



SHINECO

Shineco, Inc. Enters into Hemp Fiber Preliminary Processing Sales Framework Contract with Shanxi Oasis Textile Co., Ltd.

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BEIJING, Dec. 04, 2019 (GLOBE NEWSWIRE) -- Shineco, Inc. ("Shineco" or the "Company"; NASDAQ: TYHT), a producer and distributor of Chinese herbal medicines, organic agricultural produce, specialized textiles, and various health and well-being focused plant-based products in China, announced today that the Company, through its subsidiary Shineco China Hemp Technology Co., Ltd. ("SCHT"), has entered into a 500,000 mu (approximately 82,348 acres) hemp fiber preliminary processing sales framework contract (the "Contract") with Shanxi Oasis Textile Co., Ltd. ("Oasis"), one of the largest enterprises in China that produces textiles of hemp [and is the National Textile Industry Hemp Product Development Base.

SCHT is a biotechnology enterprise focusing on industrial hemp comprehensive utilization with RMB200 million registered capital. The Company holds 60% of the shares of SCHT and is the controlling shareholder of SCHT. SCHT is located in the Jinzhong Development Zone of Shanxi's Transition and Comprehensive Reform Demonstration Zone, which has a history of over 2800 years' of agricultural cultivation, development and utilization of industrial hemp. The Company plans to build a comprehensive industrial chain of industrial hemp by applying the traditional local craftsmanship. The total scale of the project is estimated to reach 500,000 mu (approximately 82,348 acres). The harvest of industrial hemp has been completed this year and the construction of the project is expected to be gradually completed in the next three years.

Mr. Yuying Zhang, Chairman and Chief Executive Officer of Shineco, commented, "Shineco officially entered into the industrial hemp industry this year and first established a CBD-based product system in Heilongjiang Province, China. Now we have integrated the industrial hemp resources in Shanxi Province and established SCHT to gradually achieve comprehensive use of industrial hemp. We applied advanced technology to the traditional industry hemp industry, which extends the application of industrial hemp to hemp fiber textiles, antibacterial and environmentally friendly building materials, hemp seed oil and protein powder, oligopeptide as well as industrial hemp essential oil."

Mr. Zhang continued, "Our innovation technologies greatly add to the value of industrial hemp. We will increase the economic benefits of extracting and processing industrial hemp from less than RMB3,000 to more than RMB40,000 per mu, which increases the output value by more than 10 times. We expect to achieve RMB20 billion output value after the completion of the entire project."

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.

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