

**STEMCELL UNITED LIMITED
(ACN 009 104 330)**

NOTICE OF ANNUAL GENERAL MEETING

**Meeting to be held at the office of HLB Mann Judd, Level 19, 207 Kent Street, Sydney, NSW
2000 on 30 November 2018 commencing at 11.00am (Sydney time).**

This Notice and Explanatory Statement should be read in its entirety.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

**If Shareholders are in doubt as to how to vote, they should seek advice from their
accountant, solicitor or other professional adviser without delay.**

STEMCELL UNITED LIMITED (ACN 009 104 330)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Stemcell United Limited (ACN 009 104 330) will be held at the office of HLB Mann Judd, Level 19, 207 Kent Street, Sydney, NSW 2000 on 30 November 2018 commencing at 11.00am (Sydney time).

Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement attached to this Notice.

AGENDA

Ordinary business

1. Financial Statements

To receive the Financial Statements for the year ended 30 June 2018.

Note: There is no requirement for Shareholders to approve these statements.

2. Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“To adopt the Remuneration Report for the financial year ended 30 June 2018.”

Note: This Resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company’s remuneration policies.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:

- (i) does not specify the way the proxy is to vote on this Resolution;
and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-election of Mr Savio Cheung Ka Lung a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clause 11.4 of the Company’s Constitution and for all other purposes, Mr Savio Cheung Ka Lung, retires and, being eligible, is re-elected as a Director of the Company.”

4. Resolution 3 – Re-election of Mr Chow Yee Koh as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clause 11.4 of the Company’s Constitution and for all other purposes, Mr Chow Yee Koh, retires and, being eligible, is re-elected as a Director of the Company.”

5. Resolution 4 – Re-election of Mr Glenn Davies as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clauses 11.8 and 11.12 of the Company’s Constitution and for all other purposes, Mr Glenn Davies, retires and, being eligible, is re-elected as a Director of the Company.”

6. Resolution 5 – Re-election of Ms Ee Ting Ng as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of clauses 11.8 and 11.12 of the Company’s Constitution and for all other purposes, Ms Ee Ting Ng, retires and, being eligible, is re-elected as a Director of the Company.”

7. Resolution 6 – Issue of Options to Ms Jamie Khoo Gee Choo

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 4,500,000 Options to Ms Jamie Khoo Gee Choo or her nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ms Jamie Khoo Gee Choo and any of her associates.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (a) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

8. Resolution 7 – Issue of Options to Mr Gu Huan Qing

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 9,500,000 Options to Mr Gu Huan Qing or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Gu Huan Qing and any of his associates.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (b) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (c) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

9. Resolution 8 – Issue of Options to Mr Savio Cheung Ka Lung

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 600,000 Options to Mr Savio Cheung Ka Lung or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Savio Cheung Ka Lung and any of his associates.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

10. Resolution 9 – Issue of Options to Mr Chow Yee Koh

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 4,000,000 Options to Mr Chow Yee Koh or his nominee, on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Chow Yee Koh and any of his associates.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

11. Resolution 10 – Approval of additional placement capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the Company’s share capital calculated in accordance with Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Statement, is approved.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) any person who may participate in the proposed issue or any person who might obtain a material benefit, except a benefit solely in the capacity of a holder of Shares; or
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

12. Resolution 11 – Ratification of prior issue

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,600,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) a person who participate in the issue; or
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Voting Entitlements

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 28 November 2018.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company Secretary in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

By order of the Board

Mr Philip Gu
Chairperson
29 October 2018

EXPLANATORY STATEMENT

1. Financial Statements

The Financial Statements are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The Company's auditor will be attending the Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

No vote will be taken on the Financial Statements. However, shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Statements.

2. Resolution 1 – Adoption of the Remuneration Report

2.1 Background

The Annual Report for the year ended 30 June 2018 contains the Remuneration Report which:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company;
- (b) sets out the remuneration details for each Director; and
- (c) sets out the details of any Share based compensation.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

The Chairperson of the Meeting will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive meetings, Shareholders will be required to vote at the second of those meetings on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting must be held within 90 days at which all of the Company's Directors (other than the Executive Chairperson) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

2.2 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

3. Resolutions 2 and 3 – Re-election of Mr Savio Cheung Ka Lung and Mr Chow Yee Koh as Director

3.1 Background

In accordance with clause 11.4 of the Company's Constitution, Mr Savio Cheung Ka Lung and Mr Chow Yee Koh retire, and being eligible, offer themselves for re-election as Directors.

Mr Cheung graduated with a Bachelor of Business Administration (Finance) from the Hong Kong University of Science and Technology and is the holder of a Chartered Financial Analyst qualification. He has over 17 years experience in the corporate finance and private equity investment industry. He is experienced in various corporate actions such as initial public offerings, mergers and acquisitions and corporate restructuring.

Mr Koh graduated with a Bachelor of Commerce from University of Strathclyde, Scotland and is a member of the Association of Chartered Certified Accountants (UK). He has over 18 years experience in accounting and corporate finance accumulated with accounting firms and listed companies in Australia, China, Singapore and Malaysia.

3.2 Recommendation

The Board (excluding Mr Cheung in respect of Resolution 2 and Mr Koh in respect of Resolution 3) recommends that Shareholders vote in favour of Resolution 2 and 3.

4. Resolutions 4 and 5 – Re-election of Mr Glenn Davies and Ms Ee Ting Ng as Director

4.1 Background

In accordance with clause 11.12 of the Company's Constitution, Mr Glenn Davies and Ms Ee Ting Ng retire, and being eligible, offer themselves for re-election as Directors.

Mr Davies is a seasoned CEO & Board Director with 25 years of experience leading private & public organizations. He is the Founder & Group CEO of CannAcubed Private Limited, a globally diversified Cannabis Company with operations in China, Israel, Los Angeles & Africa.

Ms Ng has a Bachelor of Science with Honours and over 10 years of research experience in the fields of developmental and evolutionary biology. Ms Ng specialises in laboratory management and in a wide range of experimental techniques in molecular biology, histology, tissue culture (including stem cells), microbiology and molecular diagnostic science. Ms Ng is also a cosmetic chemist with over 8 years of formulation experience, holding a Diploma in Cosmetic Science. Ms Ng is currently also a director of an ASX listed company Invitrocue Limited.

4.2 Recommendation

The Board (excluding Mr Davies in respect of Resolution 4 and Ms Ng in respect of Resolution 5) recommends that Shareholders vote in favour of Resolution 4 and 5.

5. Resolutions 6 to 9 – Issue of Options to Ms Jamie Khoo Gee Choo, Mr Gu Huan Qing, Mr Savio Cheung Ka Lung and Mr Chow Yee Koh

5.1 General

The Board is seeking Shareholder approval to grant up to:

- (a) 4,500,000 Options to Ms Jamie Khoo Gee Choo, or her nominee;
- (b) 9,500,000 Options to Mr Gu Huan Qing, or his nominee;
- (c) 600,000 Options to Mr Savio Cheung Ka Lung, or his nominee; and
- (d) 4,000,000 Options to Mr Chow Yee Koh, or his nominee,

(together, the **Directors** and the **Director Incentive Options**).

Mr Savio Cheung Ka Lung is a Non-executive Director of the Company. Mr Gu Huan Qing and Mr Chow Yee Koh are Executive Directors of the Company.

Ms Jamie Khoo Gee Choo was a Non-executive Director of the Company prior to her resignation on 22 October 2018, and is therefore considered a related party for the purposes of section 228 of the Corporation Act.

5.2 Reasons for grant of Director Incentive Options

The grant of the Director Incentive Options to the current Directors is considered to be a cost-effective mechanism to assist in the reward and retention of the Directors of the Company. The grant of the Director Incentive Options to the current Directors forms part of the Company's long-term incentive objectives to encourage the relevant Directors to have a greater involvement in the achievement of the Company's objectives and to provide them with the opportunity to participate in the future growth and prosperity of the Company through share ownership.

In the case of the Director Incentive Options to be issued to Ms Jamie Khoo Gee Choo, given her resignation from the Company on 22 October 2018, the Board considers the securities to be issued an appropriate reward for services provided to the Company since her appointment on 17 October 2014.

5.3 The Board considers the number of Director Incentive Options proposed to be granted will ensure that overall Director remuneration remains competitive with market standards. Purpose of approval

Approval for the grant of the Director Incentive Options is sought for the purposes of Listing Rule 10.11 and for all other purposes.

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue or agree to issue equity securities to,

inter alia, a Director without the approval of holders of ordinary securities. Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a “financial benefit” to a “related party” (unless an exception applies). A “related party” for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director’s family. It also includes an entity over which a director maintains control. The Directors are considered to be related parties within the meaning of the Corporations Act, and the Director Incentive Options will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

A “financial benefit” is defined in section 229 of the Corporations Act. This concept includes issuing shares to a related party.

Section 211 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is remuneration of a related party as an officer of the Company and is on terms that would be reasonable in the circumstances.

The Company considers that the proposed issues of Shares to the Directors fall within the reasonable remuneration exception set out in section 211 of the Corporations Act.

5.4 Key terms of the grant

The following information is provided pursuant to Listing Rule 10.13:

Names of persons entitled to participate

The names of all persons to whom Director Incentive Options are intended to be issued are:

- (a) Ms Jamie Khoo Gee Choo;
- (b) Mr Gu Huan Qing;
- (c) Mr Savio Cheung Ka Lung; and
- (d) Mr Chow Yee Koh.

Maximum number of securities that may be granted

The Company will issue Director Incentive Options as follows:

- (a) 4,500,000 Options to Ms Jamie Khoo Gee Choo, or her nominee;
- (b) 9,500,000 Options to Mr Gu Huan Qing, or his nominee;
- (c) 600,000 Options to Mr Savio Cheung Ka Lung, or his nominee; and
- (d) 4,000,000 Options to Mr Chow Yee Koh, or his nominee,

therefore up to 18,600,000 Director Incentive Options in total.

Date of Grant

The Director Incentive Options will be issued on or before 20 December 2018.

Related party relationship

Mr Savio Cheung Ka Lung is a Non-executive Directors of the Company. Mr Gu Huan Qing and Mr Chow Yee Koh are Executive Directors of the Company.

Ms Jamie Khoo Gee Choo was a Non-executive Director of the Company prior to her resignation on 22 October 2018, and is therefore considered a related party for the purposes of section 228 of the Corporation Act.

Price

Each Director Incentive Option will be granted for a deemed issue price of \$0.028, and forms part of the remuneration of the Director for services provided as a director of the Company.

Voting exclusion statement

A voting exclusion statement is included in the Notice.

Intended use of funds raised

No funds will be raised from the grant of Director Incentive Options.

Terms

The terms of the Options are set out at Schedule 1.

5.5 Corporate governance

The ASX Listing Rules set out best practice recommendations for ASX listed entities. In accordance with the corporate governance guidelines there are no performance hurdles attached to the Director Incentive Options. The periodic grant of Options to Non-executive Directors as a component of their remuneration is considered appropriate by the Board for the Company's current stage of development.

The Board considers the grant of the Director Incentive Options to the Directors is reasonable in the circumstances, where the preservation of the Company's cash resources is important and the retention of high quality and well-credentialed Directors is considered paramount to the ongoing development of the Company.

5.6 Listing Rule 7.1

Approval under Listing Rule 7.1 is not required in order to grant the Director Incentive Options to the Directors or their nominees as approval is being obtained under Listing Rule 10.11.

Accordingly, the grant of the Director Incentive Options will not be included in calculating the Company's capacity to issue equity securities equivalent to 15% of the Company's Shares under Listing Rule 7.1.

5.7 Directors' Recommendation

The Directors decline to make a recommendation on Resolutions 6 to 9 respectively based on their interest in the outcome of these Resolutions.

6. Resolution 10 – Approval of additional placement capacity

6.1 Background

The Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A (**10% Placement**).

Resolution 10 is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The only securities that the 10% Placement can cover are existing quoted securities, namely ordinary fully paid Shares.

As at the date of this Notice, the Company has a market capitalisation of \$14,887,011.¹

6.2 Eligibility criteria

Under Listing Rule 7.1A, an eligible listed entity may, subject to shareholder approval by way of special resolution, issue Shares comprising up to 10% of its issued share capital in addition to the normal 15% new issue capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

6.3 Placement capacity under Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1. As at the date of finalisation of this Notice, the Company has 513,345,206 Shares on issue and therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the capacity to issue:

- (a) 77,001,781 Shares under Listing Rule 7.1; and
- (b) 51,334,521 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula in Listing Rule 7.1A.2.

In summary, Listing Rule 7.1A.2 would apply to the Company as follows:

If the Company has obtained the approval of Shareholders at the Meeting (ie. if Resolution 10 is passed), the Company may issue or agree to issue, during the

¹ Based on a market price for each Share of \$0.029 and a total of 513,345,206 Shares on issue on 22 October 2018.

approval period (ie. the 12 month period after the date of the Meeting or, in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), the date of such approval, whichever occurs first), a number of Shares calculated in accordance with the following formula:

$$(A \times D) - E$$

Where²:

A = The number of Shares on issue 12 months before the date of issue or agreement,

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2 (which contains numerous exceptions to Listing Rule 7.1 and Listing Rule 7.1A, including in relation to issues of Shares pursuant to pro-rata issues, upon the conversion of convertible securities such as options; under off-market bids, mergers by scheme of arrangement or approved employee incentive schemes, or certain issues of preference shares, etc – refer to Listing Rule 7.2 for full details),
- plus the number of partly paid Shares that became fully paid in the 12 months,
- plus the number of Shares issued with Shareholder approval under Listing Rule 7.1 (ie. the 15% capital raising approval requirement rule) or Listing Rule 7.4 (which relates to subsequent approvals by Shareholders of an issue of equity securities),
- less the number of Shares cancelled in the previous 12 months.

D = 10%.

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4.

6.4 Minimum issue price

In accordance with Listing Rule 7.1A, Shares issued by the Company under a 10% Placement can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the Shares calculated over the 15 trading days on which trades in its Shares were recorded immediately before:

- (a) the date on which the issue price of the Shares is agreed; or
- (b) the issue date (if the Shares are not issued within five trading days of the date on which the issue price is agreed).

² Nb. The explanation of the formula components should be read in conjunction with the definitions and rules of interpretation in the Listing Rules.

6.5 Placement period

Shareholder approval under Listing Rule 7.1A is valid from the date of this Meeting until the earlier to occur of:

- (a) 12 months after the date of the Meeting; and
- (b) the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Meeting.

6.6 Dilution to existing shareholdings

If Resolution 10 is approved by Shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result.

Further, as the market price of the Company's Shares may be significantly lower on the issue date than on the date of Meeting approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of finalisation of this Notice.

Share Capital (Variable 'A' in Listing Rule 7.1A.2)		Dilution table		
		\$0.0145 (50% decrease in share price)	\$0.029 share price	\$0.058 (100% increase in share price)
Current Shares (513,345,206 Shares)	Number of Shares	51,334,521	51,334,521	51,334,521
	Funds raised	\$744,351	\$1,488,701	\$2,977,402
50% increase (770,017,809 Shares)	Number of Shares	77,001,781	77,001,781	77,001,781
	Funds raised	\$1,116,526	\$2,233,052	\$4,466,103
100% increase (1,026,690,412 Shares)	Number of Shares	102,669,041	102,669,041	102,669,041
	Funds raised	\$1,488,701	\$2,977,402	\$5,954,804

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- (a) the Company issues the maximum number of Shares available under the 10% Placement;
- (b) any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of Shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue;
- (c) the table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (d) the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Meeting; and
- (e) the share price is assumed to be \$0.029, being the approximate Share price on 22 October 2018 prior to finalising this Notice.

6.7 Purpose of the 10% Placement

The Company may seek to issue Shares under the 10% Placement for either:

- (a) a cash issue price. In this case, the Company may use the funds for working capital or for other corporate purposes; or
- (b) non-cash consideration, such as for the acquisition of new assets or investments (in such circumstances the Company will provide a valuation of non-cash consideration, as required by Listing Rule 7.1A.3).

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

6.8 Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- (a) the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- (b) the effect of the issue of the Shares on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of finalisation of this Notice and may include existing substantial Shareholders and/or new Shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

6.9 Voting exclusion

A voting exclusion statement is included in the Notice. At the date of finalisation of the Notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of the Shares. No existing Shareholder's vote will therefore be excluded under the voting exclusion in the Notice.

6.10 Previous approval

The Company has not obtained Shareholder approval under Listing Rule 7.1A in the 12 months preceding the date of this Notice.

6.11 Recommendation

As at the date of finalisation of this Notice, the Company has no plans to raise additional capital. However, many eligible companies seek this form of available shareholder approval to enable a capital raising to be implemented if appropriate during the following year. Accordingly, shareholder approval of Resolution 10 is considered to be a prudent approach. The Directors believe that Resolution 10 will provide the Company with flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company. The Board recommends that Shareholders vote in favour of Resolution 10.

7. Resolution 11 – Ratification of prior issue

7.1 General

The Company has on 22 January 2018 issued 3,600,000 Shares to third party advisors for the performance of advisory services for the Company.

7.2 Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 11 has been included so that Shareholders may approve and ratify pursuant to Listing Rule 7.4 the allotment and issue of 3,600,000 Shares to the third party advisors.

7.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification:

- (a) 3,600,000 Shares were issued;
- (b) the deemed issue price per Share was \$0.13;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) 1,200,000 Shares were issued to Union Pacific Trading Pty Ltd, 1,200,000 Shares were issued to Rekobina Jaya Snd Bhd, and 1,200,000 Shares were issued to Atidim Investments Pty Ltd, none of whom are related parties of the Company; and
- (e) the Shares were issued as full consideration for the performance of advisory services by the parties mentioned above, and therefore no funds were raised from the issue of the Shares.

8. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

9. Glossary

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or the member's spouse;
- (d) anyone else who is on the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)* for the purposes of this definition.

Company means Stemcell United Limited (ACN 009 104 330)

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to the Notice.

Financial Statements means the financial reports, directors' declaration and reports, and the auditor's report for the Company.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the

Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the ASX Listing Rules.

Meeting means the annual general meeting the subject of this Notice.

Non-executive Director means a non-executive Director of the Company.

Notice means this notice of meeting.

Option means an option to acquire a Share on the terms set out in Schedule 1.

Resolution means a resolution contained in the Notice.

Section means a section contained in this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Option Terms

An Option entitles the holder to subscribe for an ordinary share (**Share**) in Stemcell United Limited (ACN 009 104 330) (**Company**) on the terms and conditions set out below.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Expiry Date

Each Option will expire at 5.00pm (Sydney time) on the date that is 10 years from the date of issue of the Option (**Expiry Date**).

(c) Exercise Price

Each Option will have an exercise price of \$0.01 (**Exercise Price**).

(d) Vesting, exercise period and lapsing

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) Exercise Notice and payment

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment to the Company of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) Quotation of Shares

Provided that the Company is quoted on the official list of ASX Limited at the time, application will be made by the Company to ASX Limited for quotation of the Shares issued pursuant to the exercise of the Options.

(h) Timing of issue of Shares

Subject to clause (i), within 5 business days after receipt of an Exercise Notice the Company will allot and issue the Shares pursuant to the exercise of the Options. The Company makes no representation that the Shares will be freely tradeable upon issue and the holder acknowledges that the Shares may be subject to the on-sale restrictions contained in sections 706 and 707 of the *Corporations Act 2001 (Cth)* (**Corporations Act**). In these circumstances, the holder agrees not to trade the Shares for so long as the Shares are subject to such restrictions.

(i) Shareholder and regulatory approvals

- (i) Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder.
- (ii) If exercise of the Options would result in any person being in contravention of section 606 of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606 of the Corporations Act.

- (iii) Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606 of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606 of the Corporations Act.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

- (i) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (ii) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (iii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Options

The Company will not apply for quotation of the Options to ASX Limited.

(o) Transferability

The Options are not transferable.

Company or Trust in which Securityholding is held

STEMCELL UNITED LIMITED (ACN 009 104 330)

Registered Name(s)

Registered Address

Holder Identification Number (HIN) or Securityholder Reference Number (SRN)

Use a black pen.
Print in CAPITAL letters.

A B C

1 2 3

Where a choice is required, mark the box with an 'X'

X

Appointment of Corporate Representative

A Appointment of Corporate Representative

The abovenamed registered holder hereby appoints:

to act as its representative at:

the meeting of the above named company to be held on: Day Month Year

*and at any adjournment of that meeting

OR

all meetings of the above named company.

Please state if there are any restrictions on the representative's power: YES NO

If yes, please describe these restrictions

Contact Name Telephone Number – Business Hours / After Hours

B Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with the instructions set out above. We acknowledge that these instructions supersede and priority over all previous instructions.

Director Director/Company Secretary Sole Director and Sole Company Secretary

Day Month Year

How to complete this form

A

Appointment of Corporate Representative

Enter the name of the person you wish to appoint as a corporate representative
Indicate whether this appointment is for one specific meeting or all future meetings. If it is only for one specific meeting, enter the date of that meeting.
State if there are any restrictions to the representative's power and, if so, describe these.
Please enter contact details so that we can call you in the instance we have a query regarding this form.

B

Signature(s)

You must sign this form as follows in the space provided:
Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

STEMCELL UNITED LIMITED

ACN: 009 104 330

REGISTERED OFFICE:
LEVEL 2, 350 KENT STREET
SYDNEY NSW 2000
AUSTRALIA

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code» «Sequence_number»

Code:

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au
1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am AEDT on Friday 30 November 2018 at the office of HLB Mann Judd, Level 19, 207 Kent Street, Sydney, NSW 2000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*	
1. Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Issue of Options to Mr Gu Huan Qing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Savio Cheung Ka Lung a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Options to Mr Savio Cheung Ka Lung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Chow Yee Koh as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Options to Mr Chow Yee Koh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Mr Glenn Davies as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval of additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Re-election of Ms Ee Ting Ng as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of prior issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Options to Ms Jamie Khoo Gee Choo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am AEDT on Wednesday 28 November 2018.

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