Singapore eDevelopment Limited

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

PROPOSED US$50 MILLION SHARE SWAP
RESPONSES TO QUERIES RAISED BY THE SGX-ST

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

(a) 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

(b) 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**").

The Board sets out below the Company's responses to queries raised by the SGX-ST on the 16 March 2020 Announcement.

	Queries Raised by the SGX-ST	Company's Responses
1.	*Under "Rationale", it was stated that there will be various synergies between the DSS' security products and Impact BioMedical's expertise and know-how in the biomedical industry, please elaborate on the synergies between the 2 businesses.*	Document Security Systems, Inc. ("DSS") is an industry leader in providing dynamic solutions to protect corporations, financial institutions, and governments from sophisticated and costly counterfeiting and fraud. DSS' innovative anti-counterfeit, authentication, and brand protection solutions are deployed to prevent attacks which threaten products, digital presence, financial instruments, and identification. DSS is a developer and marketer of secure technologies. Synergy for DSS – As DSS improves their staple security technologies business, they recognise the need to expand their scope into the bio health security sector which will be a new era in the security space. This synergy creates an expansion of DSS security product coverage into the bio health security technologies with Impact BioMedical's current projects and pipeline. This helps them to adapt to the dynamic and ever-changing landscape to stay ahead of competition. Synergy for Impact BioMedical – With DSS being an established developer and marketer of secure technologies, they possess packaging and authentication capabilities which are important in protecting Impact BioMedical's products against sophisticated forms of fraudulent activities, safeguarding brand integrity and value. Further, the management is of the view that Impact BioMedical will be able to gain more traction as a subsidiary of a NYSE listed company. It will then be able to reach out to a wider pool of institutional investors and partner interests in the biomedical scene, particularly in the United States. DSS, being a NYSE listed company will be able to raise more funds to support the growth of Impact BioMedical. This is because US investors are better able to relate to Impact Biomedical's potential as the current team, collaborating laboratories and accreditations received by Impact BioMedical are very much US-centric. In addition, there is a potential gain upon the exercise of its right to convert the Perpetual Convertible Bonds into DSS shares. Please refer to the response in item 6 for more details.
2.	*Please explain and elaborate on whether the Company currently have expertise in the field that DSS is in, i.e. security products etc?*	The Company currently do not have expertise in the field that DSS is in, but DSS already does possess the required expertise given that it is a well-established company for over 15 years.
3.	*Please elaborate how it is in the interest and beneficial for the Company to receive Consideration of US$50m wherein US$46.868m of it is in the form*	The management is of the view that Impact BioMedical has great potential but at the same time require a considerable amount of funding to commercialise the intellectual properties. The purpose of Perpetual

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	of Perpetual Convertible Bonds with no coupon payments and with no maturity date.	Convertible Bond is not to earn interest, but to position the Company to be able to continue to capture the growth of Impact BioMedical in the near future through the appreciation in the share price of DSS. Shareholders of the Company stands to benefit on the potential gain in conversion into the equity of DSS when there is commercialisation of intellectual properties held by Impact BioMedical in the future which may translate to an increase in the share price of DSS.
4.	*Please explain if the exercise price of US$0.216 per DSS Conversion Share (the "Conversion Exercise Price") for the Perpetual Convertible Bonds is beneficial to the Company given historical trends of DSS' share performance.*	<u>DSS 3-Year Chart</u>  Above is the historical 3-year daily share price chart for DSS. The price of US$ 0.216 was based on the closing price of DSS on 02 March 2020. DSS 3-year high stock price is US$ 2.580 DSS 3-year average stock price is US$ 0.920 DSS 3-year low stock price is US$ 0.155

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		The Company believes that it is appropriate to enter into the transaction at this point given that DSS is now trading at one of its lowest points and there is great growth potential for the Company based on the historical share prices.
5.	*How much funds were invested into Impact Biomedical thus far? What are the projects and pipeline of Impact Biomedical?*	Total amount of funds invested into Impact BioMedical as at 17 March 2020 is: SGD3,615,228.95. Since the Company's first venture into the biomedical business in 2016, we had successfully formed joint ventures with biomedical companies and made headway with our research with several products in the pipeline including – 1) **Linebacker**, a broad-spectrum therapeutic platform to address emerging pandemics such as Alzheimer's, diabetes, cancer, drug-resistant viruses and antibiotics-resistant bacteria. Initial research has shown very promising results. Testing with Charles River Laboratories has been completed and we are now moving to an active pre-commercialisation phase. 2) **Laetose**, a breakthrough low-calorie, low glycemic index, natural, modified sugar which has the potential to affect the world's sugar market. Laetose is a functional sugar that possesses low glycemic properties which also assists in mitigating inflammatory responses. 3) **Functional Fragrance Formulation**, a suite of functional fragrances developed for industrial and medical applications to fight mosquito-borne diseases. 4) **LB2** Drug in combating Ebola. Ebola is a severe viral disease transmitted from wild animals to human beings through physical contact, then spreads through human to human contact. LB2 Drug has displayed efficacy at a much lower dose than the only widely used therapeutic agent for Ebola infection. LB2 Drug demonstrates similar broad efficacy against SARS, MERS, H5N1 Avian Bird Flu, MRSA and Cholera. We are very encouraged by this result and will continue to forge forward with our research efforts to see results of the LB2 Drug against ZIKA, Malaria and the influenza pandemic. Our biomedical team is relentless in efforts for breakthrough results and will continue to work on pre-clinical testing against an array of diseases, including Alzheimer's and Parkinson's disease, to generate validating laboratory data.

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6.	*Given that it is disclosed that it is the intention of Impact BioMedical to pursue a public offering either on the New York Stock Exchange (NYSE) or Nasdaq, after the Proposed Share Swap, why would it be in the interest of the Company to undertake this Proposed Share Swap and hold 18.93% in DSS and lose 100% shareholding in Impact Biomedical?*	Please refer to our responses under items 1 and 3 above. Assuming that Global BioMedical Pte. Ltd. ("Global BioMedical") exercises its right of conversion and converts the Perpetual Convertible Bonds ("PBC") into DSS shares, Global BioMedical will hold DSS shares representing approximately 79.02% of the total issued and paid-up share capital of DSS on an enlarged basis. However, as disclosed in the announcement made by the Company on 16 March 2020, Global BioMedical has agreed that it shall not exercise its right of conversion to the extent that it holds more than 19.90% of the total issued and paid-up share capital of DSS on an enlarged basis after such conversion (the "Prescribed Conversion Limits"). Global BioMedical may exercise its right to convert the PCB into DSS shares up to the Prescribed Conversion Limits and the DSS shares held by Global BioMedical may be sold for a potential gain.
7.	*It is disclosed that DSS is an associate of Mr Chan Heng Fai, hence the Proposed Share Swap will be an IPT transaction. Mr Chan Heng Fai is a 36.97% shareholder and Executive Chairman of DSS, while being a 67% shareholder and CEO of the Company. Please confirm if he will abstain from the voting at the EGM. Please explain if the Company anticipate conflicts of interest scenarios if the Proposed Share Swap is approved and completed, and how would these issues be addressed?*	Yes, Mr Chan Heng Fai will abstain, and will procure that his associates abstain, from voting at the extraordinary general meeting of the Company to be convened for the purposes of approving the Proposed Share Swap. The Company does not anticipate any conflict of interest scenarios after the Proposed Share Swap has been approved and completed as the Company is of the view that the Proposed Share Swap aligns the interests of all parties and aims to build value for the shareholders of all parties.
8.	*DSS will be commissioning Destum Partners, Inc. (the "Independent Valuer") to conduct an independent valuation of the NLV or net asset value ("NAV") represented by the Sale Shares. What other methods of valuation are there? How is the AC satisfied with the credentials of the valuer and the method of valuation (i.e. a valuation of the NLV or*	In addition to the NLV or net asset value ("NAV") valuation, Destum uses pre-revenue valuation and utilizes an average of the four valuation techniques - ie. EV/Sales Multiple, EV/EBITA Multiple, Discounted Cash Flow and Precedent Transactions. Destum Partners since 2015 has completed US$ 2.5 Billion in deal value. For over 15 years, the managing directors of Destum Partners have a strong presence within the biopharma and the life sciences industry. Their clients range from multinational fortune 500 companies to midsized and early stage privately held

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	NAV of the Sale Shares) for this purpose? Please provide the basis.	companies. They have a global reach with clients in their portfolio based in Asia, Europe and the Americas. Below are some of the clients in the health care industry that have engaged Destum Partners' advisory and consulting services. Therefore, the AC is satisfied with the credentials of the valuer and the methods of valuation. 

By Order of the Board
Singapore eDevelopment Limited

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

17 March 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.