



**STEMCELL UNITED LIMITED**  
**ACN 009 104 330**  
**Level 12, 680 George Street, Sydney, NSW 2000, Australia**

21 December 2020

Australian Securities Exchange

**Stemcell United Limited ("SCU"): Aware Query**

We refer to your letter dated 15 December 2020, reference 28871 and reply as follows to your enquiries.

1. *Does SCU consider its consideration, planning and execution of the placement detailed in paragraph D above (the 'Information'), or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes.

2. *If the answer to question 1 is 'no', please advise the basis for that view.*

Not applicable

3. *When did SCU first become aware of the Information? In answering this question, please address each component of the Information separately.*

SCU first became aware that 180 Markets Pty Ltd might be interested in investing in the Company when Mr Gu Huanqing received a call from representatives of 180 Markets Pty Ltd at about 4.06pm AEDT of 9 December 2020.

SCU first became aware that CS Third Nominee Pty Ltd might be interest in investing in the Company when Mr Huanqing Gu (MD/CEO) received a call from a representative of Union Pacific Equities Pty Ltd at about 9.03pm AEDT of 9 December 2020.

4. *When were discussions regarding the placement initiated?*

The discussions regarding the placement to 180 Markets Pty Ltd were initiated during a Zoom meeting at 5.30pm AEDT of 9 December 2020 with 180 Markets Pty Ltd.

The discussions regarding the placement to CS Third Nominees Pty Ltd was initiated during the telephone call at 9.03pm AEDT of 9 December 2020 with Union Pacific Equities Pty Ltd.

The final allocation structure for the 100,741,255 shares was fixed on 11 December 2020.

5. *If the answer to question 1 is 'yes' and SCU first became aware of the Information (or any part thereof) prior to 10 December 2020, please explain why the Information was not disclosed to the market at an earlier time, commenting specifically on when you believe SCU was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps SCU took to ensure that the Information was released promptly and without delay.*

SCU believes it has promptly and without delay released the Information to ASX.

The Appendix 3B regarding the proposed issue of securities to the investors was lodged with ASX on the early morning of 10 December 2020 at 0.59am AEDT after SCU received each investor's positive indication regarding the placements at late night of 9 December 2020.

6. *Please confirm that SCU is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

SCU confirms that, so far as it is aware, it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

7. *Please confirm that SCU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SCU with delegated authority from the board to respond to ASX on disclosure matters.*

SCU confirms that its responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SCU with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully,



Huanqing Gu  
MD/CEO



15 December 2020

Reference: 28871

Mr Chow Yee Koh  
Company Secretary  
Stemcell United Limited  
Level 12  
680 George St  
Sydney NSW 2000

By email

Dear Mr Yee Koh

**Stemcell United Limited ('SCU'): Aware Query**

ASX Limited ('ASX') refers to the following:

- A. The change in the price of SCU's securities from a low of 1.8 cents at the close of trading on 7 December 2020 to a high of 4.9 cents on 9 November 2020,<sup>1</sup> and the significant increase in the volume of SCU's securities traded on 8 and 9 December 2020.
- B. ASX's price query letter dated 9 December 2020 and SCU's response, released together on the ASX Market Announcements Platform ('MAP') at 12:19pm on 9 December 2020 ('Price Query'), which included the following questions (in bold and answers):

**'1. Is SCU aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?'**

*No, SCU is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.*

....

**'2. If the answer to question 1 is "no", is there any other explanation that SCU may have for the recent trading in its securities?'**

*SCU is not aware of any explanation for the recent trading in its securities.*

**'3. Please confirm that SCU is complying with the Listing Rules and, in particular, Listing Rule 3.1.'**

*SCU confirms that, so far as it is aware, it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.'*

- C. SCU's request for a trading halt provided to ASX by email at 10:03am AEDT on 10 December 2020 and released on MAP together with ASX's market announcement regarding the trading halt at 10:39am AEDT on 10 December 2020. The trading halt request included the following information:

*'The Company would like to make an announcement in relation to a placement.'*

- D. SCU's announcement titled 'Proposed issue of securities' and accompanying Appendix 3B released on MAP on 14 December 2020, which disclosed a placement of 100,741,255 shares at 1.9 cents per share to 180 Markets Pty Ltd and CS Third Nominees Pty Ltd.

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<sup>1</sup> ASX initiated a pause in trading at 10:43am AEDT which was lifted at 12:30pm AEDT following the release of the Price Query.

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- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:
- 'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity' and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information.'*
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- '3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- It would be a breach of a law to disclose the information;*
  - The information concerns an incomplete proposal or negotiation;*
  - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - The information is generated for the internal management purposes of the entity; or*
  - The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 A reasonable person would not expect the information to be disclosed.'*
- H. ASX's policy position on the concept of 'confidentiality', which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- 'Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.'*

### Questions and Request for information

Having regard to the above, ASX asks SCU to respond separately to each of the following questions and requests for information:

1. Does SCU consider its consideration, planning and execution of the placement detailed in paragraph D above (the 'Information'), or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is 'no', please advise the basis for that view.
3. When did SCU first become aware of the Information? In answering this question, please address each component of the Information separately.
4. When were discussions regarding the placement initiated?

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5. If the answer to question 1 is 'yes' and SCU first became aware of the Information (or any part thereof) prior to 10 December 2020, please explain why the Information was not disclosed to the market at an earlier time, commenting specifically on when you believe SCU was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps SCU took to ensure that the Information was released promptly and without delay.
  6. Please confirm that SCU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
  7. Please confirm that SCU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SCU with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:30pm AEDT on Friday, 18 December 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SCU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SCU to request a trading halt immediately.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SCU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

#### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in SCU's securities under Listing Rule 17.3.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to SCU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SCU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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**Release of correspondence with ASX**

ASX reserves the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

**Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Corey Lian**  
Listings Adviser, Listings Compliance (Sydney)