



STEMCELL UNITED LIMITED

ACN 009 104 330

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

16 January 2018

Dear Option holder

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 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 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.

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Offer unless you exercise your options and are entered onto the register as a Shareholder on or before 5pm (AEDT) on the Record Date (with a registered address in

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Australia, New Zealand, China, Hong Kong, Malaysia, Singapore or Taiwan). The Entitlement Offer is available to all holders of Shares registered on the Record Date who reside in Australia, New Zealand, China, Hong Kong, Malaysia, Singapore or Taiwan. Therefore, an option holder who is resident outside of Australia, New Zealand, China, Hong Kong, Malaysia, Singapore and Taiwan will not be able to participate in the Entitlement Offer upon exercise of their options.

To exercise your options and thereby be eligible to participate in the Entitlement Offer (in respect of the Shares allotted upon exercise of your options), you will need to deliver to the registered office of the Company the following:

1. completed application form to exercise options specifying the number of options to be exercised (**Option Exercise Notice**);
2. your option certificate covering that number of options; and
3. payment of the exercise price for those options by way of a cheque made payable to the Company.

Option Exercise Notices and cleared funds must be received by no later than 5pm (AEDT) on 18 January 2017.

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

Yours faithfully

Chow Yee Koh
Company secretary

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