



SHINECO

Shineco, Inc. to Build Its First Tumor Classification Diagnosis and Treatment Center in Weifang City, Shandong Province

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BEIJING, March 11, 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 March 4, 2022, the Company has signed a strategic cooperation framework agreement (the "Agreement") on Shineco's Weifang Life Science Industrial Park Project (the "Project") with the Development Service Center of Weifang Binhai Science and Technology Innovation Park in Shandong Province to build one of China's first city-level tumor classification diagnosis and treatment centers and an online telemedicine service platform, which would constitute Shineco's tumor diagnosis and treatment platform. The Company expects to complete the construction of its first city-level tumor classification diagnosis and treatment center (the "Shineco Diagnosis and Treatment Center" or "Center") by the end of 2022. Through leverage respective advantages and resources, both parties expect to jointly build the Center and promote the implementation of digital medical care, internet hospitals, and the research and development of innovative medicine and devices.

Pursuant to the Agreement, subject to obtaining adequate funding, Shineco expects to invest a total of US\$500 million in its Life Science Industrial Park Project, US\$100 million of which will be used in building Shineco's Diagnosis and Treatment Center as part of the Project. In order to implement this Agreement, Shineco will seek to raise funds to be used for the Life Science Industrial Park Project. The cooperation marks the official launch of the Three-Year Development Plan of Shineco Yikang Digital Tumor Diagnosis (the "Plan") and demonstrates the Company's actions in practice.

Furthermore, Shineco would like to establish its digital tumor diagnosis and treatment platform to potentially connect a total of ten Shineco's city-level tumor classification diagnosis and treatment centers and more than 90 district and county-level hospitals that would collaborate with Shineco's tumor classification diagnosis and treatment centers in the future. At this moment, Shineco has formed its plan to build one Shineco Diagnosis and Treatment Center and may or may not construct the additional nine tumor diagnosis and treatment centers.

Through building an advanced medical laboratory, an oncologists group, and an internet hospital in the anticipated digital tumor diagnosis and treatment platform and Shineco Diagnosis and Treatment Center, the Company seeks to empower one public hospital in the central area of Weifang and establish a network of local hospitals to cover the population of 10 million people in nine cities and counties successively, which are under the jurisdiction of Weifang, such as Linqi, Anqiu and Qingzhou. Once the digital classification diagnosis and treatment model established, the tumor diagnosis and treatment platform and centers, if and when established, would allow patients in Weifang to benefit from high-quality medical resources and services locally, such as accurate early tumor screening, drug screening and other medical tests, professional diagnosis, and treatment, which are the same level as the top-tier hospitals in major cities like Beijing, Shanghai, and Guangzhou.

Setting up Shineco Diagnosis and Treatment Center as the first city-level tumor classification diagnosis and treatment center in Weifang demonstrates the Company's optimism about the local business environment and superior medical facilities. There are more than 220,000 cancer patients in Weifang, with an increase of about 31,000 new cases every year. Once built and established, the Shineco Diagnosis and Treatment Center can provide early detection and diagnosis of tumors for 200,000 tumor medical tests and treat 100,000 tumor patients annually. Based on an article from China Jilin Network reported on May 21, 2016, the medical expenses of tumor patients was approximately RMB150,000 per person in China. Shineco estimated when its Center in operation, it is likely to reduce such expenses to RMB100,000 per person, which would result in a total reduction of up to RMB5 billion in medical expenses for tumor patients assuming the Center would treat 100,000 tumor patients annually.

According to the 14th Five-Year Plan on Public Service Plan released by the State Council of PRC in 2022, the development of regional medical centers, core clinical specialties, and classification diagnosis system is the key to achieving balanced distribution of medical resources. Upon completion, the Shineco Diagnosis and Treatment Center in Weifang will be a positive response to the 14th Five-Year Plan on Public Service Plan released by the State Council of PRC. Shineco initiated its tumor classification strategy in October 2021, following the Action Plan for Improving the Quality of Cancer Diagnosis and Treatment released by The National Health Commission of PRC (the "Action Plan"). The Action Plan indicated that the improvement of cancer diagnosis and treatment is one of the key work projects for local health departments between 2021 and 2024, and tumor diagnosis and treatment system should be incorporated into the construction of classification diagnosis and treatment system, which will further improve the treatment quality and benefit patients in China.

Upon completion we expect that the Shineco Diagnosis and Treatment Center will introduce a large number of advanced technologies for tumor testing and treatment, including CTC circulating liquid biopsy equipment, drug sensitivity detection technology of patient derived tumor organoids (PDO), capsule endoscopy robots, PET medical imaging equipment, and digital PCR technology platforms, which are usually only available in top-tier hospitals in first-tier cities. Moreover, the empowered doctor group will greatly improve the local tumor diagnosis and treatment qualities in Weifang.

Ms. Jennifer Zhan, CEO of Shineco, commented, "This cooperation marks our progress of entering into the field of tumor treatment and the launch of our digital tumor diagnosis and treatment platform as we aim to build and establish one of the first digital tumor diagnosis and treatment platforms in China. We are confident in our investment and believe that Shineco will use its best efforts to become an industry leader in pushing the general

development of tumor classification diagnosis centers and relevant upstream and downstream industries. Our goal is to provide the high-quality medical resources and treatment to tumor patients in China with affordable prices.”

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://www.biosisi.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.

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