



STEMCELL UNITED LIMITED
(Formerly On Q Group Limited)
ACN 009 104 330

Level 2, 350 Kent Street, Sydney NSW 2000, Australia

1 July 2016

ASX Announcement

OPERATING UPDATES

Trial Production of Dendrobium

Stemcell United Limited (“SCU”, ‘The Company’) advises that it has entered into a 3 year cooperation agreement, via its subsidiary Stemcell Essentials Pte Ltd, with Guangzhou Chinese Medicine University to commercialise SCU’s Dendrobium stemcell patent. Preparation work is now underway with the University and trial production is expected to commence on August 2016. The Company expects 1st batch of the output of Dendrobium stemcell in the form of dendrobium powder will be available by the end of Year 2016, following which we will be able to work with cosmetics and possibly food companies on the application of the dendrobium powder and development of new products.

Formation of Hong Kong Subsidiary

The Company further advises that a wholly owned subsidiary company has been formed in Hong Kong. The Hong Kong subsidiary, will serve as a springboard for the Company to access the Hong Kong and China market and provide closer proximity to the main market for Traditional Chinese Medicine (TCM) and better serve its customers. The Company, via it’s Hong Kong subsidiary, is also evaluating other possible offerings of TCM products to complement the resina business, to our existing customer base.

Financial year end results

The Company expects that it will incur significant consolidated net loss after tax for the year ended 30 June 2016. This is due to the costs incurred in connection with the re-quotations of SCU on ASX in September 2015, and also a reduction in demand for resina product as a result of a slowdown in the China market earlier this year.

Chow Yee Koh
Company Secretary