



STEMCELL UNITED LIMITED
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Company Announcements Platform
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Collaboration with a subsidiary of China Tobacco

Stemcell United Limited (ASX:SCU) (“Company”) is pleased to advise that it has signed an agreement with Yunnan Hongyi Agriculture Development Co Ltd (“YHAD”), a wholly owned subsidiary of China Tobacco, to setup a plant stem cell research centre, named Hongyi SCU Biotech and Innovation Centre (“HSBIC”).

SCU will invest an initial capital of CNY1 million for 50% of the equity in HSBIC.

HSBIC will start with focusing on the following objectives:

- Research and commercialise the efficacy and usage of dendrobium stem cell as an anti-aging skin care ingredient in cosmetic products.
- Leveraging on SCU’s know-how on dendrobium stem cells to research into industrial hemp stem cell, with the objective of achieving high cannabidiol (CBD) output, and low to no tetrahydrocannabinol (THC) content.
- Research into using tobacco plant stem cell as potential live bioengineering bioreactor and medium for testing, growing and producing of active ingredients for pharmaceutical and healthcare industries.

In addition, tapping into SCU’s network in South East Asia, HSBIC is also exploring the viability of

- commercial planting of resina plant in Sumatra, Indonesia and/or Yunnan, China;
- commercial planting of vanilla plant and other value plants in Malaysia, in collaboration with the University of Malaya.

Successes from above projects will then be emulated as a co-operation model with agritech and biotech companies in South East Asia and other One Belt One Road countries.

The cooperation period will last for an initial term of 5 years, and extendable by another 5 years.

On the collaboration with HSBIC, Mr Philip Gu, MD/executive chairman commented:

“We are honoured to be involved in China Tobacco’s effort to diversify its non-tobacco agritech and biotech businesses, including industrial hemp growing and product research and development. The collaboration with Yunnan Hongyi Agriculture Development Co Ltd will synergised the strength of each party, with SCU bringing in its plant stem cell technology know-hows, and YHAD contributing its extensive skills and expertise in tobacco plant cultivation management, product research and development, and product marketing in domestic and international landscape. It is another major milestone in SCU's business development in China since SCU 's acquisiton of Yunnan Huafang Industrial Hemp Co Ltd (HFIH) in May 2019.”

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About Yunnan Hongyi Agriculture Development Co Ltd

Yunnan Hongyi Agriculture Development Co Ltd, located in Southwest China Yunnan Province where bases China Tobacco’s main growing field, and produces one of the largest in terms of quantities and best in terms of quality of tobacco leaves in the world. It is a wholly owned subsidiary of China Tobacco, involving in non-tobacco based agricultural and biotech businesses arm, with emphasis on social responsibility, environmental protection, and sustainable development.