



STEMCELL UNITED LIMITED

ACN 009 104 330

Level 12, 680 George Street, Sydney, NSW 2000, Australia

16 January 2018

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT OFFER

On 16 January 2018, Stemcell United Limited (ACN 009 104 330) (**Company**) announced that the Company would be conducting a non-renounceable entitlement offer of up to approximately 83,207,534 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of 1 (one) Share for every 5 (five) Shares held at 5pm (AEDT) on 19 January 2018 (**Record Date**) at an issue price of A\$0.02 per Share (**Entitlement**) to raise approximately A\$1,664,150 (before issue costs) (**Entitlement Offer**).

The funds raised under the Entitlement Offer will provide the Company with the necessary funds to develop the existing businesses and explore of new opportunities in the Traditional Chinese Medicine (**TCM**) business and plant technologies such as in the field of TCM cannabis*, fund general working capital and administrative expenses and fund the expenses of the Entitlement Offer.

* The new opportunities in TCM and plant technologies in the field of TCM cannabis may result in ASX exercising its discretion under Listing Rules 11.1.2 and 11.1.3 which would require shareholder approval and re-compliance with ASX's admission and quotation requirements under Chapters 1 and 2 of the Listing Rules.

The Entitlement Offer is fully underwritten by Cove Capital Pty Ltd and Jiangmen Jinxin Yongkang Health Food Co. Ltd.

The Company will pay:

- (a) Cove Capital Pty Ltd an underwriting fee of \$33,207, being equal to 5% of the amount it has agreed to underwrite of A\$664,150; and
- (b) Jiangmen Jinxin Yongkang Health Food Co. Ltd an underwriting fee of \$50,000, being equal to 5% of the amount it has agreed to underwrite of A\$1,000,000.

The Entitlement Offer is being conducted without a prospectus, pursuant to an offer document dated 16 January 2018 (**Offer Document**), in accordance with section 708AA of the *Corporations Act 2001 (Cth)* (as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84. A copy of the

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Offer Document is available on the Company's website at <http://scu.com.sg/> or on the ASX website (company announcements section, ASX code: SCU) at www.asx.com.au.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules of ASX Limited (**Listing Rules**), that it would be unreasonable to make offers under the Offer Document to shareholders outside of Australia, New Zealand, China, Hong Kong, Malaysia, Singapore and Taiwan (**Excluded Shareholders**). Accordingly, in compliance with ASX Listing Rule 7.7.1(b), the Company wishes to advise you that it will not be extending the rights issue to you.

Should you have any queries please contact the Company on +61 2 8280 7355 or the Company's share registry – Security Transfer Australia Pty Ltd on +61 8 9315 2333.

Yours faithfully

Chow Yee Koh
Company secretary

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