



SHINECO

Shineco, Inc. Intends to Acquire Biotechnology Company to Jointly Develop Rapid-acting Antidepressant Natural Innovative Medicine

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BEIJING, Oct. 05, 2021 (GLOBE NEWSWIRE) -- Shineco, Inc. ("Shineco" or the "Company"; NASDAQ: TYHT), a producer and distributor of Chinese herbal medicines, organic agricultural and hemp products and other biotech products, announced that it entered into a framework agreement (the "Framework Agreement") on October 4, 2021, to acquire over 51% equity interest of Beijing Wonner Biotech Co., Ltd. ("Beijing Wonner") with no more than \$30 million, to jointly develop SNG, a rapid-acting antidepressant natural innovative medicine. The final purchase price will be separately determined based on the evaluation report issued by a third party.

Beijing Wonner is a biotechnology company engaged in the research and development ("R&D") of natural medicines and related products. It adheres to the concept of promoting development with innovation and prospective judgments. It focuses on R&D of medicines for depression, irritable bowel syndrome and other immune metabolic diseases. Beijing Wonner has applied for more than 20 patents worldwide, of which more than 16 patents have been authorized in China, the United States and Europe.

SNG is a natural product extracted and purified from Paeoniae Radix Alba, a traditional Chinese medicine. Natural products have become a rich repository for new drugs or lead compounds in drug discovery due to their complex structures and biological activities. According to statistics data, from 1981 to 2010, 34% of small molecule drugs approved by the FDA were natural products or their derivatives. After years of efforts, SNG, a rapid-acting antidepressant natural medicine, developed by Beijing Wonner, has made breakthroughs and achieved progressive results in the research of biological targeting and mechanism acting. It is found that the antidepressant mechanism of SNG is different from traditional monoamine medicines, and SNG's potential advantages are rapid-acting, safe, and cost-effective with minor side effects. At present, SNG has had preliminary conditions for application of clinical trials.

Mr. Zuoguang Zhang, Chairman of Beijing Wonner, said, "SNG is a new generation of antidepressant natural medicine that we have repeatedly researched and developed for years. In addition to the advantages of rapid-acting performance, SNG may have the potential to treat inflammatory major depressive disorder (MDD). As a multi-target natural medicine, SNG can prevent and treat immune metabolic diseases through various functions such as anti-stress, anti-inflammatory, anti-depression, and adjusting intestinal flora. These functions can derive a series of high value-added products and provide a new medication method for the treatment of somatic comorbid depression. Shineco's investment will advance the progress of SNG R&D and the application of clinical trials, and bring products to the market for the benefit of patients." Ms. Jennifer Zhan, CEO of Shineco, commented, "The global antidepressants market will exceed \$16 billion by 2023 and the Chinese market will exceed \$10 billion with an annual growth rate of over 10%. The acquisition of Beijing Wonner is not only a strategic plan for innovative medicines, but also an advanced plan for the sharp increase in patients with depression recovering from COVID-19 pandemic. In the future, Shineco will continue to focus on the innovation of the pharmaceutical sector, increase investments in R&D of new medicines and medical technology upgrades, as well as contribute to the long-term development of the biomedical industry and the treatment of depression globally."

About Shineco, Inc.

Incorporated in Delaware in August 1997 and headquartered in Beijing, China, Shineco is a holding company. Utilizing modern engineering technologies and biotechnologies, Shineco produces, among other products, Chinese herbal medicines, organic agricultural produce, and specialized textiles. For more information about Shineco, please visit <http://tianyiluobuma.com>.

About Beijing Wonner Biotech Co., Ltd.

Beijing Wonner, incorporated in January 1999, was engaged in the research and development ("R&D") of natural medicines and related products in China. It focuses on R&D of medicines for depression, sleep disorders, intestinal diseases, senile diseases and cancer. Its product types cover many varieties of innovative traditional Chinese medicine of category 1.1, natural drugs of monomer compounds of category 1.2 and health food.

For accessing the academic paper on Phytomedicine journal, please visit: <https://doi.org/10.1016/j.phymed.2021.153735>.

Forward-Looking Statements

This press release contains information about Shineco's view of its future expectations, plans and prospects that constitute forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with its ability to raise additional funding, its ability to maintain and grow its business, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, competition in the industry, general government regulation, economic conditions, the impact of the COVID-19 pandemic, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. Shineco encourages you to review other factors that may affect its future results in its registration statement and in its other filings with the Securities and Exchange Commission. The forward-looking statements in this press release are based on current expectations and Shineco assumes no obligation to update these forward-looking statements.

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