



STEMCELL UNITED LIMITED

ACN 009 104 330

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

Tel (02) 8280 7355 Fax (02) 9287 0350

13 July 2018

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

SCU SECURES CONTRACT TO SUPPLY 50 TONNES RESINA

Key Points

- **SCU secures contract to supply 50 tonnes of Daemonorops Draco Blume extract (Resina) to Chinese customer over a five years period**
- **1st tonne of Resina under the contract has been delivered.**

StemCell United Limited (ASX:SCU) ("SCU" or "Company") is pleased to advise that it has delivered an initial 1 tonne of Daemonorops Draco Blume extract ("resina") as part of a longer term contract to supply 50 tonnes of resina to Zhejiang Forest Rainbow Medical Co Ltd over five years. Zhejiang Forest Rainbow Medical Co Ltd, is a major importer and distributor of medical equipment and TCM products in China. The contract was signed on 1 June 2018, but was subject to having the first delivery meeting the Chinese regulations and safety standards.

SCU's role in relation to this contract is supply chain management and quality check. SCU procures the resina powder from its Indonesian agents, and ships it to subcontractors for extraction of the active ingredient (Draconhodin) which then process the powder into cakes. The raw material for resina is procured from various Indonesian agents and purchase orders will be issued as and when the company requires it for production. SCU, according to customer's specification on the quality and active ingredient, will provide instructions on the extraction techniques to its subcontractor and monitor the quality control during the whole process. The completed products (cake form) will be shipped to SCU operation in Singapore for final quality check before shipping to China. SCU does not utilise its stemcell technology on resina.

The quality of the resina needs to comply with China's import regulations and safety standards in order for each sale contract to be completed and it will be held in the China custom for about three weeks for safety standard checking before releasing to the customer. The first shipment has complied with the Chinese safety standards and been released to Zhejiang Forest Rainbow Medical Co Ltd on 9 July 2018, thereby validating the contract with Zhejiang Forest Rainbow Medical Co Ltd.

The agreed unit price of resina is US\$200 per kg, or US\$200,000 per tonne and is subject to change according to market price. SCU expects to have a profit of about US\$40,000 per tonne.

Resina is extracted from Daemonorops Draco Blume, a plant that grows in the tropical rainforests of Indonesia.

Resina is used to:

- Help in blood circulation
- Stop bleeding and alleviating pain caused by external injuries
- Treat body sprains and act as an analgesic
- Promote tissue regeneration and healing wounds such as cuts, ulcers and sores
- Reduce pain from blood stasis, in particular due to traumatic injuries such as those resulting from falls and fractures

SCU's Chief Executive Officer, Philip Gu commented: "SCU has a proven track record in producing and marketing high quality Daemonorops Draco Blume extract and securing this contract is further validation of opportunities in the multi-billion dollar global health market to commercialise our proprietary stem cell technology and generate substantial revenue from Traditional Chinese Medicine products."

In addition to the supply of plant extracts from Daemonorops Draco Blume and from Dendrobium Officinale stemcell, SCU is uniquely positioned to commercialise the use of its proprietary technology for cannabis stem cell extraction in cooperation with Yunnan Hua Fang Industrial Hemp Co Ltd.

For further information, please contact:



Michael Lovesey

Director Corporate Media Relations
MMR Corporate Services Pty Ltd

Level 2, 131 Macquarie Street

Sydney, NSW 2000 Australia

P: +61 2 9251 7177

M: +61 449 607 636

E: michaell@mmrcorporate.com

About StemCell United www.scu.com.sg

StemCell United is a bio-technology company which focuses on the growth, reproduction, culture and extraction of stem cells for medicinal, health and beauty applications using its environmentally friendly proprietary technology. Dendrobium Officinale and Daemonorops Draco Blume are two active plant extracts that are high in demand and widely used in many different products, including medical, health care and beauty products. SCU has a proven track record in producing and marketing high quality Daemonorops Draco Blume extract, and have developed breakthrough plant stem cell bio-technology to produce Dendrobium Officinale extract. SCU is also uniquely positioned to commercialise the use of its proprietary technology for cannabis stem cell extraction in cooperation with Yunnan Hua Fang Industrial Hemp Co Ltd.