



# SHINECO

## Shineco, Inc. Enters Into Share Transfer Agreements to Acquire 51% Equity Interest in Xiang Peng You Kang (Beijing) Technology Co., Ltd.

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BEIJING, Jan. 18, 2022 (GLOBE NEWSWIRE) -- Shineco, Inc. ("Shineco" or the "Company"; NASDAQ: SISI), a producer and distributor of Chinese herbal medicines, organic agricultural and other biotech products, announced that on January X, 2022, the Company entered into share transfer agreements (the "Agreements") with certain shareholders of Xiang Peng You Kang (Beijing) Technology Co., Ltd. ("XPYK"), a comprehensive medical and healthcare company, to acquire 51% of the total outstanding equity interest of XPYK. Pursuant to the Agreements, the aggregate purchase price for the 51% equity interest in XPYK is approximately \$5.6 million, payable in the Company's restricted common stock in the amount of 700,551 common shares, valued at a price of \$8 per share. The purchase price of 51% XPYK equity interest is determined based on the legal and financial due diligence and the Company's internal evaluation of XPYK. The Company expects that the acquisition of the controlling interest in XPYK will help it accelerate its digital transformation and develop comprehensive medical and healthcare services. Subject to customary closing conditions, the parties to the Agreements expect to close the transactions set forth therein within sixty (60) days from the date hereof.

XPYK is a comprehensive medical and healthcare group with the self-developed "Yikang International Medical and Health Service platform" (the "Platform"). The Platform is an integrated service system with industry-leading medical and healthcare resources that provides patients with professional, fast and effective medical and healthcare solutions. So far, XPYK has tens of thousands of medical experts and more than 100,000 member customers, including a number of Fortune 500 companies, such as JD.com, Inc. and The People's Insurance Company (Group) Of China. All the founders of XPYK are medical doctors or postdoctoral fellows from Peking University, each with extensive medical clinical and medical management experience.

Driven by multiple factors, such as policy changes, technological development, market evolution, and the COVID-19 pandemic, digital medical and healthcare management industries are ushering in major development opportunities. According to certain data from Boston Consulting Group, the number of digital medical users in China has exceeded 600 million up to now. The number of third-party medical platforms was over 100, and the overall user frequency has surged to a huge scale of 1 billion times. This marks the transformation of the medical industry from providing "medical security" to providing "healthcare services". Based on the anticipation of the continued expansion of the digital medical market, XPYK has actively deployed and occupied a large market share in offline medical and healthcare services in China.

Dr. Peng He, the CEO and Founder of XPYK, said: "This acquisition will mark a significant move for both Shineco and XPYK to build a strong alliance and achieve a win-win situation and also will enable us to integrate industry resources and improve our services. In the future, we will complement our advantages with each other to continuously enhance the cooperation and expand the market share in the industry. In terms of business, we will focus on the fields of cancer prevention and treatment, high-tech medical technology transformation and application, and medical vocational education, and will use high-quality medical resources and high-precision medical technology to provide patients with better services and cultivate more medical and technical professionals for the society."

Ms. Jennifer Zhan, CEO of Shineco, commented, "This acquisition will make a milestone for Shineco, marking the industrial transformation of the Company and the Company's official entry into the digital medical industry. XPYK is a pioneer in China's digital healthcare industry. On the basis of Yikang International Medical and Health Service platform, Shineco believes it could develop and promote the full-cycle health management and services in life sciences, digital medical system construction that combines online hospitals and offline oncology specialists, medical specialist education and vocational skills training, and transformation of life science research results. We expect it may take three years to gradually realize the strategic development plan of Shineco and XPYK's digital medical and digital healthcare management businesses. We aim to seize the opportunities of the development in the digital medical market and contribute to the improvement of digital medical technology in China as we set our goal to create greater value for patients, medical professionals, society, and our shareholders."

### 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. The forward-looking statements in this press release are based on current expectations and Shineco assumes no obligation to update these forward-looking statements except as required by the applicable rules and regulations.*

**For more information, please contact:**

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