



# SHINECO

## Shineco, Inc. Announces Progress with CBD Product System Construction

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BEIJING, Dec. 09, 2019 (GLOBE NEWSWIRE) -- Shineco, Inc. ("Shineco" or the "Company"; NASDAQ: TYHT), a producer and distributor of Chinese herbal medicines, organic agricultural produce, hemp products, and various health and well-being focused plant-based products in China, announced today that its wholly owned subsidiary Tenjove NewHemp Biotech Co., Ltd. ("TNB") has achieved progress in its industrial product system which focuses on cannabidiol development ("CBD"). The Company has achieved good progress with hemp planting, product research and development, and technical supports.

In April 2019, TNB entered into a strategic cooperation agreement with the Hemp Research Institute of the Chinese Academy of Agricultural Sciences ("HRI"). Both parties spent 3 years jointly cultivating Xinma No.1 (M11), a high-quality industrial hemp seed. M11 has been tested by Daqing branch of Heilongjiang Academy of Science numerous times and has proved that the CBD composition of M11 is much higher than that of similar products.

With regard to product research and development, TNB cooperated with Heilongjiang Harbin Beima Technology Development Co., Ltd. ("HBTD"). The Company and HBTD has developed a series of CBD mask beauty products and improved the industrial chain of food products of CBD black gold powder including the product research and development, production and sale.

The total investment of Shineco in CBD product system project (the "Project") is about RMB 150 million (approximately USD 22 million). The direct income of the Project exceeds RMB 3000 per mu, which is of great significance to the local economic restructuring and industrial transform.

In the area of technical support, TNB and Jiangsu Hagong Pharmaceutical Machinery Technology Co., Ltd. ("JHPMT"), which focuses on the research and development of intelligent equipment, jointly developed the first industrial hemp intelligent processing equipment (the "Equipment") in China. At present, the technical development is almost finished. After the official launch of the Equipment, the Company will become the national pioneer in both the processing throughput and extraction rate of the industrial hemp.

Mr. Yuying Zhang, Chairman and Chief Executive Officer of Shineco, commented, "Shineco CBD product has great market prospects and the CBD product system has great industrial value. It is an important part of Shineco's strategic development plan in the industrial hemp industry. In the future, Shineco will continue to innovate in the field of industrial hemp, utilize seeds with 100% independent property rights and leading planting technology, build the whole industrial chain system of industrial hemp. This will maximize industrial hemp's value, constantly improve the current backward situation of industrial hemp cultivation and processing in China, and promote local development, increase agricultural efficiency, increase farmers' income and create more and better social benefits for local economic development."

### About Shineco, Inc.

Incorporated in Delaware in August 1997 and headquartered in Beijing, China, Shineco is a holding company. Through its subsidiaries and variable interest entities, Shineco undertakes vertically- and horizontally-integrated production, distribution, and sales channels to provide health and well-being focused plant-based products in China. 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. 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, 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 Shineco's registration statement and in its other filings with the Securities and Exchange Commission.*

### For more information, please contact:

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