



SHINECO

Shineco, Inc. Intends to Acquire a Controlling Interest of Xiang Peng You Kang (Beijing) Technology Co., Ltd., a Healthcare Services Company

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As a Preemptive Action to Develop Comprehensive Medical and Healthcare Services

BEIJING, Dec. 03, 2021 (GLOBE NEWSWIRE) -- Shineco, Inc. ("Shineco" or the "Company"; NASDAQ: SIS), a producer and distributor of Chinese herbal medicines, organic agricultural and other biotech products, announced that on November 18, 2021, it entered into non-binding framework agreements (the "Framework Agreements") with certain shareholders of Xiang Peng You Kang (Beijing) Technology Co., Ltd. ("XPYK"), a comprehensive medical and healthcare company, to acquire at least 51% equity interest of XPYK, intending to develop an integrated medical and health services system of the Company. The final purchase price will be separately determined based on the evaluation report issued by a third party. The Company expects to develop comprehensive medical and healthcare services through upgrading XPYK's Yikang International Medical and Health Service platform (the "Platform") and accelerating its digital transformation.

XPYK is a comprehensive medical and healthcare group that develops biotechnology and integrates medical services and health management. As the core of XPYK's business, the Platform has industry-leading medical and healthcare resources and an integrated service system, providing patients with online and offline medical and healthcare service solutions including convenient medical services and health management services. For convenient medical services, the major services are pre-diagnosis consultation and triage advice, assistance in medical consultation, in-diagnosis guidance, post-diagnosis rehabilitation, health tracking, and domestic and international medical consultations. For health management services, the major services are private family doctors, 24/7 telephone doctor service, physical examination management, on-site care, and healthcare report interpretation.

Mr. Peng He, CEO and Founder of XPYK, said, "The Platform is an offline medical and health service platform and has the advantages in areas such as the offline services launching, user experience optimization and integration of medical resources. The Platform has now gained a large market share in the national medical and healthcare offline service industry and has built solid partnerships with many large well-known companies in China.

The cooperation with Shineco provides us with an international vision and a new development pattern for the Platform, which will greatly accelerate the integration of the Platform's of medical and healthcare resources and help upgrade its online service capabilities. Through online health management and consultation services, combined with offline high-quality hospital doctor resources to provide medical care and other services, the Platform is expected to integrate online and offline businesses, connect cutting-edge technologies and healthcare professionals more efficiently, and provide a higher-quality, lower-cost, inclusive digital full-life-cycle health management ecosystem for the public."

Ms. Jennifer Zhan, CEO of Shineco, commented, "We are very happy to see the potential acquisition of XPYK and the benefits of the Platform. The core members of the founding team of XPYK consist of medical doctors and postdoctoral fellows from Peking University, with an average age of less than 40 years old. The team has a vigorous entrepreneurial spirit, a keen sense of digital technology and internet, and many years of experience in the hospital and biomedical industry. Experience is a key prerequisite for promoting cooperation between us. At present, 'Healthy China 2030' has entered a period of intensified implementation. The comprehensive benefits of the policy, the high-level industrial foundation, and the huge room for growth in the medical and health industry are the foundations for us to work together. The 'China Digital Health Development Report (2020)' released by think tanks such as the Chinese Academy of Social Sciences shows that digitization, networking, and intelligence are driving the traditional medical and health industry to accelerate to a new stage of digital health. Global medical health is experiencing a digital revolution. Digital healthcare will become one of the most significant sectors in China's industrial Internet and has the potential to be a trillion-level market.

We will accelerate the digital transformation of Shineco and explore more opportunities. Relying on the resources of thousands of expert teams and hundreds of collaborating hospitals on the Platform, we plan to upgrade the Platform in two aspects. One is to expand its patients group from middle-aged and elderly patients to the public of all ages, and the other is to transition its service level from high-end services to regular normal services. We expect to eventually build an inclusive comprehensive health management service system and improve the effective utilization of medical resources.

We look forward to continuing to make innovations in medical technology services in the future, to promote breakthroughs in major diseases, especially cancer related medical technologies, and to strive for the early promotion and application of cancer early screening technology and drug screening technology, so as to avoid the risk of disease for the public. We are committed to shortening the treatment time of patients, alleviating the suffering of patients, contributing to the health of the people, and promoting convenient medical treatments. "

Completion of the transaction is subject to due diligence investigations by the relevant parties, the negotiation and execution of a definitive share purchase agreement, satisfaction of the conditions negotiated therein including the approval of the Company's Board of Directors, and the satisfaction of other customary closing conditions. There can be no assurance that a definitive agreement will be entered into or that the proposed transaction will be consummated. Further, readers are cautioned that the terms of the Framework Agreements contained herein describing the proposed transaction are non-binding.

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>.

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, including the risks described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in its annual report on Form 10-K for the fiscal year ended June 30, 2021. 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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