



STEMCELL UNITED LIMITED

ACN 009 104 330

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

16 January 2018

Company Announcements Platform
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

ENTITLEMENT OFFER – NOTICE PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 AS MODIFIED BY ASIC CORPORATIONS (NON-TRADITIONAL RIGHTS ISSUES) INSTRUMENT 2016/84

Stemcell United Limited (ASX:SCU) (**Company**) today announced that the Company would be conducting an underwritten non-renounceable entitlements offer to eligible shareholders 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 Offer**). The Entitlement Offer will raise up to approximately A\$1,664,150 (before expenses).

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

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)* (**Corporations Act**) (as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

NOTICE UNDER SECTION 708AA OF THE ACT

The Company hereby notifies ASX under the Corporations Act that:

1. The Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company is providing this notice under paragraph (2)(f) of section 708AA of the Corporations Act.
3. As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act.
4. As at the date of this notice, the Company has complied with section 674 of the Corporations Act.

5. As at the date of this notice, there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the Shares.
6. The potential effect that the issue of the Shares will have on the control of the Company is as follows:
 - a. Assuming no existing options are exercised prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Entitlement Offer is 83,207,534. This equates to approximately 20% of all the issued Shares in the Company following completion of the Entitlement Offer.
 - b. If all shareholders as at the Record Date take up their full entitlements under the Entitlement Offer, the Entitlement Offer will have no effect on the control of the Company.
 - c. If some shareholders do not take up their entitlements (whether because they are ineligible shareholders or otherwise), their interest in the Company will be diluted. The interest of shareholders who only take up part of their entitlement will also be diluted but to a lesser extent.
 - d. As at the date of this notice, Mr Philip Gu Huanqing has a relevant interest in 105,000,000 Shares (being 25.24% of the Company's issued capital) and does not intend to accept all of his Entitlement. On this basis following the Entitlement Offer Mr Philip Gu Huanqing would hold 105,000,000 Shares (being 21.03% of the Company's issued capital).

Yours faithfully

Chow Yee Koh
Company secretary
Stemcell United Limited