**Term Sheet**”) between Global BioMedical Pte. Ltd. (“**Global BioMedical**”), a wholly-owned direct subsidiary of the Company, Impact BioMedical, Inc. (“**Impact BioMedical**”), a wholly-owned direct subsidiary of Global BioMedical, Document Security Systems, Inc. (“**DSS**”) and DSS BioHealth Security, Inc. (“**DSS BioHealth**”) in relation to, *inter alia*:
  - (i) the disposal of 1,000 ordinary shares in the share capital of Impact BioMedical held by Global BioMedical (the “**Sale Shares**”), representing the entire issued and paid-up share capital of Impact BioMedical, to DSS BioHealth; and
  - (ii) the allotment and issue of 14,500,000 new ordinary shares in the share capital of DSS (the “**New DSS Shares**”), representing approximately 18.93% of the total issued and paid-up share capital of DSS on an enlarged basis, to Global BioMedical,(the “**Proposed Share Swap**”);
- (b) the announcement made by the Company on 17 March 2020 setting out the Company’s responses to queries raised by the SGX-ST on the 16 March 2020 Announcement; and
- (c) the announcement made by the Company on 9 April 2020 in relation to, *inter alia*, the appointment of W Capital Markets Pte. Ltd. the independent financial adviser to opine on whether the Proposed Share Swap is on normal commercial terms and whether the Proposed Share Swap is prejudicial to the interests of the Company and its minority shareholders,

(collectively, the “**Previous Announcements**”).

Further to the Previous Announcements, Global BioMedical subscribed for, and Impact BioMedical allotted and issued, 13,896,069 new ordinary shares in the share capital of Impact BioMedical to Global BioMedical for a total subscription price of US\$2,779,214 (the “**Subscription**”). The total subscription price of US\$2,779,214 represented the outstanding sums due and owing by Impact BioMedical to Global BioMedical. Following the Subscription, the Sale Shares now comprise 13,897,069 ordinary shares in the share capital of Impact BioMedical representing 100% held by Global BioMedical.

## **Entry into Share Exchange Agreement**

Further to the Previous Announcements, the Board wishes to inform shareholders that a share exchange agreement dated 21 April 2020 (the “**Share Exchange Agreement**”) has been entered into between Singapore eDevelopment Limited, Global BioMedical Pte. Ltd., Document Security Systems, Inc. and DSS BioHealth Security, Inc. in relation to, *inter alia*, the Proposed Share Swap. The Share Exchange Agreement was fully executed by the aforesaid parties on 27 April 2020.

## **Principal Terms of the Share Exchange Agreement**

The principal terms of the Share Exchange Agreement are as follows:

### **(a) Purchase Price**

The aggregate purchase price for the Sale Shares is US\$50 million (the “**Purchase Price**”), which shall be paid by issuing to Global BioMedical:

- (i) 14,500,000 New DSS Shares, par value US\$0.02, nominally valued at US\$3,132,000 or US\$0.216 per New DSS Share; and
- (ii) 46,868 newly issued shares of a new series of perpetual convertible preferred stock of DSS (the “**Convertible DSS Shares**”) with a stated value of US\$46,868,000 or US\$1,000 per Convertible DSS Share, convertible into shares of common stock of DSS, subject to a 19.9% beneficial ownership conversion limitation (“**blocker**”) based on the total issued outstanding shares of common stock of DSS held by Global BioMedical from time to time.

### **(b) Key Conditions to Closing**

The closing of the purchase and sale of the Sale Shares contemplated under the Share Exchange Agreement is subject to a number of customary and other conditions. The key conditions include, *inter alia*, the following:

- (i) DSS and the Company each having obtained approvals from their respective shareholders;
- (ii) The Company having obtained the requisite approval from the SGX-ST, if required; and
- (iii) Receipt by DSS of audited financials of Impact BioMedical.

### **(c) Representations and Warranties**

The Share Exchange Agreement contains customary representations, warranties and covenants, including representations and warranties from DSS and DSS BioHealth that certain disclosures will be delivered on or before, and that certain statements contained in the Share Exchange Agreement will be correct as of, the date on which the Company first files with the SGX-ST a notice of meeting and circular in connection with the meeting of the Company’s stockholders to consider and vote on the transactions contemplated by the Share Exchange Agreement. Likewise, the Company and Global BioMedical represent and warrant that certain disclosures will be delivered on or before, and that certain statements contained in the Share Exchange Agreement will be correct as of, the date on which DSS first files a preliminary proxy statement in connection with a meeting of DSS’ stockholders to consider and vote on the transactions contemplated by the Share Exchange Agreement.

(d) Non-Competition; Non-Solicitation

For a period of 5 years commencing on the closing date (the “**Restricted Period**”), neither of Global BioMedical nor the Company shall, nor shall permit any of its affiliates to, directly or indirectly, (i) engage in or assist others in engaging in biomedical sciences research and development for licensing and distribution, in the areas of healthcare and consumer products (the “**Restricted Business**”) in the United States of America and its Territories and Possessions (the “**Territory**”); (ii) have an interest in any individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organisation, trust, association or other entity (“**Person**”) that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, shareholder, member, employee, principal, agent, trustee or consultant; or (iii) intentionally interfere in any material respect with the business relationships (whether formed prior to or after the date of the Share Exchange Agreement) between any member of Impact BioMedical and its subsidiaries (the “**Impact BioMedical Group**”) and customers or suppliers of any member of the Impact BioMedical Group. Notwithstanding the foregoing clause (ii), Global BioMedical, the Company or their affiliates may own, directly or indirectly, solely as an investment, securities of any such Person that are traded on any national securities exchange if none of Global BioMedical, the Company or any of their affiliates is not a controlling Person of, or a member of a group which controls, such Person and do not, in the aggregate, directly or indirectly, own 5% or more of any class of securities of such Person.

During the Restricted Period, neither of Global BioMedical nor the Company shall, nor shall permit any of its affiliates to, directly or indirectly, hire or solicit any employee of the Impact BioMedical Group or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; provided, that nothing in this clause shall prevent Global BioMedical, the Company or any of their affiliates from hiring any employee whose employment has been terminated by the Impact BioMedical Group or DSS BioHealth.

During the Restricted Period, neither of Global BioMedical nor the Company shall, nor shall permit any of its affiliates to, directly or indirectly, solicit or entice, or attempt to solicit or entice, any clients or customers of any member of the Impact BioMedical Group or potential clients or customers of any member of the Impact BioMedical Group for purposes of diverting their business or services from any member of the Impact BioMedical Group.

(e) Indemnification by Global BioMedical and the Company

Subject to the other terms and conditions of the Share Exchange Agreement, each of Global BioMedical and the Company, jointly and severally, shall indemnify and defend each of DSS, DSS BioHealth and their affiliates (including each member of the Impact BioMedical Group) and their respective representatives (collectively, the “**DSS Indemnitees**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all losses incurred or sustained by, or imposed upon, the DSS Indemnitees based upon, arising out of, with respect to or by reason of:

- (i) any inaccuracy in or breach of any of the representations or warranties of Global BioMedical or the Company contained in the Share Exchange Agreement (other than certain matters as set forth in the Share Exchange Agreement) or in any certificate or instrument delivered by or on behalf of Global BioMedical pursuant to the Share Exchange Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the closing date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

- (ii) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by Global BioMedical pursuant to the Share Exchange Agreement; or
- (iii) any transaction expenses or indebtedness of any member of the Impact BioMedical Group outstanding as of the closing of the purchase and sale of the Sale Shares.

(f) Termination

The Share Exchange Agreement may be terminated at any time prior to the closing of the purchase and sale of the Sale Shares:

- (i) by mutual written consent of Global BioMedical and DSS BioHealth;
- (ii) by DSS BioHealth by written notice to Global BioMedical if (aa) DSS BioHealth is not then in material breach of any provision of the Share Exchange Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Global BioMedical pursuant to the Share Exchange Agreement that would give rise to the failure of certain conditions as set forth therein and such breach, inaccuracy or failure has not been cured by Global BioMedical within 10 days of Global BioMedical's receipt of written notice of such breach from DSS BioHealth; or (bb) certain conditions as set forth in the Share Exchange Agreement shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by the date that is 180 days after the date of the Share Exchange Agreement, unless such failure shall be due to the failure of DSS BioHealth to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;
- (iii) by Global BioMedical by written notice to DSS BioHealth if (aa) Global BioMedical is not then in material breach of any provision of the Share Exchange Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by DSS BioHealth pursuant to the Share Exchange Agreement that would give rise to the failure of certain conditions as specified therein and such breach, inaccuracy or failure has not been cured by DSS BioHealth within 10 days of DSS BioHealth's receipt of written notice of such breach from Global BioMedical; or (bb) certain conditions as set forth in the Share Exchange Agreement shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by the date that is 180 days after the date of the Share Exchange Agreement, unless such failure shall be due to the failure of Global BioMedical to perform or comply with any of the covenants, agreements or conditions thereof to be performed or complied with by it prior to the Closing;
- (iv) by DSS BioHealth or Global BioMedical in the event that (aa) any law that makes consummation of the transactions contemplated by Share Exchange Agreement illegal or otherwise prohibited; or (bb) a government authority issues an order restraining or enjoining the transactions contemplated by the Share Exchange Agreement, and such order becomes final and non-appealable;
- (v) by either DSS BioHealth or Global BioMedical if the stockholders of DSS vote on, but fail to approve, the Share Exchange Agreement and the transactions contemplated thereby; or
- (vi) by either DSS BioHealth or Global BioMedical if the stockholders of the Company vote on, but fail to approve, the Share Exchange Agreement and the transactions contemplated thereby.

## **Valuation**

Further to the Previous Announcements and as announced by the Company in its press release on 23 April 2020, DSS has commissioned Destum Partners, Inc. (the “**Independent Valuer**”) to conduct an independent valuation of the assets held by Impact BioMedical. According to the valuation report issued by the Independent Valuer in April 2020 (the “**Valuation Report**”):

- (a) The assets held by Impact BioMedical had a valuation of approximately US\$382 million as at a valuation date of April 2020 based on industry accepted valuation methodologies. Impact BioMedical owns certain percentages each of these assets and therefore, the valuations of each of these assets were adjusted accordingly.
- (b) The Independent Valuer valued 4 distinct assets held by Impact BioMedical using a number of industry accepted valuation methodologies. The valuation methodology used was specific to each distinct asset held by Impact BioMedical. The valuation methodologies used comprise, *inter alia*, risk adjusted net present value, market and transaction comparables, sales multiples and discounted cash flow with perpetuity.

According to the 16 March 2020 Announcement, unaudited consolidated financial statements of the Group for the financial year ended 31 December 2019, the net liability value represented by the Sale Shares was approximately S\$3.43 million (equivalent to approximately US\$2.55 million) as at 31 December 2019.

## **Documents for Inspection**

Copies of the Share Exchange Agreement and the Valuation Report may be inspected at the registered office of the Company located at 7 Temasek Boulevard #29-01B Suntec Tower One Singapore 038987 during normal business hours for 3 months from the date of this announcement.

## **Cautionary Statement**

**Shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Share Swap will be completed.**

**Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

By Order of the Board  
**Singapore eDevelopment Limited**

Chan Heng Fai  
Executive Chairman, Executive Director and Chief Executive Officer

4 May 2020

---

*This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9886.*