UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **June 30, 2021**
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number: **001-37776**

SHINECO, INC.

(Exact name of issuer as specified in its charter)

Delaware	**52-2175898**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
Room 1001, Building T5, DaZu Square, Daxing District, Beijing People's Republic of China	**100176**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(+86) 10-87227366**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, $0.001 par value	**NASDAQ Capital Market**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Sec. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity stock held by non-affiliates of the registrant was approximately $4,191,885 as of December 31, 2020, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the registrant's common stock on such date of $3.06 per share, as reported on the Nasdaq Capital Market.

As of September 27, 2021, the registrant had 8,768,109 shares of common stock outstanding.

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FOR YEAR ENDED JUNE 30, 2021

All references to "we," "us," "our," "TYHT," "Company," "registrant" or similar terms used in this report refer to Shineco, Inc., a Delaware corporation ("TYHT"), including its consolidated subsidiaries and variable interest entities ("VIEs"), unless the context otherwise indicates. In the context of describing our business, "we," "us," "our," "TYHT," "Company," or "registrant" refers to our VIEs and their subsidiaries, unless the context otherwise indicates.

Our reporting currency is the US$. The functional currency of our entities located in China is the RMB. For the entities whose functional currency is the RMB, results of operations and cash flows are translated at average exchange rates during the period, assets and liabilities are translated at the unified exchange rate at the end of the period, and equity is translated at historical exchange rates. As a result, amounts relating to assets and liabilities reported on the statements of cash flows may not necessarily agree with the changes in the corresponding balances on the balance sheets. Translation adjustments resulting from the process of translating the local currency financial statements into US$ are included in determining comprehensive income/loss. Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies are translated into the functional currencies at the exchange rates prevailing at the balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K (the "Report") and other reports (collectively the "Filings") filed by the registrant from time to time with the Securities and Exchange Commission (the "SEC") contain or may contain forward looking statements and information that are based upon beliefs of, and information currently available to, the registrant's management as well as estimates and assumptions made by the registrant's management. When used in the filings the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to the registrant or the registrant's management identify forward looking statements. Such statements reflect the current view of the registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors (including the risks contained in the section of this Report entitled "Risk Factors") relating to the registrant's industry, the registrant's operations and results of operations and any businesses that may be acquired by the registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although the registrant believes that the expectations reflected in the forward-looking statements are reasonable, the registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by *applicable law, including the securities laws of the United States, the registrant does not intend to update any of the forward-looking statements to conform these statements to actual results. The following discussion should be read in conjunction with the registrant's financial statements and the related notes thereto included in this Report.*

Part I

ITEM 1. BUSINESS

General Overview

We are a holding company incorporated in Delaware. As a holding company with no material operations of our own, we conduct a substantial majority of our operations through our operating entities established in the People's Republic of China, or the PRC, primarily our variable interest entities (the "VIEs"). We do not have any equity ownership of our VIEs, instead we control and receive the economic benefits of our VIEs' business operations through certain contractual arrangements. Our common stock that currently listed on the Nasdaq Capital Markets are shares of our Delaware holding company that maintains service agreements with the associated operating companies. The Chinese regulatory authorities could disallow our structure, which could result in a material change in our operations and the value of our securities could decline or become worthless. For a description of our corporate structure and contractual arrangements, see "Corporate Structure" on page 5 and "Contractual Arrangements with Ankang Longevity Group or Zhisheng Group and their Owners" on page 6.

We use our subsidiaries' and VIEs' vertically and horizontally integrated production, distribution, and sales channels to provide health and well-being focused plant-based products. Our products are only sold domestically in China. We utilize modern engineering technologies and biotechnologies to produce, among other products, Chinese herbal medicines, organic agricultural produce, and specialized textiles. Our health and well-being focused plant-based products business is divided into three major segments:

Processing and distributing traditional Chinese herbal medicine products as well as other pharmaceutical products. This segment is conducted through our VIE, Ankang Longevity Pharmaceutical (Group) Co., Ltd. ("Ankang Longevity Group"), which operates 66 cooperative retail pharmacies throughout Ankang, a city in southern Shaanxi province, China, through which we sell directly to individual customers traditional Chinese medicinal products produced by us as well as by third parties. Ankang Longevity Group also owns a factory specializing in decoction, which is the process by which solid materials are heated or boiled in order to extract liquids, and distributes decoction products to wholesalers and pharmaceutical companies around China.

On August 16, 2021, Tenet-Jove, completed the previously announced acquisition pursuant to the Restructuring Agreement dated June 8, 2021. Pursuant to the terms of the Restructuring Agreement, (i) the Company transferred all of its rights and interests in Ankang Longevity to Yushe County Guangyuan Forest Development Co., Ltd. ("Guangyuan")'s Shareholders in exchange for the control of 100% of equity interests in Guangyuan, which composes of one group of similar identifiable assets; (ii) Tenet-Jove entered a Termination Agreement with Ankang Longevity and the Ankang Shareholders; (iii) as a consideration to the Restructuring Agreement and based on a valuation report on the equity interests of Guangyuan issued by an independent third party, Tenet-Jove relinquished all of its rights and interests in Ankang Longevity and transferred those rights and interests to the Guangyuan Shareholders; and (iv) Guangyuan and the Guangyuan Shareholders entered into a series of variable interest entity agreements with Tenet-Jove. The assets and liabilities of the entities of Ankang Longevity Group have been reclassified as "assets of discontinued operations" and "liabilities of discontinued operations" within current and non-current assets and liabilities, respectively, on the consolidated balance sheets as of June 30, 2021 and 2020. The results of operations of Ankang Longevity have been reclassified to "net income (loss) from discontinued operations" in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2021 and 2020.

Processing and distributing green and organic agricultural products as well as growing and cultivating yew trees (taxus media) - We currently cultivate and sell yew mainly to group and corporate customers, but do not currently process yew into Chinese or Western medicines. This segment is conducted through our VIEs: Shineco Zhisheng (Beijing) Bio-Technology Co. ("Zhisheng Bio-Tech"), Yantai Zhisheng International Freight Forwarding Co., Ltd ("Zhisheng Freight"), Yantai Zhisheng International Trade Co., Ltd ("Zhisheng Trade"), and Qingdao Zhihesheng Agricultural Produce Services, Ltd ("Qingdao Zhihesheng") (collectively, the "Zhisheng VIEs").

Developing and distributing specialized fabrics, textiles, and other byproducts derived from an indigenous Chinese plant Apocynum Venetum, grown in the Xinjiang region of China, and known in Chinese as "Luobuma" or "bluish dogbane" - Our Luobuma products are specialized textile and health supplement products designed to incorporate traditional Eastern medicines with modern scientific methods. These products are predicated on centuries-old traditions of Eastern herbal remedies derived from the Luobuma raw material. This segment is channeled through our directly-owned subsidiary, Beijing Tenet-Jove Technological Development Co., Ltd. ("Tenet-Jove"), and its 90% subsidiary Tianjin Tenet Huatai Technological Development Co., Ltd. ("Tenet Huatai").

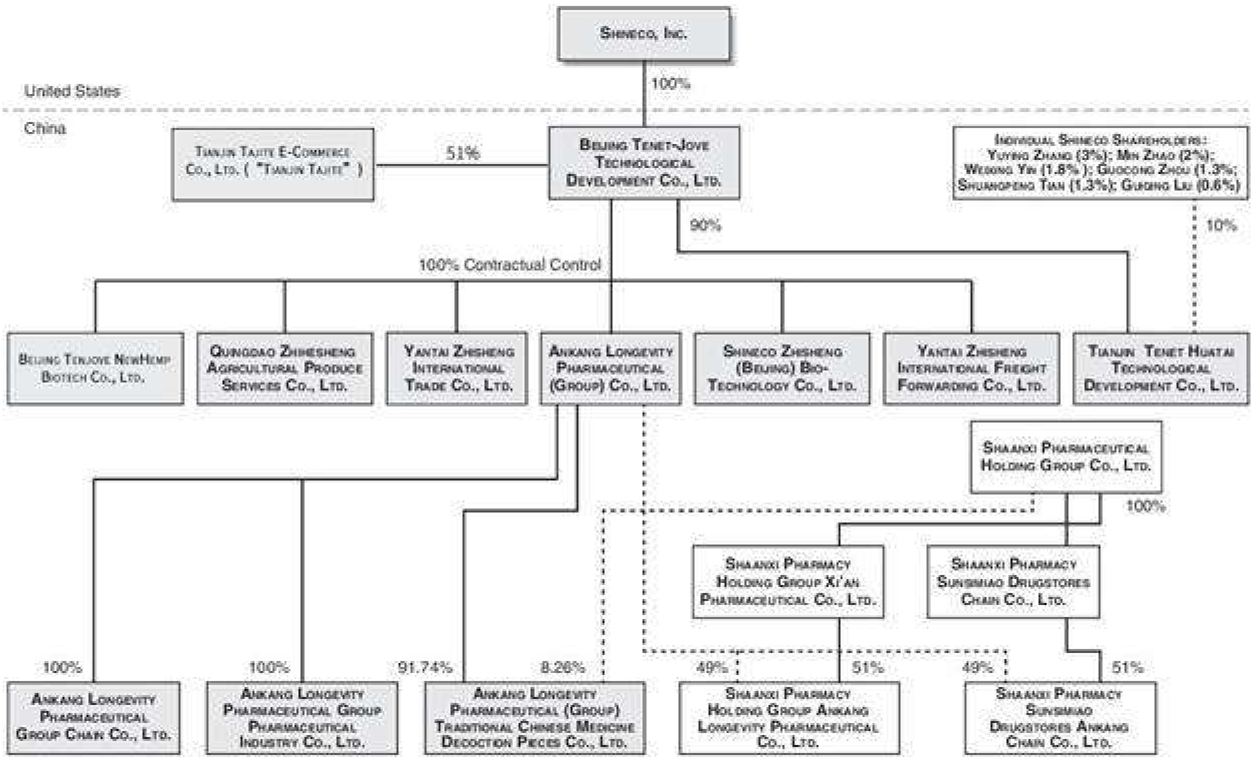
We primarily market our health and wellbeing-focused products in China. At present, we do not sell any of our products in the United States or Canada. China's domestic pharmaceutical and healthcare products market is fast-growing but, in our opinion, underdeveloped. We believe China's healthcare sector has the capacity to develop even further. From pharmaceuticals to medical products to general consumer health, China remains among the world's most attractive markets, and by far the fastest-growing of all the large emerging ones. Driving this growth is China's aging population, increased incidence of chronic diseases, and a material increase in investment from both domestic and foreign corporations. The growth also reflects the Chinese government's focus on healthcare as both a social priority (as witnessed in its late 2000s healthcare reforms) and a strategic priority (as evidenced in the 12th five-year plan's stated focus on growing the biomedical industry in the future).

History and Corporate Structure

Information relating to our corporate history is incorporated by reference from our Annual Report on Form 10-K for the fiscal year ended June 30, 2020 filed with the SEC on September 28, 2020 ("2020 Annual Report") under the caption "History and Corporate Structure." Since we filed our 2020 Annual Report, the Company had the following updates regarding its corporate structure:

On August 16, 2021, Tenet-Jove, completed the previously announced acquisition pursuant to the Restructuring Agreement dated June 8, 2021. Pursuant to the terms of the Restructuring Agreement, (i) the Company transferred all of its rights and interests in Ankang Longevity to Yushe County Guangyuan Forest Development Co., Ltd. ("Guangyuan")'s Shareholders in exchange for the control of 100% of equity interests in Guangyuan, which composes of one group of similar identifiable assets; (ii) Tenet-Jove entered a Termination Agreement with Ankang Longevity and the Ankang Shareholders; (iii) as a consideration to the Restructuring Agreement and based on a valuation report on the equity interests of Guangyuan issued by an independent third party, Tenet-Jove relinquished all of its rights and interests in Ankang Longevity and transferred those rights and interests to the Guangyuan Shareholders; and (iv) Guangyuan and the Guangyuan Shareholders entered into a series of variable interest entity agreements with Tenet-Jove. The assets and liabilities of the entities of Ankang Longevity Group have been reclassified as "assets of discontinued operations" and "liabilities of discontinued operations" within current and non-current assets and liabilities, respectively, on the consolidated balance sheets as of June 30, 2021 and 2020. The results of operations of Ankang Longevity have been reclassified to "net income (loss) from discontinued operations" in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2021 and 2020.

Our corporate structure as of June 30, 2021 is as follows:



Contractual Arrangements with Ankang Longevity Group or Zhisheng Group and their Owners

Information relating to our VIE agreements is incorporated by reference from the 2020 Annual Report under the caption "Contractual Arrangements with Ankang Longevity Group or Zhisheng Group and their Owners."

Our Products and Operations

Our health and well-being focused plant-based products business is divided into three major segments:

1. Processing and distributing traditional Chinese herbal medicine products as well as other pharmaceutical products. This segment is conducted by the Company's VIE, Ankang Longevity Group.

2. Planting, processing and distributing green and organic agricultural produce as well as growing and cultivating yew trees (*taxus media*). This segment is conducted through the Company's VIEs, the Zhisheng Group.

3. Developing and distributing specialized fabrics, textiles and other byproducts derived from an indigenous Chinese plant *Apocynum Venetum*, known in Chinese as "Luobuma" or "bluish dogbane". This segment is channeled through the Company's directly-owned subsidiary, Tenet-Jove.

The details of each business segment are described as follows:

Ankang Longevity Group

The companies of this segment, Ankang Longevity Group, operates 66 cooperative retail pharmacies throughout Ankang, a city in southern Shaanxi province, China, through which we sell directly to individual customers traditional Chinese medicinal products produced by us as well as by third parties. Ankang Longevity Group also owns a factory specializing in decoction, which is the process by which solid materials are heated or boiled in order to extract liquids, and distributes decoction products to wholesalers and pharmaceutical companies around China.

On August 16, 2021, Tenet-Jove, completed the previously announced acquisition pursuant to the Restructuring Agreement dated June 8, 2021. Pursuant to the terms of the Restructuring Agreement, (i) the Company transferred all of its rights and interests in Ankang Longevity to Yushe County Guangyuan Forest Development Co., Ltd. ("Guangyuan")'s Shareholders in exchange for the control of 100% of equity interests in Guangyuan, which composes of one group of similar identifiable assets; (ii) Tenet-Jove entered a Termination Agreement with Ankang Longevity and the Ankang Shareholders; (iii) as a consideration to the Restructuring Agreement and based on a valuation report on the equity interests of Guangyuan issued by an independent third party, Tenet-Jove relinquished all of its rights and interests in Ankang Longevity and transferred those rights and interests to the Guangyuan Shareholders; and (iv) Guangyuan and the Guangyuan Shareholders entered into a series of variable interest entity agreements with Tenet-Jove. The assets and liabilities of the entities of Ankang Longevity Group have been reclassified as "assets of discontinued operations" and "liabilities of discontinued operations" within current and non-current assets and liabilities, respectively, on the consolidated balance sheets as of June 30, 2021 and 2020. The results of operations of Ankang Longevity have been reclassified to "net income (loss) from discontinued operations" in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2021 and 2020.

Zhisheng Group

The Company's other VIEs, which form the Zhisheng Group and include Zhisheng Bio-Tech, Zhisheng Freight, Zhisheng Trade and Qingdao Zhihesheng, engage in the business of organic agricultural products, principally yew trees, as well as providing logistics services for all of the agricultural products we produce. Since 2013, this segment is focusing its efforts on the growing and cultivation of yew trees (*taxus media*), small evergreen trees that can be used for the production of anti-cancer medication as well as ornamental bonsai trees, which are known to have the effect of purifying indoor air quality. We currently cultivate and sell yew trees but do not currently process yew into Chinese or Western medicines. The entities composing the Zhisheng Group are currently focusing on researching, developing and cultivating organic produce, yew ecological products and other native plants. The operations of this segment are focused in the East region of Mainland China, principally Shandong Province, and in Beijing where we have newly developed over 100 acres of modern greenhouses for cultivating yew and other plants. This segment accounts for approximately 96% of our revenues.

Tenet-Jove

Through Tenet-Jove and Tianjin Tenet Huatai, the Company develops and distributes specialized textiles and health supplements derived from a native Chinese plant *Apocynum venetum*, grown in the Xinjiang region of China and known in Chinese as "Luobuma" or "bluish dogbane" and referred to herein as Luobuma. This plant has traditionally been used in China both internally and externally for centuries to treat high blood pressure, depression, dizziness, pain, insomnia, and other common ailments. The stems of Luobuma serve as raw material for fiber used in textile production, and the leaves serve as raw material for pharmaceutical drugs. This segment accounts for approximately 4% of our revenues.

The companies of this segment, Tenet-Jove and Tianjin Tenet Huatai, specialize in Luobuma sourcing and developing Luobuma byproducts. With rich experience and broad channels in the Chinese domestic market, we believe that we are one of the leaders in Luobuma textile sales in China. This segment's operations are focused in the north region of Mainland China, mostly carried out in Xinjiang and Tianjin. Our Luobuma products are specialized textile and health supplement products designed to incorporate traditional Eastern medicines with modern scientific methods. These products are predicated on centuries-old traditions of Eastern herbal remedies derived from the Luobuma raw material.

In addition to developing textile products, we expect to use our high-pressure steam degumming process to extract other Luobuma byproducts we intend to commercialize and distribute: flavonoids, xylooligosaccharides (XOS), edible pectin, fiberboard, and organic fertilizer. The traditional method of degumming Luobuma only produces Luobuma fiber, whereas our high-pressure steam degumming process produces these five additional Luobuma byproducts. Flavonoids are organic compounds widely distributed in plants, and flavonoid-rich Luobuma extract can be used in the manufacture of many pharmaceuticals. Xylooligosaccharides, or XOS, is a sugar that can be used as a food additive that provides various health benefits like lowering glucose levels. Pectin is a thickener and stabilizer used in food, beverages and cosmetics, as well as a gelling agent for jellies. Fiberboard is a type of engineered wood alternative that is made out of Luobuma fibers; it is used widely for furniture manufacturing and packaging.

Product Descriptions

Traditional Chinese Medicines

Our Ankang Longevity Group manufactures hundreds of Chinese medicinal herbal products and decoction pieces such as medicines for bone and joint pain, arthritis, respiratory infections, insomnia, as well as many other common ailments. We distribute such products through an established Chinese domestic sales and distribution network, including through more than 20 pharmaceutical wholesale companies and more than 50 hospitals throughout China, as well as through our own and cooperative retail pharmacies. In addition to distributing Chinese medicinal herbal products, we also distribute many popular Western medicines we purchase from outside parties through our wholesale and retail channels so that we can offer a good variety of products to meet customer demands. In the second quarter of 2013, this group entered the pharmaceutical retailing industry through a joint venture with another large domestic pharmacy chain group, Shaanxi Pharmaceutical Group. Ankang's main products include the following traditional Chinese medicines:

- Polygonum cuspidatum or Japanese knotweed, which is ingested to treat colds, digestive diseases, hepatitis and Cholecystitis (gallbladder inflammation);
- Salvia mint, which is ingested to improve microcirculation;
- Tianma, which is ingested to treat Rheumatoid arthritis;
- Eucommia, which is ingested for bone and join pain;
- Radix, which is ingested to treat respiratory infections;
- Schisandra shrub, which is ingested to treat insomnia; and
- Berberis shrub, which is used as a raw material for antibiotics.

Yew Trees

Currently, through our Zhisheng Group VIEs, we sell ornamental yew trees and yew cuttings to third parties. We also rent ornamental yew trees to companies who desire the environmental benefits of natural plants in their workplaces. Until recently we were primarily engaged in the production, distribution and sale of agricultural products, including the planting and processing of organic fruits and vegetables, such as tomatoes, eggplants, string beans, peppers as well as certain popular fruits in China like blueberries and wine grapes, but those operations have been temporarily scaled back due to stiff competition and a change of our internal policy in favor of the expansion of our yew tree business.

As our inventories of young yew trees mature, our long-term goals are particularly focused on the extraction of paclitaxel or taxol, which is derived from certain species of yew trees including those we grow. Taxol, a broad-spectrum mitotic inhibitor used in cancer chemotherapy, can be extracted from mature yew trees. As a mitotic inhibitor, taxol adheres to rapidly dividing cancerous cells during mitosis (cell division) and interferes with the division process. It may suppress tumor growth through regulating microtubule stabilization, inducing apoptosis and adjusting immunologic mechanism. Taxol is also used for the prevention of restenosis, which is the narrowing of blood vessels. In the treatment of certain soft tissue cancers, such as breast cancer, taxol is given for early stage and metastatic breast cancer after combination anthracycline and cytoxan therapy and is also given as treatment to shrink a tumor before surgery. It can also be used together with a drug called Cisplatin to treat advanced ovarian cancer and non-small cell lung cancer, or "NSCLC." The U.S. Food and Drug Administration approved taxol as the primary and secondary treatment for NSCLC. There are other generally accepted protocols for the use of taxol as a cancer drug alone or in combination with other drugs depending upon the diagnosis, staging and type of cancer, as well as a patient's medical history, tolerances and allergies, among other relevant factors. Taxol is usually sold to large pharmaceutical companies to be used in their products, which can be used to treat patients with lung, ovarian, breast, head and neck cancer, and advanced forms of Kaposi's sarcoma.

Tenet-Jove Textiles

Our company's scientists and other Chinese researchers have brought modern scientific methods to the study of Luobuma, and have determined that Luobuma fibers have an increased tendency to radiate light at the "far infrared" end of the light spectrum, with wavelengths measuring between 8-15 microns (referred to as "FIR"). Based on Chinese scientific studies some believe that Luobuma's FIR-radiating qualities exert a positive effect on various functions of the human body, including cellular metabolism. For this reason, we have marketed and sold these products utilizing such technology. These products are popular with Chinese customers seeking the perceived benefits of traditional Chinese medicine.

For example, according to a report by the College of Science of Tianjin University, tests conducted by the PRC's National Institute of Metrology have reported that the radiance rate of far infrared light from Luobuma fiber is 84%, 2 to 4 times higher than that from cotton and other natural fibers. The same tests found that the FIR radiance rate from our proprietary bio-ceramic powder reaches 91%. Healthful benefits have been observed at radiance rate levels above 70%. Based on these observations about FIR radiance, we have developed textiles that our customers can wear and from which we believe they can receive those health benefits commonly associated with Chinese herbal remedies.

Tenet-Jove first commercially developed the natural FIR-radiant properties of the Luobuma plant in 1997. We refer to this natural Luobuma fiber as a "Second Generation" FIR textile. The "First Generation" of FIR-radiant textiles initially became popular in China around 1989, when manufacturers learned to add 3% of a FIR-radiant inorganic material to synthetic fibers comparable to nylon or polyester. This "First Generation" FIR material employs a relatively low level of technology and has relatively few perceived or measurable health benefits. The "Second Generation" FIR textiles we have developed are softer, smoother and more breathable natural fibers that are not as prone to static electricity as the low technology "First Generation" FIR-radiant textiles.

Our Luobuma fabrics have been a success in the Chinese domestic market and have also received numerous awards. The technology applied to our Luobuma-based FIR Therapeutic Clothing and Textile Products has received a "Special Golden Award" from the China National Intellectual Property Bureau at China's National Patent and Brand Expo. Our products under the brand name of "Tenethealth" have also been honored with the title of "Consumer's Favorite Products" by the Chinese Consumer Association.

The fibers of natural Luobuma FIR materials can contain up to 32 medicinal compounds, many of which are familiar to practitioners of traditional Chinese medicine. In addition, our processes for manufacturing Luobuma textiles produce a fabric that is smooth, air-permeable, and soft. By combining a product that is familiar to PRC consumers seeking the benefits of traditional Chinese medicine with quality and comfort, we believe we are innovative and have chosen a product that has great commercial potential in the Chinese textile market.

Tenet-Jove Product Development

We have developed what we term a "Third Generation" of FIR textiles under a contract with the Institute of Process Engineering at the Chinese Academy of Sciences, one of the leading scientific institutions in China. Our research and development has focused on adding nanotechnology enhancements to our Luobuma textile products, in which we use small-scale nanotechnology to embed or impregnate our Luobuma-fiber textiles with other FIR-radiant materials, bio-ceramic materials, or other Chinese herbal remedies. Using these nanotechnology methods, we have developed and marketed health-promoting textile goods that are impregnated with FIR-radiant materials or other Chinese herbal remedies, which are then absorbed through the wearer's skin. We believe these "Third Generation" FIR textiles will better combine the health benefits of Luobuma with an even softer, more natural cotton-like fabric that will be popular with Chinese consumers.

The Company presently produces approximately 100 "Third Generation" FIR textile products. These textile products include:

- Far Infrared bedding sets (including various pillows, comforters, and sheets);
- Far Infrared underwear, T-shirts, and socks;
- Far Infrared knee and shin pads, waist supports and other protective clothing; and
- Far Infrared body wraps or protectors (for the ankle, elbow, wrist, and knee).

All our textile products are made of Luobuma-based fibers and are impregnated with bio-ceramic powder, which contains various minerals such as halloysite. Both the fiber and the bio-ceramic powder are developed with the Company's patented, proprietary techniques.

Manufacturing and Production Facilities

We have formed strategic alliances with several certified knitting and clothing manufacturers throughout China in order to produce our Luobuma products. We assign them limited manufacturing jobs and require certain conditions, including protecting our proprietary techniques and meeting our rigid quality standards. We are in preliminary negotiations to build a new facility in Kuerle, Xinjiang Uyghur Autonomous Region, China to exploit our steam explosion Luobuma fiber production technology.

In 2013, we began large-scale operations in newly leased, energy efficient greenhouses aggregating 50,000 square meters in Beijing and have temporarily scaled back our operations in our former greenhouses located in Shandong Province. At this time, we rent our greenhouses in Shandong Province to local farmers. Our current greenhouse facilities are used primarily for the cultivation of yew trees and other decorative plants and trees. These state-of-the-art facilities allow us to better regulate light, temperate, humidity and other conditions within the greenhouse as well as to significantly increase the number of plants that can be housed in a particular greenhouse footprint. To a lesser degree, we expect these current greenhouses will reduce our manual labor costs associated with our greenhouse operations by approximately 25%. Rather than competing on price, which has become increasingly difficult in the Chinese market, we expect that technological and productivity advances from our new greenhouses will improve our competitive position within our agricultural segment, but there can be no guarantee that we will experience such advances, or if we do, that such advances would improve our competitive position.

Ankang Longevity Group has an approximately 4,000 square meter production factory and an approximately 2,000 square meter production facility in Ankang City, Shaanxi Province, China, which are used for production of decoction pieces.

Our Strategy for Research and Development

- To keep our products proprietary and patented;

- To focus on our core existing product lines: Chinese herbal medicines and pharmaceutical sales, yew cultivation, Luobuma-based products, and FIR technology;

- To commit to further development of our Luobuma byproducts, houpu magnolia products, and selenium-enriched herbs and plants; and

- To build strategic alliances with universities and scientific institutions, which will allow us exposure to advanced technologies, excellent researchers and scientists and we believe will lower the costs and timing of the development of new products.

Tenet-Jove specializes in developing Luobuma products and combining FIR technology with natural herbal medicines. We estimate that there are large supplies of Luobuma in China, especially Xinjiang Province. In China, Luobuma can grow as high as 3.6 meters. In the first year after planting, Luobuma can be harvested once during that year; thereafter, it can be harvested twice per year before or at the beginning of the flowering period in June and a second time around September. Currently, we believe China's Luobuma supplies are largely undeveloped. The Company's future success will depend on improving its techniques to industrialize Luobuma by developing new Luobuma-derived products such as improved Luobuma functional fiber and various Luobuma nutritional supplements, which can be marketed and distributed through the Company's Ankang Longevity business segment.

High-Pressure Steam Degumming Process

We currently produce an extensive line of Luobuma-based textile products; we have an exclusive patent on a Luobuma fiber yarn spinning method. Large-scale production of Luobuma fiber products is generally difficult due to the limited yield of Luobuma fiber and the high cost of obtaining that fiber. The current mainstream technology used to produce Luobuma fiber mainly uses chemical agents to remove gum from Luobuma, which destroys Luobuma fiber and causes lower Luobuma fiber production and pollution and makes it very difficult to extract other valuable by-products. A central technical challenge is how to quickly and efficiently remove the gum and sap from the Luobuma plants so that only the natural fiber remains.

To solve this technical challenge, in August 2006 we signed a technology development contract with the Institute of Process Engineering at the Chinese Academy of Science (the "Institute of Process Engineering"), one of China's leading scientific institutes. Pursuant to our contract, we and the Institute of Process Engineering worked together to develop a high-pressure steam degumming process for the mass production of Luobuma fiber, as well as its byproducts, which was completed in 2008. A literal translation of the project name is "The Stream Steam Explosion Project." Essentially, the project will develop a modern material engineering method of quickly blasting a large amount of high-pressure steam into a large container filled with raw Luobuma plants. The steam will remove the gum and sap and leave the fiber for use in textile production. The gum and sap and other Luobuma byproducts will be washed out with the steam and collected in a separate place for other uses.

If we can successfully implement our high-pressure steam degumming process, we expect that our annual yield of Luobuma fiber can rise by over one hundredfold— from less than 200 tons to approximately 27,000 tons per year, and the cost of extracting the fiber will be reduced by approximately 50%. For example, the older method of production might require 150 laborers to produce one ton of Luobuma fiber in one day, whereas our high-pressure steam degumming process can utilize just 30 laborers to produce 15 tons of Luobuma fiber in one day. During the process, a certain amount of steam will be used, but unlike the traditional method of degumming, our high-pressure steam degumming process discharges no hazardous byproducts of any kind, because the fiber will be collected in one place, and the liquefied gum and sap and other material will be collected in another place to further separate flavonoids, xylooligosaccharides (XOS), and edible pectin through biological reverse osmosis membrane. The remaining material could be used to produce fiberboard and organic fertilizer, leaving no hazardous discharge or waste. We expect that this technique will be relatively simple and convenient for us to operate with our advanced technology. Luobuma fiber produced by this technique is more like cotton and more spinnable than before.

Intellectual Property

Trademarks

We regard our trademarks as an important part of our business due to the name recognition of our customers. Our subsidiary, Tenet-Jove, has currently obtained 18 trademark registrations at the China Trademark Office and applying for another 7 trademarks covering various categories of the company's products. As of June 30, 2021, we are not aware of any valid claim or challenges to our right to use our registered trademark or any counterfeit or other infringement to our registered trademark.

Patents

Currently, the Company holds a patent in the People's Republic of China for Luobuma fiber yarn preparation and an application method (patent number: 201110429362.9), which serves as our core technology and its derivative applications for our Luobuma business.

Distribution Network

We sell our products through various distribution networks. Our traditional Chinese medicinal products and Western medicines are largely sold through either our wholesale customers or our Ankang retail pharmacies — 13 pharmacies operating as Sunsimiao Pharmacies and 66 pharmacies operated by third parties as Ankang Longevity Group Pharmacy cooperatives. Additionally, we sell decoction pieces on the Anhui Bozhou Chinese medicine transaction market, to medical materials company, such as Qianhe Pharmaceutical Industry Co. and to Chinese patent medicine factories, such as Wanxi Pharmaceutical Factory.

Our Luobuma product distribution networks consist of four distributors who distribute our products to approximately 21 outlets, including flagship stores, retail stores and sales counters. These distributors sell our products throughout mainland China, under our proprietary brand name and "Tenethealth®" trademark . We also sell our Luobuma textile products online through third party e-commerce websites, such as Taobao, Tmall and JD. Our yew trees and agricultural products are primarily sold through our sales personnel and group and institutional sales. In 2013, the Company placed its Luobuma, traditional Chinese medicine and yew products in a total of 144 retail stores and sales counters throughout China and on four e-commerce websites.

Our sales and distribution strategy for our products focuses on expanding our distribution network of retail stores and sales counters into all major provinces and cities of China. We also plan to use our current distribution network to introduce our newly developed products into target markets more efficiently and effectively.

All of these certified outlets operate independently, but they prominently display products mainly carrying our trade name "Tenethealth®". These independent retailers sell our products as well as other products.

The location and number of retail stores and sales counters selling our products, including all sales outlets (both those connected with our major distributors (i.e., our most frequently used distributors) and other independent sellers), as of June 30, 2021 are listed below:

Location	Number of Major Distributors	Number of Sales Outlets
Liaoning	1	1
Jilin	1	1
Shandong	2	16
Jiangsu	2	6

Anhui	2	4
Shaanxi	5	94
Xinjiang	1	2
Sichuan	1	5
Guangdong	1	3
Tianjin	1	2
Beijing	1	4
Chongqing	1	3
Hubei	1	3
TOTALS	**20**	**144**

Sales and Marketing

We market Luobuma to consumers primarily by highlighting its unique characteristics— the material is soft like cotton, breathable like hemp and is smooth to the touch like silk, and its FIR-radiating qualities are believed by some to exert a positive effect on various functions of the human body. Very few other companies in China are involved with Luobuma fiber production, so we are chiefly able to market our products against products of natural and man-made fibers that do not have the perceived advantages of Luobuma. The small number of companies that are involved in Luobuma fiber production are still using the traditional, outdated methods of producing Luobuma. We are the only company using advanced technologies. Tenet-Jove's overall marketing strategy includes:

- Brand marketing strategy, primarily through media publicity, product- and market-oriented strategy;
- Distinguishing Luobuma as a high-end, technologically advanced native Chinese product; and
- Online advertising, which includes online advertisements appearing on the sites where we sell our products, as well as social media advertising, including Wechat, and direct e-mail solicitations.

Ankang Longevity Group's overall marketing strategy of its traditional Chinese medicine products focuses on promoting the Ankang district's place in traditional Chinese medicine history and its geographic location. First, Ankang City is located in the Han River area between Qinling Mountain and Ba Mountain. Because of its geographic location and favorable climate, it is the principal production location of the ancient Qin medicine, which dates from the Qin dynasty, the first imperial dynasty of China. This area contains more than 1,200 types of herbs and plants used in traditional Chinese medicine and is home to 176 of the 282 types of herbal medicine set forth in *The Pharmacopoeia of the People's Republic of China* (PPRC), compiled by the Pharmacopoeia Commission of the Ministry of Health of the PRC. The PPRC is the PRC's official compendium of drugs, covering traditional Chinese and western medicines. Second, the soil in Ankang City, especially in Ziyang County, which is located in Ziyang District of Ankang City, contains large quantities of selenium. Because the selenium content of food is largely dependent on location and soil conditions, which can vary widely, the tea, traditional Chinese medicines and raw materials produced and cultivated in Ankang contain great amounts of selenium, which is a beneficial nutrient in foods and an important raw material for medicines. Ankang Longevity Group has entered into an agreement with the local government in Ziyang County for the use of an approximately 8,200 acre selenium-rich parcel of farmland and woodlands for the cultivation of herbs and plants — principally houpu magnolia and eucommia — used in traditional Chinese medicine. Selenium has also attracted attention because of its antioxidant properties; antioxidants protect cells from damage.

Ankang Longevity emphasizes the following marketing strategies :

- A focus on the excellent quality of its selenium Chinese herbal medicines;
- Establishment of a long-term supply relationships with pharmaceutical companies and hospitals nationwide; and

- Developing its Chinese herbal medicine wholesale market and e-commerce platform.

Finally, the Zhisheng Group emphasizes the following marketing strategies :

- Focusing on the advanced growing conditions provided by our modern greenhouse operations and the potential pharmaceutical byproducts of yew, especially paclitaxel or taxol; and

- Brand marketing to focus on our yew's brand positioning.

In October 2012, the Company, through its VIEs, Zhisheng Freight and Zhisheng Agricultural, entered into an agreement with an unrelated third party, Zhejiang Zhen'Ai Network Warehousing Services Co., Ltd. ("Zhen'Ai Network"), to invest RMB 14.5 million (approximately $2.4 million) into the Tiancang Systematic Warehousing Project ("Tiancang Project") operated by Zhen'Ai Network in exchange for a 29% equity interest in this project upon completion. The Tiancang Project is an online platform aiming to provide comprehensive warehousing and logistic solutions for various companies' e-commerce needs. The Company expects to increase its distribution channels through this platform as well as to benefit from boosting its own revenue by providing synergetic logistic and warehousing services using its existing facilities and a service team in the Eastern port city of Qingdao.

Currently, the Company's sales are generated through the following five major channels:

1. Retail stores and sales counters. We mainly sell our Luobuma related products through sales counters and medicine through our pharmacy chain stores.

2. Sales to group or institutional customers. We mainly sell our organic agricultural products and yew trees to group or corporate customers.

3. Seminars and conferences. Because a majority of new consumers need to learn about our new products before buying them, it becomes very important and effective for us to organize or sponsor seminars and events to present healthcare knowledge while introducing and selling our products to new users.

4. Wholesale. We mainly sell our decocting-free Chinese herbal medicines to large Chinese medicine resellers and pharmaceutical companies.

5. E-commerce. We mainly sell the Luobuma related products through Tmall and Taobao to underdeveloped regions in China, Taiwan and Macau. We are currently one of only three certified online sellers of Luobuma textile products on China's largest online sales platform, Tmall run by Alibaba. Selling through the Internet has become increasingly important to our sales in undeveloped regions and developed cities.

The Market

We primarily market our health and wellbeing-focused products in China. At present, we do not sell any of our products in the United States or Canada. On the demand side, we believe that the following four forces drive market growth in all three of our business segments:

1. The rapid growth of China's economy, which has produced one of the largest groups of middle-class families in the world, with the largest collective purchasing power in the world. The Brookings Institution estimates that by 2030, over 70 percent of China's population could be middle class, consuming approximately $10 trillion in goods and services.

2. The increase of China's aging population. The China Census Bureau predicts that the majority of the China "baby boom" population (representing 40% of China's total population) will be 66 or older by 2021, which represents over 500 million potential consumers of our pharmaceutical and healthcare products, the majority of which are sold to older customers.

3. Chinese people’s increasing attention and awareness to healthy and active lifestyles, especially in urban areas.

4. Chinese healthcare reforms.

We believe China’s healthcare sector has the capacity to grow in the coming years. From pharmaceuticals to medical products to general consumer health, China remains among the world’s most attractive markets, and by far the fastest-growing of all the large emerging ones. This growth is being driven by China’s aging population, increased incidence of chronic diseases, and a material increase in investment from both domestic and foreign corporations.

China’s healthcare market is being shaped by positive economic and demographic trends, further healthcare reform efforts, and the policies set forth in the government’s 12^{th} five-year plan. We believe that improvements in infrastructure, the broadening of insurance coverage, and government encouragement and support for innovation will have positive implications for us and other healthcare companies.

Strong growth in the Chinese healthcare sector has been fueled by favorable demographic trends, continued urbanization throughout China, the overall Chinese economy’s expansion, and income growth (which encourages a greater awareness of and access to healthcare among Chinese consumers). It also reflects the Chinese government’s focus on healthcare as both a social priority (as witnessed in its late 2000s healthcare reforms) and a strategic priority (as witnessed in the 12^{th} five-year plan’s stated focus on growing the Chinese biomedical industry). From pharmaceuticals to medical devices to traditional Chinese medicine, almost every health sector has benefited.

Competition

We compete with other top-tier pharmaceutical and healthcare companies in China. Many of them are more established than we are and have significantly greater financial, technical, marketing and other resources than we presently possess. Some of our competitors have greater name recognition and a larger customer base. Those competitors may be able to respond more quickly to new or changing opportunities and customer requirements and may be able to undertake more extensive promotional activities, offer more attractive terms to customers, and adopt more aggressive pricing policies. Some of our competitors have also developed similar products that compete with ours.

Our most prominent competitors in China’s textile products market are primarily large-scale textile companies, such as Luolai Home Textile Co., Fuanna Bedding and Furnishing Co., Ltd., Violet Home Textile Co., and Shuixing Home Textile Co., Ltd, as well as Bauerfeind Sports and Albert Medical, makers of protective clothing products similar to our protective clothing products. Our most prominent competitors in our pharmaceutical sales market include Ankang City Zhenning Chinese Medicine Decoction Pieces Co. Ltd. and Zhenping County Chinese Medicine Decoction Pieces Co. Ltd. Our most prominent competitors in China’s agricultural market are Beijing Jinfu Yinong Agricultural Technology Group Co., Ltd. for vegetables and other produce and Shenyang Xincheng Garden Engineering Co., Ltd. for yew trees. In the pharmaceutical sales market, we believe that our competitive position is strong because Shaanxi Pharmacy Holding in which Ankang Longevity Group has a 49% ownership stake, is a participant in the Ankang municipal government’s “Three Unities of Medicine” program, which is designed to facilitate the purchase, sale and delivery of pharmaceuticals. The “Three Unities of Medicine” program refers to “unified procurement price, unified selling price, and unified logistics”. This project is promoted by the Shaanxi Government to regulate the price of medicines in the local market. Under the program, the Shaanxi Pharmacy Holding joint venture directly sells medicines to local institutional purchasers, like hospitals; these institutional purchasers are only permitted to purchase pharmaceuticals from selected preferred providers. After a bidding process, Shaanxi Pharmacy Holding, along with other two companies, were selected by the Ankang municipal government as preferred providers under the program. However, Shaanxi Pharmacy Holding is entitled to cover all counties and districts of Ankang City, and the other two providers only cover portions of Ankang City. This program is valid until 2020, and the participants are subject to an ongoing review of their qualifications by the local pharmaceutical supervision authority every three years until 2020.

Ankang Longevity Group

Ankang Longevity Group competes within its traditional Chinese medicinal products and Western medicine wholesale and retail business primarily against Ankang City Zhenning Chinese Medicine Decoction Pieces Co. Ltd. and Zhenping County Chinese Medicine Decoction Pieces Co. Ltd., which conduct their wholesale pharmaceuticals business in the Ankang area, but Ankang Longevity Group has greater revenues than any of its competitors; its two main competitors' output value and sales combined are just one-third of Ankang Longevity Group's. The Ankang Longevity Group has formed a new pharmaceutical company and chain of drug stores with two entities wholly owned by the state-owned Shaanxi Pharmaceutical Group that has resulted in a favorable market position in the Ankang area.

Numerous competitors nationwide, including Ankang City Zhenning Chinese Medicine Decoction Pieces Co. Ltd. and Zhenping County Chinese Medicine Decoction Pieces Co. Ltd., participate in the sale of Chinese medicinal herbs and Chinese medicine decoction pieces; among them are some high-profile and large-scale companies along with some companies that have huge production and storage capacity to influence the market price. Because we believe we are able to obtain early access to and to occupy natural resources for producing selenium Chinese herbal medicines, the Group is especially focusing on those products in order to gain market share.

Zhisheng Group

There are dozens of companies planting and cultivating yew trees in China, some of which are large-scale companies. Shenyang Xincheng Garden Engineering Co., Ltd. is a large agricultural competitor whose main product is yew. Their nurseries have the most mature yew trees in northeast China, and the average age of their yew trees is more than eleven years old. Another competitor, Chongqing Jiangjin District Mansheng Agricultural Development Co., Ltd., has the biggest nursery for young plants in Southwest China. And Jingyin City Hengtu Town Green Industry Yew Base specializes in cultivating, planting, gardening, and technological development of yew trees. They were the first company to introduce *taxus media* yew trees in China.

Tenet-Jove

There are few viable competitors producing advanced technology textile products with health benefits like our Luobuma textile products. Principally, our competitors are those that market and sell traditional textile products, such as Luolai Home Textile Co., Fuanna Bedding and Furnishing Co., Ltd., Violet Home Textile Co., and Shuixing Home Textile Co., Ltd, as well as those companies that market and sell protective clothing, like Bauerfeind Sports and Albert Medical. Luobuma is native to China, thus our ability to source raw materials locally greatly enhances our competitive position in the Chinese market for high quality textile products with perceived health benefits.

Employees

As of June 30, 2021, we employed a total of 216 full-time and no part-time employees in the following functions.

Department	June 30, 2021
Senior Management	16
Human Resource & Administration	11
Finance	12
Research & Development	7
Production & Procurement	86
Sales & Marketing	84
Total	216

Our employees are not represented by a labor organization or covered by a collective bargaining agreement. We have not experienced any work stoppages.

The Company plans to hire additional employees as required. Its management and employees enjoy both compensation and welfare benefits pursuant to Chinese laws. We are required under PRC law to make contributions to employee benefit plans at specified percentages of our after-tax profit. In addition, we are required by PRC law to cover employees in China with various types of social insurance. In 2021, 2020 and 2019, we contributed approximately $86,418, $108,524 and $$128,713, respectively, to employee social insurance. The effect on our liquidity by the payments for these contributions is immaterial. We believe that we are in material compliance with the relevant PRC employment laws.

Relevant PRC Regulations

Information relating to our relevant PRC regulations is incorporated by reference from the 2020 Annual Report under the caption “Relevant PRC Regulations.”

ITEM 1A. RISK FACTORS

The Company is not required to provide the information required by this Item because the Company is a smaller reporting company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

According to Chinese laws and regulations regarding land usage rights, land in urban districts is owned by the State, while land in the rural areas and suburban areas, except as otherwise provided for by the State, is collectively owned by individuals designated as resident farmers by the State. Also, in accordance with the legal principle that land ownership is separate from the right to the use of the land, the State assigns land usage rights to land users for a certain number of years in return for the payment of fees. The maximum term with respect to the assigned land usage right is 50 years for industrial purposes and 40 years for commercial purposes.

Because the period of land usage is quite long, can be renewed, enables its users to transfer, lease, or mortgage the land usage right, or use it for other economic activities, and the lawful rights and interests are protected by the laws of the State, in common practice, we consider or refer to the right of land usage below for certain properties as an asset “owned” by the company. None of our properties are encumbered by debt, and we are not aware of any environmental concerns or limitations on the use of our properties for the purposes we currently use them or intend to use them in the future. Following is a list of our properties, all of which we lease or for which we have land use rights:

Property Description	Address	Rental/ownership Term	Space
Office—leased out to an unrelated third party—Tenet-Jove serves as the lessor.	Room B-3106, Jianwai SOHO, 39 East Middle Third Ring Road, Chaoyang District, Beijing	Company owns the property right	280 square meters

Office— Qingdao Zhihesheng Agricultural Produce Services Co., Ltd (General office); Yantai Zhisheng International Trade Co., Ltd.	766-43 Wangsha Road, Chengyang District, Qingdao City	5 years (March 1,2019-February 28, 2022)	234.16 square meters
Factory— Yantai Mouping District Zhisheng Agricultural Produce Cooperative*	Gaoling Village, Muping District, Yantai City	30 years (April 27, 2011 - April 26, 2041)	13,333 square meters
Warehouse— Ankang Longevity — Pharmaceutical Group Pharmaceutical Industry Co., Ltd. (Medicine Logistics Warehouse) (Construction of medicine logistics and warehouse project)	Chenjiagou Village, New City Office, Hanbin District, Ankang City	Company owns the property right	5,530 square meters
Dormitory— Ankang Longevity Pharmaceutical Group Chain Co. Ltd. (Land) (General)	15 East Xing'an Road, Ankang City	Company owns the property right	2,750 square meters
Office— Ankang Longevity Pharmaceutical Group Chain Co. Ltd. (Land) (Commercial land)	36 Shidi Street, Ankang City	Company owns the property right	1,543 square meters
Office— Ankang Longevity Pharmaceutical (Group) Traditional Chinese Medicine Decoction Pieces Co., Ltd. (Offices) (Land)	Minxing Village, Wuli Town, Hanbin District, Ankang City	Company owns the property right	1,733 square meters
Production facility— Ankang Longevity Pharmaceutical (Group) Traditional Chinese Medicine Decoction Pieces Co., Ltd. (Industrial use) (Land)	Minxing Village, Wuli Town, Hanbin District, Ankang City	Company owns the property right	33,545 square meters

Office— Ankang Longevity Pharmaceutical (Group) Traditional Chinese Medicine Decoction Pieces Co., Ltd. (Offices) (Buildings) (Mixed type, five-story)	Minxing Village, Wuli Town, Hanbin District, Ankang City	Company owns the property right	3,672 square meters
Production facility— Ankang Longevity Pharmaceutical (Group) Traditional Chinese Medicine Decoction Pieces Co., Ltd. (Industrial use) (Buildings) (Mixed type, one-story)	Minxing Village, Wuli Town, Hanbin District, Ankang City	Company owns the property right	3,596 square meters
Production facility— Qingdao Zhihesheng Agricultural Produce Services Co., Ltd., Yantai Mouping District Zhisheng Agricultural Produce Cooperative (Agricultural use)*	Mafang Town, Pinggu District, Beijing	18 years (August 31, 2012-August 31, 2030)	26,666 square meters

Production facility— Qingdao Zhihesheng Agricultural Produce Services Co., Ltd., Yantai Mouping District Zhisheng Agricultural Produce Cooperative (Agricultural use)	South of Bridge, Jixiang Temple, Xiangnaixi Village, Cuigezhuang, Chaoyang District, Beijing	12 years (August 1, 2012-July 31, 2024)	73,333 square meters

* Zhisheng Freight took over the lease following the deregistration of Zhisheng Agricultural in 2017.

ITEM 3. LEGAL PROCEEDINGS

Other than ordinary routine litigation (of which we are not currently involved), we know of no material, existing or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceeding or pending litigation, and there are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our company except as set forth below:

On May 16, 2017, Bonwick Capital Partners, LLC (the "Plaintiff") commenced a lawsuit (Case No. 1:17-cv-03681-PGG) against the Company in the United States District Court for the Southern District of New York. Plaintiff alleged that the Company entered into an agreement with the Plaintiff, pursuant to which the Plaintiff was to provide the Company with financial advisory services in connection with the Company's initial public offering in the United States. The Plaintiff alleged that the Company breached the Agreement and seek money damages up to US$6 million. In March 2021, the Company entered into a Settlement Agreement and Release with the Plaintiff, pursuant to which the Company paid the Plaintiff a total sum of US$ 47,500 as settlement payment, and upon acceptance of the settlement payment from the Company, the Plaintiff waived, released, and forever discharged the Company from all past and future claims.

ITEM 4. MINE SAFETY DISCLOSURES

The information required by Item 4 is not applicable to us, as we have no mining operations in the United States.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Market Information

On September 27, 2016, we completed an initial public offering of 1,713,190 shares of common stock at a $4.50 offering price. Our common stock started trading on the NASDAQ Capital Market under the symbol of TYHT on September 28, 2016. Based on the records of our transfer agent, we had 8,768,109 shares of common stock issued and outstanding as of September 27, 2021

Holders

As of September 27, 2021 there were 180 registered holders of record of our common stock.

Dividends

We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospects and other factors the Board of Directors may deem relevant. Furthermore, our ability to pay dividends is limited by the Delaware General Corporation Law, which provides that a corporation may only pay dividends out of existing "surplus," which is defined as the amount by which a corporation's net assets exceeds its stated capital.

During the current fiscal year and the two most recent completed fiscal years, we did not declare or pay any cash dividends on our shares of common stock, and we do not expect to pay cash dividends in the foreseeable future. If we determine to pay dividends on any of our common stock in the future, as a holding company, we will be dependent principally on receipt of funds from our operating subsidiaries. Current PRC regulations permit our PRC subsidiaries to pay dividends to Shineco only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. Each of such entity in China is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund, although the amount to be set aside, if any, is determined at the discretion of its board of directors. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends except in the event of liquidation.

In addition, pursuant to the EIT Law and its implementation rules, dividends generated after January 1, 2008 and distributed to us by our PRC subsidiaries are subject to withholding tax at a rate of 10% unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE, by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations in China may be used to pay dividends to our company.

Registrar and Stock Transfer Agent

Our transfer agent is TranShare Cooperation, with an office address at Bayside Center 1, 17755 North US Highway 19, Suite # 140, Clearwater FL 33764. Its telephone number is (303) 662-1112.

Penny Stock Regulations

Our shares of common stock are subject to the "penny stock" rules of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and various rules thereunder. In general terms, "penny stock" is defined as any equity security that has a market price less than $5.00 per share, subject to certain exceptions. The rules provide that any equity security is considered to be a penny stock unless that security is registered and traded on a national securities exchange meeting specified criteria set by the SEC, issued by a registered investment company, and excluded from the definition on the basis of price (at least $5.00 per share), or based on the issuer's net tangible assets or revenues. In the last case, the issuer's net tangible assets must exceed $3,000,000 if in continuous operation for at least three years or $5,000,000 if in operation for less than three years or the issuer's average revenues for each of the past three years must exceed $6,000,000.

Trading in shares of penny stock is subject to additional sales practice requirements for broker-dealers who sell penny stocks to persons other than established customers and accredited investors. Accredited investors, in general, include individuals with assets in excess of $1,000,000 or annual income exceeding $200,000 (or $300,000 together with their spouse), and certain institutional investors. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of the security and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the security. Finally, monthly statements must be sent disclosing recent price information for the penny stocks. These rules may restrict the ability of broker-dealers to trade or maintain a market in our common stock, to the extent it is penny stock, and may affect the ability of shareholders to sell their shares.

Securities Authorized for Issuance under Equity Compensation Plans

During the fiscal year ended June 30, 2021, the Company has not adopted any incentive plan.

Recent Sales of Unregistered Securities

On January 27, 2021, the Company issued 364,445 shares of common stock to three investors at a price of US$3.0 per share. The Company received net proceeds of US$1,093,355.

On April 10, 2021, the Company issued 3,872,194 shares of common stock to selected investors at a price of US$3.2 per share. The Company received net proceeds of US$2,470,001 and US$1,093,355 is outstanding as of June 30, 2021.

On June 16, 2021, the Company entered into a securities purchase agreement pursuant to which the Company issued an unsecured convertible promissory note with a one-year maturity to an institutional accredited investor, Streeterville Capital, LLC ("Investor"). The note has the original principal amount of US$3,170,000 and Investor gave consideration of US$3.0 million, reflecting original issue discount of US$150,000 and Investor's legal fee of US$20,000. Interest accrues on the outstanding balance of the note at 6% per annum. The Company anticipates using the proceeds for general working capital purposes. The Company received principal in full from the Investor.

On August 19, 2021, the Company entered into another securities purchase agreement pursuant to which the Company issued an unsecured convertible promissory note with a one-year maturity to the same Investor. The note has the original principal amount of US$10,520,000.00 and Investor gave consideration of US$10 million, reflecting original issue discount of US$500,000 and Investor's legal fee of US$20,000. Interest accrues on the outstanding balance of the note at 6% per annum. The Company anticipates using the proceeds for general working capital purposes.

The above-mentioned issuances of securities of the Company deemed to be exempt under the Securities Act by virtue of Section 4(2) thereof as transactions not involving any public offering. In addition, certain issuances were deemed not to fall within Section 5 under the Securities Act and to be further exempt under Rule 901 and 903 of Regulation S promulgated thereunder by virtue of being issuances of securities by non-U.S. companies to non-U.S. citizens or residents, conducted outside the United States and not using any element of interstate commerce.

Repurchase of Equity Securities

Not Applicable.

ITEM 6. SELECTED FINANCIAL DATA

The Company is not required to provide the information required by this Item because the Company is a smaller reporting company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements." All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws. Forward-looking statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "should," "will," "could," and similar expressions denoting uncertainty or an action that may, will or is expected to occur in the future. These statements involve estimates, assumptions, known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements.

Examples of forward-looking statements include:

- the timing of the development of future products;
- projections of revenue, earnings, capital structure, and other financial items;
- local, regional, national, and global Luobuma and herbal medicines price fluctuations;
- statements of our plans and objectives, including those that relate to our proposed expansions and the effect such expansions may have on our revenue;
- statements regarding the capabilities of our business operations;
- statements of expected future economic performance;
- the impact of the COVID-19 outbreak;
- statements regarding competition in our market; and
- assumptions underlying statements regarding us or our business.

The ultimate correctness of these forward-looking statements depends upon a number of known and unknown risks and events. Many factors could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Consequently, you should not place undue reliance on these forward-looking statements.

The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Nonetheless, we reserve the right to make such updates from time to time by press release, periodic report, or other method of public disclosure without the need for specific reference to this Annual Report. No such update shall be deemed to indicate that other statements not addressed by such update is incorrect or create an obligation to provide any other updates.

The information included in this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our consolidated financial statements and the notes included in this Annual Report. All monetary figures are presented in U.S. dollars, unless otherwise indicated.

General Overview

We are a holding company incorporated in Delaware. As a holding company with no material operations of our own, we conduct a substantial majority of our operations through our operating entities established in the People's Republic of China, or the PRC, primarily our variable interest entities (the "VIEs"). We do not have any equity ownership of our VIEs, instead we control and receive the economic benefits of our VIEs' business operations through certain contractual arrangements. Our common stock that currently listed on the Nasdaq Capital Markets are shares of our Delaware holding company that maintains service agreements with the associated operating companies. The Chinese regulatory authorities could disallow our structure, which could result in a material change in our operations and the value of our securities could decline or become worthless.

We use our subsidiaries' and VIEs' vertically and horizontally integrated production, distribution, and sales channels to provide health and well-being focused plant-based products. Our products are only sold domestically in China. We utilize modern engineering technologies and biotechnologies to produce, among other products, Chinese herbal medicines, organic agricultural produce, and specialized textiles. Our health and well-being focused plant-based products business is divided into three major segments:

Processing and distributing traditional Chinese herbal medicine products as well as other pharmaceutical products - This segment is conducted through our VIE, Ankang Longevity Pharmaceutical (Group) Co., Ltd. ("Ankang Longevity Group"), which operates 66 cooperative retail pharmacies throughout Ankang, a city in southern Shaanxi province, China, through which we sell directly to individual customers traditional Chinese medicinal products produced by us as well as by third parties. Ankang Longevity Group also owns a factory specializing in decoction, which is the process by which solid materials are heated or boiled in order to extract liquids, and distributes decoction products to wholesalers and pharmaceutical companies around China.

On August 16, 2021, Tenet-Jove, completed the previously announced acquisition pursuant to the Restructuring Agreement dated June 8, 2021. Pursuant to the terms of the Restructuring Agreement, (i) the Company transferred all of its rights and interests in Ankang Longevity to Yushe County Guangyuan Forest Development Co., Ltd. ("Guangyuan")'s Shareholders in exchange for the control of 100% of equity interests in Guangyuan, which composes of one group of similar identifiable assets; (ii) Tenet-Jove entered a Termination Agreement with Ankang Longevity and the Ankang Shareholders; (iii) as a consideration to the Restructuring Agreement and based on a valuation report on the equity interests of Guangyuan issued by an independent third party, Tenet-Jove relinquished all of its rights and interests in Ankang Longevity and transferred those rights and interests to the Guangyuan Shareholders; and (iv) Guangyuan and the Guangyuan Shareholders entered into a series of variable interest entity agreements with Tenet-Jove. The assets and liabilities of the entities of Ankang Longevity Group have been reclassified as "assets of discontinued operations" and "liabilities of discontinued operations" within current and non-current assets and liabilities, respectively, on the consolidated balance sheets as of June 30, 2021 and 2020. The results of operations of Ankang Longevity have been reclassified to "net income (loss) from discontinued operations" in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2021 and 2020.

Processing and distributing green and organic agricultural produce as well as growing and cultivating yew trees (taxus media) - We currently cultivate and sell yew mainly to group and corporate customers, but do not currently process yew into Chinese or Western medicines. This segment is conducted through our VIEs: Shineco Zhisheng (Beijing) Bio-Technology Co. ("Zhisheng Bio-Tech"), Yantai Zhisheng International Freight Forwarding Co., Ltd ("Zhisheng Freight"), Yantai Zhisheng International Trade Co., Ltd ("Zhisheng Trade"), and Qingdao Zhihesheng Agricultural Produce Services, Ltd ("Qingdao Zhihesheng") (collectively, the "Zhisheng VIEs").

Developing and distributing specialized fabrics, textiles, and other byproducts derived from an indigenous Chinese plant Apocynum Venetum, grown in the Xinjiang region of China, and known in Chinese as "Luobuma" or "bluish dogbane" - Our Luobuma products are specialized textile and health supplement products designed to incorporate traditional Eastern medicines with modern scientific methods. These products are predicated on centuries-old traditions of Eastern herbal remedies derived from the Luobuma raw material. This segment is channeled through our directly-owned subsidiary, Beijing Tenet-Jove Technological Development Co., Ltd. ("Tenet-Jove"), and its 90% subsidiary Tianjin Tenet Huatai Technological Development Co., Ltd. ("Tenet Huatai").

Financing Activities

On September 5, 2019, the Company entered into a securities purchase agreement with select investors whereby the Company agreed to sell, and the investors agreed to purchase, up to 310,977 shares of common stock (the "Shares") at a purchase price of US$ 4.68 per Share. The Company received net proceeds of US$ 1,500,203. The offering was being made pursuant to the Company's effective registration statement on Form S-3 (Registration Statement No. 333-221711) previously filed with the Securities and Exchange Commission and a prospectus supplement thereunder.

On December 10, 2020, the Company entered into a securities purchase agreement with select investors whereby the Company agreed to sell, and the investors agreed to purchase, up to 604,900 shares of common stock (the "Shares") at a purchase price of US$ 2.73 per Share. The Company received net proceeds of US$ 1,643,087. The offering was made pursuant to the Company's effective registration statement on Form S-3 (Registration Statement No. 333-221711) previously filed with the Securities and Exchange Commission and a prospectus supplement thereunder.

On January 27, 2021, the Company issued 364,445 shares of common stock to three investors at a price of US$3.0 per share. The Company received net proceeds of US$1,093,355.

On April 10, 2021, the Company issued 3,872,194 shares of common stock to selected investors at a price of US$3.2 per share. The Company received net proceeds of US$2,470,001 and US$1,093,355 is outstanding as of June 30, 2021.

On June 16, 2021, the Company entered into a securities purchase agreement pursuant to which the Company issued an unsecured convertible promissory note with a one-year maturity to an institutional accredited investor, Streeterville Capital, LLC ("Investor"). The note has the original principal amount of US$3,170,000 and Investor gave consideration of US$3.0 million, reflecting original issue discount of US$150,000 and Investor's legal fee of US$20,000. Interest accrues on the outstanding balance of the note at 6% per annum. The Company anticipates using the proceeds for general working capital purposes. The Company received principal in full from the Investor.

On July 16, 2021, the Company entered into another securities purchase agreement pursuant to which the Company issued two unsecured convertible promissory notes with a one-year maturity to the same Investor. The first convertible promissory note has the original principal amount of US$3,170,000 and the Investor gave consideration of US$3.0 million, reflecting original issue discount of US$150,000 and Investor's legal fee of US$20,000. The second convertible promissory note has the original principal amount of US$4,200,000 and Investor gave consideration of US$4.0 million, reflecting original issue discount of US$200,000. Interest accrues on the outstanding balance of the Notes at 6% per annum. The Company received principal in full from the Investor.

On August 19, 2021, the Company entered into another securities purchase agreement pursuant to which the Company issued an unsecured convertible promissory note with a one-year maturity to the same Investor. The note has the original principal amount of US$10,520,000 and Investor gave consideration of US$10.0 million, reflecting original issue discount of US$500,000 and Investor's legal fee of US$20,000. Interest accrues on the outstanding balance of the note at 6% per annum. The Company received principal in full from the Investor. The Company anticipates using the proceeds for general working capital purposes.

Factors Affecting Financial Performance

We believe that the following factors will affect our financial performance:

Increasing demand for our products - The increasing demand for our agricultural products will have a positive impact on our financial position. We plan to develop new products and expand our distribution network as well as to grow our business through possible mergers and acquisitions of similar or synergetic businesses, all aimed at increasing awareness of our brand, developing customer loyalty, meeting customer demands in various markets and providing solid foundations for our continuous growth. As of the date of this Annual Report, however, we do not have any agreements, undertakings or understandings to acquire any such entities and there can be no guarantee that we ever will.

Maintaining effective control of our costs and expenses - Successful cost control depends upon our ability to obtain and maintain adequate material supplies as required by our operations at competitive prices. We will focus on improving our long-term cost control strategies including establishing long-term alliances with certain suppliers to ensure adequate supply is maintained. We will carry forward the economies of scale and advantages from our nationwide distribution network and diversified offerings. Moreover, we will step up our efforts in higher value-added products of Luobuma by using an exclusive and patented technology, to optimize quality management, procurement processes and cost control, and give full play to the strong production capacity and trustworthy sales teams to maximize our profit and bring better long-term return for our stockholders.

Economic and Political Risks

Our operations are conducted primarily in the PRC and subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These include risks with, among others, the political, economic and legal environment and foreign currency exchange. Our results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversions, remittances abroad, and rates and methods of taxation, among other things.

COVID-19 Impact

The COVID-19 outbreak has resulted in the implementation of significant governmental measures, including lockdowns, closures, quarantines, and travel bans, intended to control the spread of the virus. In accordance with the epidemic control measures imposed by the local governments related to COVID-19, our offices and retail stores remained closed or had limited business operations after the Chinese New Year holiday until early April 2020. In addition, COVID-19 had caused severe disruptions in transportation, limited access to our facilities and limited support from workforce employed in our operations, and as a result, we experienced delays or the inability to delivery our products to customers on a timely basis. Further, some of our customers or suppliers experienced financial distress, delayed or defaults on payment, sharp diminishing of business, or suffer disruptions in their business due to the outbreak. Any decreased collectability of accounts receivable, delayed raw materials supply, bankruptcy of small and medium businesses, or early termination of agreements due to deterioration in economic conditions could negatively impact our results of operations. Wider-spread COVID-19 in China and globally could prolong the deterioration in economic conditions and could cause decreases in or delays in spending and reduce and/or negatively impact our short-term ability to grow our revenue.

Although we have taken all possible measures to overcome the adverse impact by the COVID-19 outbreak and have resumed our normal business activities in early May 2020. Our management believes the outbreak had a negative impact on our operation result during the year ended June 30, 2021. Our revenue from continuing operations for the year ended June 30, 2021 was approximately US$ 3.0 million, a decrease of approximately US$ 7.4 million, or 71.0%, from approximately US$ 10.4 million for the same period in 2020. As of the date of this Annual Report, the COVID-19 outbreak in China appears to have been under relative control. While we expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact and the duration of the impact cannot be reasonably estimated at this time.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported amounts of revenue and expenses during the reporting period. Critical accounting policies are those accounting policies that may be material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and that have a material impact on financial condition or operating performance. While we base our estimates and judgments on our experience and on various other factors that we believe to be reasonable under the circumstances, actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies used in the preparation of our consolidated financial statements require significant judgments and estimates. For additional information relating to these and other accounting policies, see Note 2 to our consolidated financial statements included elsewhere in this Report.

Consolidation of Variable Interest Entities

VIEs are generally entities that lack sufficient equity to finance their activities without additional financial support from other parties or whose equity holders lack adequate decision-making ability. All VIEs and their subsidiaries with which the Company is involved must be evaluated to determine the primary beneficiary of the risks and rewards of the VIE. The primary beneficiary is required to consolidate the VIE for financial reporting purposes.

Use of Estimates

Significant estimates required to be made by management include, but are not limited to, useful lives of property, plant, and equipment, and intangible assets, the recoverability of long-lived assets and the valuation of accounts receivable, deferred taxes and inventory reserves. Actual results could differ from those estimates.

Accounts Receivable, Net

Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts, as necessary. We review the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, we consider many factors, including the age of the balance, the customers' historical payment history, their current credit-worthiness and current economic trends. The fair value of long-term receivables is determined using a present value technique by discounting the future expected contractual cash flows using current rates at which similar instruments would be issued at the measurement date. As of June 30, 2021 and 2020, the allowance for doubtful accounts from the continuing operations was US$9,805,402 and US$3,698,036, respectively. As of June 30, 2021 and 2020, the allowance for doubtful accounts from the discontinued operations was US$3,675,619 and US$1,537,400, respectively. Accounts are written off against the allowance after efforts at collection prove unsuccessful.

Inventories, Net

Inventories, which are stated at the lower of cost or net realizable value, consist of raw materials, work-in-progress, and finished goods related to our products. Cost is determined using the first in first out method. Agricultural products that we farm are recorded at cost, which includes direct costs such as seed selection, fertilizer, labor cost, and contract fees that are spent in growing agricultural products on the leased farmland, and indirect costs such as amortization of prepayments of farmland leases and farmland development costs. All the costs are accumulated until the time of harvest and then allocated to the harvested crops costs when they are sold. We periodically evaluate our inventory and records an inventory reserve for certain inventories that may not be saleable or whose cost exceeds net realizable value. As of June 30, 2021 and 2020, the inventory reserve from the continuing operations was US$1,349,288 and US$1,121,408, respectively. As of June 30, 2021 and 2020, the inventory reserve from the discontinued operations were both US$ nil.

Revenue Recognition

We previously recognized revenue from sales of Luobuma products, Chinese medicinal herbal products, and agricultural products, as well as providing logistic services and other processing services to external customers. We recognized revenue when all of the following have occurred: (i) there was persuasive evidence of an arrangement with a customer; (ii) delivery had occurred or services had been rendered; (iii) the sales price was fixed or determinable;

and (iv) our collection of such fees was reasonably assured. These criteria, as related to our revenue, were considered to have been met as follows:

Sales of products: We recognized revenue from the sale of products when the goods were delivered and title to the goods passed to the customer provided that there were no uncertainties regarding customer acceptance; persuasive evidence of an arrangement existed; the sales price was fixed or determinable; and collectability was deemed probable.

Revenue from provision of services: Revenue from international freight forwarding, domestic air, and overland freight forwarding services was recognized upon the performance of services as stipulated in the underlying contract or when commodities were being released from the customer's warehouse; the service price was fixed or determinable; and collectability was deemed probable.

With the adoption of ASC 606, "Revenue from Contracts with Customers," revenue is recognized when all of the following five steps are met: (i) identify the contract(s) with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; (v) recognize revenue when (or as) each performance obligation is satisfied. We adopted the new revenue standard beginning July 1, 2018, and adopted a modified retrospective approach upon adoption. We believe that our previous revenue recognition policies are generally consistent with the new revenue recognition standards set forth in ASC 606. Potential adjustments to input measures are not expected to be pervasive to the majority of our contracts. There is no significant impact upon adoption of the new guidance.

Fair Value of Financial Instruments

We follow the provisions of ASC 820, "Fair Value Measurements and Disclosures." ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs, other than quoted prices in level, that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the asset or liability.

The carrying value of financial instruments included in current assets and liabilities approximate their fair values because of the short-term nature of these instruments.

Results of Operations for the Years Ended June 30, 2021 and 2020

Overview

The following table summarizes our results of operations for the years ended June 30, 2021 and 2020:

	Years Ended June 30,		Variance	
	2021	2020	Amount	%
Revenue	$ 3,021,704	$ 10,418,576	$ (7,396,872)	(71.00)%
Cost of revenue	7,257,855	7,523,019	(265,164)	(3.52)%
Gross profit (loss)	**(4,236,151)**	**2,895,557**	**(7,131,708)**	**(246.30)%**
General and administrative expenses	17,131,400	7,686,715	9,444,685	122.87%
Selling expenses	45,384	297,199	(251,815)	(84.73)%
Loss from operations	**(21,412,935)**	**(5,088,357)**	**(16,324,578)**	**320.82%**
Impairment loss on an unconsolidated entity	-	(2,062,035)	2,062,035	(100.00)%
Other income (expense), net	(55,746)	38,868	(94,614)	(243.42)%
Interest income, net	29,236	77,523	(48,287)	(62.29)%
Loss before income tax provision from continuing operations	**(21,439,445)**	**(7,034,001)**	**(14,405,444)**	**204.80%**
Provision for income taxes	-	244,476	(244,476)	(100.00)%
Net loss from continuing operations	**(21,439,445)**	**(7,278,477)**	**(14,160,968)**	**194.56%**
Net income (loss) from discontinued operations	**(10,616,988)**	**767,936**	**(11,384,924)**	**(1,482.54)%**
Net loss	**$ (32,056,433)**	**$ (6,510,541)**	**$ (25,545,892)**	**392.38%**
Comprehensive loss attributable to Shineco Inc.	**$ (25,893,417)**	**$ (8,728,483)**	**$ (17,164,934)**	**196.65%**

Revenue

Currently, we have two revenue streams derived from our two major business segments from continuing operations. First, developing, manufacturing, and distributing specialized fabrics, textiles, and other by-products derived from an indigenous Chinese plant Apocynum Venetum, known in Chinese as "Luobuma" or "Bluish Dogbane," as well as Luoboma raw materials processing; this segment is channeled through our wholly owned subsidiary, Tenet-Jove. Second, planting, processing and distributing green and organic agricultural produce as well as growing and cultivation of yew trees; this segment is conducted through the Zhisheng VIEs. For the business segment, that processing and distributing traditional Chinese medicinal herbal products as well as other pharmaceutical products; this segment is conducted via our VIE, Ankang Longevity Group and its subsidiaries, which we have reclassified it as discontinued operations.

The following table sets forth the breakdown of our revenue for each of our two segments from the continuing operations, for the years ended June 30, 2021 and 2020, respectively:

	Years Ended June 30,				Variance	
	2021	%	2020	%	Amount	%
Luobuma products	$ 115,590	3.83%	$ 168,241	1.61%	$ (52,651)	(31.29)%
Other agricultural products	2,906,114	96.17%	10,250,335	98.39%	(7,344,221)	(71.65)%
Total Amount	$3,021,704	100.00%	$10,418,576	100.00%	$(7,396,872)	(71.00)%

For the years ended June 30, 2021 and 2020, revenue from sales of Luobuma products was US$ 115,590 and US$ 168,241, respectively, which represented a decrease of US$ 52,651, or 31.29%. The decrease of revenue from this segment was mainly due to the decrease in revenue from Tenet-Jove and Tenet Huatai. We did not launch any new products since last year and mainly focused on clearing off our remaining old stocks. Meanwhile, we reduced our resources and investments in our E-commerce distribution channel, which also resulted in a decrease in our online sales volume. As a result, our overall sales decreased during the year ended June 30, 2021 as compared to the same period in 2020.

For the years ended June 30, 2021 and 2020, revenue from sales of other agricultural products was US$ 2,906,114 and US$ 10,250,335, respectively, representing a decrease of US$ 7,344,221, or 71.65%. The decrease was mainly due to the decline of sales volume of yew trees during the year ended June 30, 2021 as compared to the same period in 2020. Our sales of yew trees were affected by the COVID-19 outbreak, which resulted in less orders from our customers during the year ended June 30, 2021 as compared to the same period in 2020. The decrease was also due to a shift in our business strategy as our yew trees business is adversely affected by the COVID-19. Instead of selling more unmatured yew trees, we are now cultivating more matured yew trees, which can be used to extract Taxol, a more valuable chemical substance which is used experimentally as a drug in the treatment of cancer.

Cost of Revenue and Related Tax

The following table sets forth the breakdown of the cost of revenue for each of our two segments from the continuing operations, for the years ended June 30, 2021 and 2020:

	Years Ended June 30,				Variance	
	2021	**%**	**2020**	**%**	**Amount**	**%**
Luobuma products	$ 200,247	2.76%	$ 245,291	3.26%	$ (45,044)	(18.36)%
Other agricultural products	7,051,935	97.16%	7,269,315	96.63%	(217,380)	(2.99)%
Business and sales related tax	5,673	0.08%	8,413	0.11%	(2,740)	(32.57)%
Total Amount	$7,257,855	100.00%	$7,523,019	100.00%	$(265,164)	(3.52)%

For the years ended June 30, 2021 and 2020, cost of revenue from sales of our Luobuma products was US$ 200,247 and US$ 245,291, respectively, representing a decrease of US$ 45,044, or 18.36%. The decrease was mainly due to the decrease in cost of revenue as we sold less Luobuma products, which was in line with the decrease in sales. However, the percentage of decrease in cost of revenue was less than the percentage of the decrease in sales, it was mainly due to reduced selling prices of our Luobuma products, as we gave more promotion and price discounts in order to attract more customers and clear our remaining old stocks during the year ended June 30, 2021.

For the years ended June 30, 2021 and 2020, cost of revenue from sales of other agricultural products was US$ 7,051,935 and US$ 7,269,315, respectively, representing a decrease of US$ 217,380, or 2.99%. The decrease was mainly due to less yew trees we sold during the year ended June 30, 2021 as compared to the same period in 2020 as mentioned above. The decrease was partially offset by a stock written off during the year ended June 30, 2021. Due to the continuous impact of Covid-19 in China and severe cold weather during the winter period this year, which resulted in the damage and death of a large number of yew trees, we wrote off our inventory amounted to US$ 3,942,784 during the year ended June 30, 2021.

Gross Profit (Loss)

The following table sets forth the breakdown of the gross profit (loss) for each of our two segments from the continuing operations, for the years ended June 30, 2021 and 2020:

	Years Ended June 30,				Variance	
	2021	**%**	**2020**	**%**	**Amount**	**%**
Luobuma products	$ (84,673)	2.00%	$ (77,409)	(2.67)%	$ (7,264)	9.38%
Other agricultural products	(4,151,478)	98.00%	2,972,966	102.67%	(7,124,444)	(239.64)%
Total Amount	$(4,236,151)	100.00%	$2,895,557	100.00%	$(7,131,708)	(246.30)%

Gross loss from Luobuma product sales increased slightly by US$ 7,264, or 9.38%, for the year ended June 30, 2021 as compared to the same period in 2020. During the year ended June 30, 2021, our gross loss was US$ 84,673, mainly due to the allowance we accrued for our slow-moving inventories amounting to US$ 118,598. However, our gross loss increased, which was mainly due to reduced selling prices of our Luobuma products, as we gave more promotion and price discounts in order to attract more customers and clear our remaining old stocks during the year ended June 30, 2021.

Gross profit from sales of other agricultural products decreased by US$ 7,124,444, or 239.64%, for the year ended June 30, 2021 as compared to the same period in 2020. During the year ended June 30, 2021, our gross loss was US$ 4,151,478, mainly due to less yew trees sold as well as a stock written off during the year ended June 30, 2021 as mentioned above. The decrease was also due to reduced selling prices of our products, as we gave more price discounts in order to get more customer orders when the demand for our products was impacted during the year ended June 30, 2021.

Expenses

The following table sets forth the breakdown of our operating expenses for the years ended June 30, 2021 and 2020, respectively:

	Years Ended June 30,				Variance	
	2021	**%**	**2020**	**%**	**Amount**	**%**
General and administrative expenses	$17,131,400	99.74%	$7,686,715	96.28%	$9,444,685	122.87%
Selling expenses	45,384	0.26%	297,199	3.72%	(251,815)	(84.73)%
Total Amount	$17,176,784	100.00%	$7,983,914	100.00%	$9,192,870	115.14%

General and Administrative Expenses

For the year ended June 30, 2021, our general and administrative expenses were US$ 17,131,400, representing an increase of US$ 9,444,685, or 122.87%, as compared to the same period in 2020. The increase was mainly due to an increase in bad debt expenses of US$ 9,600,715 during the year ended June 30, 2021. Due to the COVID-19 outbreak in China, many of our customers' businesses were adversely affected during this period, which resulted in slow collection of our receivables, and we recorded allowance according to our accounting policy based on our best estimates. Management will continue putting effort in collection of overdue accounts receivable from our customers. Meanwhile, the increase was also due to the increase in professional services fees in relation to the issuance of common stocks, convertible notes as well as the process of discontinuing the operations of Ankang Longevity Group. The increase was partially offset by a decrease in staff salary expenses as we issued restricted shares to the management as compensation of US$ 1,022,661 during the same period in 2020.

Selling Expenses

For the year ended June 30, 2021, our selling and distribution expenses were US$ 45,384, representing a decrease of US$ 251,815, or 84.73%, as compared to the same period in 2020. The decrease was mainly due to the decrease in promotion expenses and commission expenses for our online shops of Tenet-Jove, which was in line with the decrease in our sales during the year ended June 30, 2021. The decrease was also due to the decrease in salary related expenses as a result of reduced number of staff members during the year ended June 30, 2021.

Impairment loss on an unconsolidated entity

For the years ended June 30, 2021 and 2020, our impairment loss on an unconsolidated entity was US$ nil and US$ 2,062,035. During the year ended June 30, 2020, the management performed evaluation on the impairment of the investment make to Tiancang Systematic Warehousing project operated by Zhen'Ai Network, and considered it's unlikely to obtain any investment income in the future, hence, the management fully recorded impairment loss on this investment.

Other Income (Expenses), Net

For the year ended June 30, 2021, our net other expenses were US$ 55,746, representing an increase of US$ 94,614, or 243.42%, as compared to net other income of US$ 38,868 in the same period in 2020. The increase in net other expenses was primarily due to increased loss from disposal of property and equipment during the year ended June 30, 2021 as compared to the same period in 2020.

Interest income, net

For the year ended June 30, 2021, our net interest income was US$ 29,236, representing a decrease of US$ 48,287, or 62.29%, as compared to net interest income of US$ 77,523 in the same period in 2020. The decrease in interest income was primarily attributable to the decreased average amount of cash deposits we maintained during the year ended June 30, 2021.

Provision for Income Taxes

For the years ended June 30, 2021 and 2020, our provision for income taxes decreased by US$ 244,476, or 100.00%, to US$ nil for the year ended June 30, 2021 from US$ 244,476 for the year ended June 30, 2020. The decrease in provision for income taxes was mainly due to the decreased deferred income tax provision for the year ended June 30, 2021.

Net loss from continuing operations

Our net loss from continuing operations was US$ 21,439,445 for year ended June 30, 2021, an increase of US$ 14,160,968, or 194.56%, from net loss from continuing operations of US$ 7,278,477 for year ended June 30, 2020. The increase in net loss was primarily a result of the decrease in gross profit, the increase in general and administrative expenses, partially offset by the decrease in impairment loss on an unconsolidated entity.

Net loss from discontinued operations

We discontinued the Chinese medicinal herbal products segment during the year ended June 30, 2021 due to strategy shifting. We had a net loss from discontinued operations of US$ 10,616,988 for the year ended June 30, 2021 as compared to a net income from discontinued operations of US$ 767,936 for the same period in 2020.

The summarized operating results of our discontinued operations included in our consolidated statement of loss and comprehensive loss is as follows:

	For the Years Ended June 30,	
	2021	**2020**
Revenues	$ 8,085,527	$ 13,266,050
Cost of revenues	7,099,353	10,041,795
Gross profit	986,174	3,224,255
Operating expenses	5,530,993	1,625,510
Other income (expenses), net	(6,028,468)	15,111
Income before income tax	(10,573,287)	1,613,856
Provision for income tax expense	43,701	845,920
Net income from discontinued operations	(10,616,988)	767,936

Net Loss

Our net loss was US$ 32,056,433 for the year ended June 30, 2021, an increase of US$ 25,545,892 or 392.38%, from a net loss of US$ 6,510,541 for the year ended June 30, 2020. The increase in net loss was primarily a result of the decrease in gross profit, the increase in general and administrative expenses, partially offset by the decrease in impairment loss on an unconsolidated entity.

Comprehensive Loss

The comprehensive loss was US$ 26,407,588 for the year ended June 30, 2021, an increase of US$ 17,765,012 from a comprehensive loss of US$ 8,642,576 for the year ended June 30, 2020. After deduction of non-controlling interest, the comprehensive loss attributable to us was US$ 25,893,417 for the year ended June 30, 2021, compared to a comprehensive loss attributable to us in the amount of US$ 8,728,483 for the year ended June 30, 2020. The significant increase of comprehensive loss was due to the increase in net loss as mentioned above, which was partially offset by an increase in the recorded income of foreign currency translation where the financial statements denominated in RMB were translated to the USD denomination.

Treasury Policies

We have established treasury policies with the objectives of achieving effective control of treasury operations and of lowering cost of funds. Therefore, funding for all operations and foreign exchange exposure have been centrally reviewed and monitored from the top level. To manage our exposure to fluctuations in exchange rates and interest rates on specific transactions and foreign currency borrowings, currency structured instruments and other appropriate financial instruments will be used to hedge material exposure, if any.

Our policy precludes us from entering into any derivative contracts purely for speculative activities. Through our treasury policies, we aim to:

(a) Minimize interest risk

This is accomplished by loan re-financing and negotiation. We will continue to closely monitor the total loan portfolio and compare the loan margin spread under our existing agreements against the current borrowing interest rates under different currencies and new offers from banks.

(b) Minimize currency risk

In view of the current volatile currency market, we will closely monitor the foreign currency borrowings at the company level. As of June 30, 2021 and 2020, except the above-mentioned convertible note, we did not engage in any foreign currency borrowings or loan contracts.

Liquidity and Capital Resources

We currently finance our business operations primarily through proceeds from our initial public offering, as well as from short-term loans, convertible notes and the sale of our common stock. Our current cash primarily consists of cash on hand and cash in bank, which is unrestricted as to withdrawal and use and is deposited with banks in China.

On September 5, 2019, we entered into a securities purchase agreement with select investors whereby we sold 310,977 shares of common stock at a purchase price of US$ 4.68 per share, for the net proceeds of approximately US$ 1.5 million.

On December 10, 2020, we entered into a securities purchase agreement with select investors whereby we sold purchase, up to 604,900 shares of common stock at a purchase price of US$ 2.73 per share. The net proceeds that we received was US$ 1.6 million.

On January 27, 2021, we issued 364,445 shares of common stock to two investors at a price of US$ 3.0 per share. The net proceeds that we received was US$ 1.1 million.

On April 10, 2021, we issued 3,872,194 shares of common stock to selected investors at a price of US $3.2 per share. We received net proceeds of US$ 2,470,001 and US$ 1,093,355 is outstanding as of June 30, 2021.

On June 16, 2021, we entered into a securities purchase agreement pursuant to which we issued an unsecured convertible promissory note with a one-year maturity to an institutional accredited investor Streeterville Capital, LLC ("Investor"). The convertible promissory note has the original principal amount of US$ 3,170,000 and Investor gave consideration of US$ 3.0 million, reflecting original issue discount of US$ 150,000 and Investor's legal fee of US$ 20,000. We received principal in full from the Investor.

Management believes that our current cash, cash flows from future operations, and access to loans will be sufficient to meet our working capital needs for at least the next 12 months. We intend to continue to carefully execute our growth plans and manage market risk.

Working Capital

The following table provides the information about our working capital at June 30, 2021 and 2020:

	March 31, 2021	June 30, 2020
Current Assets	$ 49,278,577	$ 59,519,998
Current Liabilities	14,795,390	11,347,325
Working Capital	$ 34,483,187	$ 48,172,673

The working capital decreased by US$ 13,689,486, or 28.4%, as of June 30, 2021 from June 30, 2020, primarily as a result of a decrease in cash, accounts receivable and advances to suppliers, and an increase in other payables and accrued expenses, and convertible note payable as of March 31, 2021.

Capital Commitments and Contingencies

Capital commitments refer to the allocation of funds for the possible purchase in the near future for fixed assets or investment. Contingency refers to a condition that arises from past transactions or events, the outcome of which will be confirmed only by the occurrence or non-occurrence of uncertain futures events.

As of March 31, 2021 and 2020, we had no material capital commitments or contingent liabilities.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our own common stock and classified as stockholders' equity, or that are not reflected in our consolidated financial statements.

Cash Flows

The following table provides detailed information about our net cash flows for the years ended June 30, 2021 and 2020.

	Years Ended June 30,	
	2021	2020

Net cash used in operating activities	$	(14,649,557)	$	(4,656,007)
Net cash provided by investing activities		1,262,305		104,776
Net cash provided by financing activities		7,235,931		2,625,407
Effect of exchange rate changes on cash		2,804,343		(1,033,480)
Net decrease in cash		(3,346,978)		(2,959,304)
Cash, beginning of the year		32,371,372		35,330,676
Cash, end of the year	$	29,024,394	$	32,371,372
Less: cash of discontinued operations - ended of the Year		12,681,483		10,371,673
Cash of continuing operations - ended of the Year		16,342,911		21,999,699

Operating Activities

Net cash used in operating activities during the year ended June 30, 2021 was approximately US$ 14.6 million, consisting of net loss from continuing operations of US$ 21.4 million, bad debt expenses of US$ 13.5 million, stock written off due to natural disaster of US$ 3.9 million, and net changes in our operating assets and liabilities, which mainly included an increase in inventories of US$ 4.6 million, advances to suppliers of US$ 3.3 million and accounts receivables of US$ 2.8 million, partially offset by the net cash provided by operating activities from discontinued operations of US$ 0.7 million. Net cash used in operating activities during the year ended June 30, 2020 was approximately US$ 4.7 million, consisting of net loss from continuing operations of US$ 7.3 million, bad debt expenses of US$ 3.8 million, impairment loss on an unconsolidated entity of US$ 2.1 million, restricted shares issued for management of US$ 1.0 million, and net changes in our operating assets and liabilities, which mainly included an increase in advances to suppliers of US$ 3.8 million and accounts receivables of US$ 2.1 million, and net cash provided by operating activities from discontinued operations of US$ 0.6 million.

Investing Activities

For the year ended June 30, 2021, net cash provided by investing activities was US$ 1.3 million, primarily due to the net cash provided by investing activities from discontinued operations. For the year ended June 30, 2020, net cash provided by investing activities was US$ 104,776, primarily due to the proceeds from disposal of property and equipment of US$ 79,225, as well as repayment of loans to third parties of US$ 38,279 during the year ended June 30, 2020.

Financing Activities

For the year ended June 30, 2021, net cash provided financing activities amounted to approximately US$ 7.2 million, primarily due to the proceeds from issuance of common stock of US$ 5.2 million, proceeds from issuance of convertible note of US$ 3.0 million partially offset by the net cash used in financing activities from discontinued operations of US$ 0.7 million. For the year ended June 30, 2020, net cash provided by financing activities amounted to approximately US$ 2.6 million, primarily due to the proceeds from issuance of common stock of US$ 1.5 million and proceeds from advances from related parties of US$ 1.1 million.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item because the Company is a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this item are set forth beginning on page F-1.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Centurion ZD CPA & Co.
Certified Public Accountants (Practising)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To: The Board of Directors and Shareholders of
Shineco, Inc..

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Shineco, Inc. and subsidiaries (the "Company") as of June 30, 2021 and 2020, and the related consolidated statements of income (loss) and comprehensive loss, changes in equity and cash flows for each of the years in the two-year period ended June 30, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the years in the two-year period ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment assessment of trade receivables

As at 30 June 2021, the Company recorded trade receivables of approximately US$ 19.6 million before impairment of US$ 13.5 million. Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts as needed. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable balance. The Company's determination of allowance for doubtful accounts is combining with collection history and various subjective factors and considerations. Specifically, there was a high degree of subjective auditor judgment in evaluating how the Company's estimation on the amount of probable credit losses and related impairment of accounts receivable affected the net realizable value of accounts receivable.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included the following, among others: (i) obtaining an understanding of and evaluating the Company's process over the collection and the assessment of the recoverability of trade receivables. (ii) We tested the completeness and accuracy of the historical data used in management's calculation. (iii) tested the ageing of trade receivables at the year ended date on a sampling basis. (iv) tested the subsequent settlements by customers on a sampling basis. (v) We evaluated the reasonableness of the factors included in considering of probable credit losses such as Customer-specific risks, changes in economic conditions that may not be captured in the quantitatively derived results, and other relevant factors.

Inventory write-down

As described in Note 2 and 3 of the consolidated financial statements, inventories are stated at the lower of cost and net realizable value, with cost determined on a first in first out method. Write-down of potential obsolete or slow moving inventories is recorded based on management's assumptions about future demands and market conditions. For the year ended June 30, 2021, the Company recorded an accumulated inventory impairment of $1.35 million. Inventories include items that have been written down to the Company's best estimate of their realizable value, which includes consideration of various factors.

We identified the inventory write-down as a critical audit matter. The Company's determination of future markdowns is subjective. Specifically, there was a high degree of subjective auditor judgment in evaluating how the Company's merchandising strategy and related inventory markdown assumptions affected the realizable value of inventory.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included the following, among others: (i) observing the physical condition of inventories during inventory counts; (ii) evaluating the appropriateness of management's process for developing the estimates of net realizable value (iii) testing the reliability of reports used by management by agreeing to underlying records; (iv) testing the reasonableness of the assumptions about quality, damages, future demand, selling prices and market conditions by considering with historical trends and consistency with evidence obtained in other areas of the audit; and corroborating the assumptions with individuals within the product team; and (v) assessing the Company's adjustments of inventory costs to net realizable value for slow-moving and obsolete inventories by (1) comparing the historical estimate for net realizable value adjustments to actual adjustments of inventory costs, and (2) analyzing sales subsequent to the measurement date.

/s/ Centurion ZD CPA& Co.
Centurion ZD CPA & Co.

We have served as the Company's auditor since 2019.
Hong Kong, China
September 30, 2021

SHINECO, INC.
CONSOLIDATED BALANCE SHEETS

		June 30, 2021		June 30, 2020
ASSETS				
CURRENT ASSETS:				
Cash	$	16,342,911	$	21,999,699
Accounts receivable, net		2,686,671		5,058,350
Due from related parties		132,398		120,939
Inventories, net		1,323,391		699,485
Advances to suppliers, net		7,790,126		11,186,287
Other current assets		1,343,338		905,380
Current assets held for discontinued operations		19,659,742		19,549,858
TOTAL CURRENT ASSETS		49,278,577		59,519,998
Property and equipment, net		2,253,944		2,431,930
Distribution rights		1,142,794		1,043,887
Long-term deposit and other noncurrent assets		14,550		20,333
Right of use assets		3,585,703		3,227,895
Non-current assets held for discontinued operations		5,043,031		12,844,568
TOTAL ASSETS	**$**	**61,318,599**	**$**	**79,088,611**
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$	76,584	$	105,242
Advances from customers		7,468		6,324
Due to related parties		1,159,407		1,355,919

Other payables and accrued expenses	4,109,208	1,555,253
Operating lease liabilities - current	434,411	97,633
Convertible note payable	2,933,030	-
Taxes payable	1,208,348	1,467,833
Current liabilities held for discontinued operations	4,866,934	6,759,121
TOTAL CURRENT LIABILITIES	14,795,390	11,347,325
Income tax payable - noncurrent portion	506,441	566,022
Operating lease liabilities - non-current	352,863	401,891
Deferred tax liability	285,699	260,972
TOTAL LIABILITIES	15,940,393	12,576,210
Commitments and contingencies	-	-
EQUITY:		
Common stock; par value $0.001, 100,000,000 shares authorized; 7,881,482 and 3,039,943 shares issued and outstanding at June 30, 2021 and June 30, 2020*	7,881	3,040
Additional paid-in capital	41,105,806	27,302,051
Subscription receivable	(8,535,203)	-
Statutory reserve	4,198,107	4,198,107
Retained earnings	8,661,071	40,106,518
Accumulated other comprehensive loss	(731,805)	(6,283,835)
Total Stockholders' equity of Shineco, Inc.	44,705,857	65,325,881
Non-controlling interest	672,349	1,186,520
TOTAL EQUITY	45,378,206	66,512,401
TOTAL LIABILITIES AND EQUITY	**$ 61,318,599**	**$ 79,088,611**

* Retrospectively restated for effect of stock split on August 14, 2020

The accompanying notes are an integral part of these consolidated financial statements

SHINECO, INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	For the Years Ended June 30,	
	2021	2020
REVENUE	$ 3,021,704	$ 10,418,576
COST OF REVENUE		
Cost of product and services	3,309,398	7,514,606
Stock written off due to natural disaster	3,942,784	-
Business and sales related tax	5,673	8,413
Total cost of revenue	7,257,855	7,523,019
GROSS PROFIT (LOSS)	(4,236,151)	2,895,557
OPERATING EXPENSES		

General and administrative expenses	17,131,400	7,686,715
Selling expenses	45,384	297,199
Total operating expenses	17,176,784	7,983,914
LOSS FROM OPERATIONS	(21,412,935)	(5,088,357)
OTHER INCOME (EXPENSE)		
Impairment loss on an unconsolidated entity	-	(2,062,035)
Other income (loss), net	(55,746)	38,868
Interest income, net	29,236	77,523
Total other loss	(26,510)	(1,945,644)
LOSS BEFORE PROVISION FOR INCOME TAXES FROM CONTINUING OPERATIONS	(21,439,445)	(7,034,001)
PROVISION FOR INCOME TAXES	-	244,476
NET LOSS FROM CONTINUING OPERATIONS	(21,439,445)	(7,278,477)
DISCONTINUED OPERATIONS:		
Income (loss) from discontinued operations, net of taxes	(10,616,988)	767,936
Net income (loss) from discontinued operations	(10,616,988)	767,936
NET LOSS	(32,056,433)	(6,510,541)
Net income (loss) attributable to non-controlling interest	(610,986)	118,131
NET LOSS ATTRIBUTABLE TO SHINECO, INC.	$ (31,445,447)	$ (6,628,672)
COMPREHENSIVE LOSS		
Net loss	$ (32,056,433)	$ (6,510,541)
Other comprehensive income (loss): foreign currency translation income (loss)	5,648,845	(2,132,035)
Total comprehensive loss	(26,407,588)	(8,642,576)
Less: comprehensive income (loss) attributable to non-controlling interest	(514,171)	85,907
COMPREHENSIVE LOSS ATTRIBUTABLE TO SHINECO, INC.	$ (25,893,417)	$ (8,728,483)
Weighted average number of shares basic and diluted*	4,401,048	2,949,166
Basic and diluted loss per common share	$ (7.14)	$ (2.25)
Earnings (loss) per common share		
Continuing operations - Basic and Diluted	(4.86)	(2.45)
Discontinued operations - Basic and Diluted	(2.28)	0.20
Net loss per common share - basic and diluted	(7.14)	(2.25)

* Retrospectively restated for effect of stock split on August 14, 2020

The accompanying notes are an integral part of these consolidated financial statements

SHINECO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	COMMON STOCK		SUBSCRIPTION	ADDITIONAL PAID-IN	STATUTORY	RETAINED	ACCUMULATED OTHER COMPREHENSIVE	NON-CONTROLLING	TOTAL
	SHARES*	AMOUNT	RECEIVABLE	CAPITAL	RESERVE	EARNINGS	LOSS	INTEREST	EQUITY
Balance at June 30, 2019	2,544,203	$ 2,544	$ -	$ 24,779,684	$ 4,198,107	$ 46,735,190	$ (4,184,024)	$ 1,100,613	72,632,114
Stock issuance	495,740	496	-	2,522,367	-	-	-	-	2,522,863
Net income (loss) for the year	-	-	-	-	-	(6,628,672)	-	118,131	(6,510,541)
Foreign currency translation loss	-	-	-	-	-	-	(2,099,811)	(32,224)	(2,132,035)
Balance at June 30, 2020	3,039,943	$ 3,040	$ -	$ 27,302,051	$ 4,198,107	$ 40,106,518	$ (6,283,835)	$ 1,186,520	$ 66,512,401
Stock issuance	4,841,539	4,841	(8,535,203)	13,736,785	-	-	-	-	5,206,423
Beneficial conversion feature associated with convertible notes	-	-	-	66,970	-	-	-	-	66,970
Net loss for the year	-	-	-	-	-	(31,445,447)	-	(610,986)	(32,056,433)
Foreign currency translation gain	-	-	-	-	-	-	5,552,030	96,815	5,648,845
Balance at June 30, 2021	7,881,482	$ 7,881	$ (8,535,203)	$ 41,105,806	$ 4,198,107	$ 8,661,071	$ (731,805)	$ 672,349	$ 45,378,206

* Retrospectively restated for effect of stock split on August 14, 2020.

The accompanying notes are an integral part of these consolidated financial statements

SHINECO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (32,056,433)	$ (6,510,541)
Net income (loss) from discontinued operations, net of tax	(10,616,988)	767,935
Net loss from continuing operations	(21,439,445)	(7,278,476)
Adjustments to reconcile net loss to net cash used in operating activities:		

Depreciation and amortization	697,093	845,792
Loss from disposal of property and equipment	142,982	60,211
Provision for doubtful accounts	13,462,790	3,862,075
Provision for inventory reserve	118,598	205,442
Stock written off due to natural disaster	3,942,784	-
Deferred tax benefit	-	244,476
Amortization of right of use assets	181,257	-
Impairment loss on an unconsolidated entity	-	2,062,035
Restricted shares issued for management	-	1,022,660
Changes in operating assets and liabilities:		
Accounts receivable	(2,833,647)	(2,094,744)
Advances to suppliers	(3,345,800)	(3,769,413)
Inventories	(4,605,123)	154,758
Other receivables	(169,289)	(457,993)
Prepaid expense and other assets	(336,839)	442,796
Due from related parties	-	62,438
Right of use assets	-	(340,610)
Accounts payable	(37,668)	(76,889)
Advances from customers	530	(366,762)
Other payables	(274,912)	54,803
Operating lease liabilities	(433,869)	-
Taxes payable	(430,216)	70,677
Net cash used in operating activities from continuing operations	(15,360,774)	(5,296,724)
Net cash provided by operating activities from discontinued operations	711,217	640,717
Net cash used in operating activities	(14,649,557)	(4,656,007)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property and equipment	-	(11,050)
Proceeds from disposal of property and equipment	-	79,225
Repayments of loans to third parties	-	38,279
Net cash provided by investing activities from continuing operations	-	106,454
Net cash provided by (used in) investing activities from discontinued operations	1,262,305	(1,678)
Net cash provided by investing activities	1,262,305	104,776
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of other short-term loans	-	(7,110)
Proceeds from issuance of common stock	5,206,423	1,500,203
Proceeds from advances from related parties	(291,022)	1,132,314
Proceeds from issuance of convertible note	3,000,000	-
Net cash provided by financing activities from continuing operations	7,915,401	2,625,407
Net cash used in financing activities from discontinued operations	(679,470)	-
Net cash provided by financing activities	7,235,931	2,625,407
EFFECT OF EXCHANGE RATE CHANGE ON CASH	2,804,343	(1,033,480)
NET DECREASE IN CASH	(3,346,978)	(2,959,304)
CASH - Beginning of the Year	32,371,372	35,330,676
CASH - End of the Year	29,024,394	32,371,372
Less: cash of discontinued operations - Ended of the Year	12,681,483	10,371,673

Cash of continuing operations - Ended of the Year	$	16,342,911	$	21,999,699
SUPPLEMENTAL CASH FLOW DISCLOSURES:				
Cash paid for income taxes	$	668,477	$	670,769
Cash paid for interest	$	115,806	$	116,438
SUPPLEMENTAL NON-CASH OPERATING ACTIVITY:				
Right-of-use assets obtained in exchange for operating lease obligations	$	668,302	$	900,356

The accompanying notes are an integral part of these consolidated financial statements

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Shineco, Inc. ("Shineco" or the "Company") was incorporated in the State of Delaware on August 20, 1997. The Company is a holding company whose primary purpose is to develop business opportunities in the People's Republic of China (the "PRC" or "China").

On December 30, 2004, the Company acquired all of the issued and outstanding shares of Beijing Tenet-Jove Technological Development Co., Ltd. ("Tenet-Jove"), a PRC company, in exchange for restricted shares of the Company's common stock, and the sole operating business of the Company became that of its subsidiary, Tenet-Jove. Tenet-Jove was incorporated on December 15, 2003 under the laws of China. Consequently, Tenet-Jove became a 100% owned subsidiary of Shineco and was officially granted the status of a wholly foreign-owned entity by Chinese authorities on July 14, 2006. This transaction was accounted for as a recapitalization. Tenet-Jove owns 90% interest of Tianjin Tenet Huatai Technological Development Co., Ltd. ("Tenet Huatai").

On December 31, 2008, June 11, 2011, and May 24, 2012, Tenet-Jove entered into a series of contractual agreements including an Executive Business Cooperation Agreement, a Timely Reporting Agreement, an Equity Interest Pledge Agreement, and an Executive Option Agreement (collectively, the "VIE Agreements"), with each one of the following entities, Ankang Longevity Pharmaceutical (Group) Co., Ltd. ("Ankang Longevity Group"), Yantai Zhisheng International Freight Forwarding Co., Ltd. ("Zhisheng Freight"), Yantai Zhisheng International Trade Co., Ltd. ("Zhisheng Trade"), Yantai Mouping District Zhisheng Agricultural Produce Cooperative ("Zhisheng Agricultural"), and Qingdao Zhihesheng Agricultural Produce Services., Ltd. ("Qingdao Zhihesheng"). On February 24, 2014, Tenet-Jove entered into the same series of contractual agreements with Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. ("Zhisheng Bio-Tech"), which was incorporated in 2014. Zhisheng Bio-Tech, Zhisheng Freight, Zhisheng Trade, Zhisheng Agricultural, and Qingdao Zhihesheng are collectively referred to herein as the "Zhisheng VIEs."

Pursuant to the VIE Agreements, Tenet-Jove has the exclusive right to provide to the Zhisheng VIEs and Ankang Longevity Group consulting services related to their business operations and management. All the above contractual agreements obligate Tenet-Jove to absorb a majority of the risk of loss from the Zhisheng VIEs and Ankang Longevity Group's activities and entitle Tenet-Jove to receive a majority of their residual returns. In essence, Tenet-Jove has gained effective control over the Zhisheng VIEs and Ankang Longevity Group. Therefore, the Zhisheng VIEs and Ankang Longevity Group are treated as variable interest entities ("VIEs") under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810 "Consolidation." Accordingly, the accounts of these entities are consolidated with those of Tenet-Jove.

Since Shineco is effectively controlled by the majority shareholders of the Zhisheng VIEs and Ankang Longevity Group, Shineco owns 100% of Tenet-Jove. Accordingly, Shineco, Tenet-Jove, and its VIEs, the Zhisheng VIEs and Ankang Longevity Group are effectively controlled by the same majority shareholders. Therefore, Shineco, Tenet-Jove, and the VIEs of Tenet-Jove are considered under common control. The consolidation of Tenet-Jove and its VIEs into Shineco was accounted for at historical cost and prepared on the basis as if the aforementioned exclusive contractual agreements between Tenet-Jove and its VIEs had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements.

On May 2, 2017, the Company entered into a Strategic Cooperation Agreement with Beijing Zhongke Biorefinery Engineering Technology Co., Ltd. ("Biorefinery"), a leading high-tech biomass refining company financially backed by the Chinese Academy of Sciences Institute of Process Engineering, to establish the Institute of Chinese Apocynum Industrial Technology Research ("ICAITR"). Pursuant to the Strategic Cooperation Agreement, the two parties agreed to establish the ICAITR, with the Company and Biorefinery owning 80% and 20% of the equity interests of ICAITR, respectively. Shineco invested RMB5.0 million (US$737,745) as the registered capital, and Biorefinery would invest a technology patent named "Steam Explosion Degumming."

On September 30, 2017, Tenet-Jove established Xinjiang Shineco Taihe Agriculture Technology Ltd. ("Xinjiang Taihe") with registered capital of RMB10.0 million (US$1,502,650). On September 30, 2017, Tenet-Jove established Xinjiang Tianyi Runze Bioengineering Co., Ltd. ("Runze") with registered capital of RMB10.0 million (US$1,502,650). Xinjiang Taihe and Runze became wholly-owned subsidiaries of Tenet-Jove.

On December 10, 2016, Tenet-Jove entered into a purchase agreement with Tianjin Tajite E-Commerce Co., Ltd. ("Tianjin Tajite"), an online e-commerce company based in Tianjin, China, specializing in distributing Luobuma related products and branded products of Daiso 100-yen shops, pursuant to which Tenet-Jove would acquire a 51% equity interest in Tianjin Tajite for cash consideration of RMB14,000,000 (approximately US$2.1 million). On December 25, 2016, the Company paid the full amount as the deposit to secure the deal. In May, 2017, the Company amended the agreement and required Tianjin Tajite to satisfy certain preconditions related to product introductions into China. On October 26, 2017, the Company completed the acquisition for 51% of the shares in Tianjin Tajite.

On October 27, 2017, the Company, through its subsidiary Tianjin Tajite, obtained contractual rights to distribute branded products of Daiso Industries Co., Ltd. ("Daiso"), a large franchise of 100-yen shops founded in Japan, via JD.com, one of the largest e-commerce companies and one of the largest retailers in China. On November 3, 2017, the Company further developed the cooperation with Daiso by entering into a supply and purchase agreement (the "Daiso Agreement") for the purpose of establishing a continuous supply and sale of Daiso's products in China. Pursuant to the Daiso Agreement, the Company planned to purchase Daiso Products in the amount of approximately RMB20 million by August 2018 and add orders as circumstance requires. The term of the Daiso Agreement is for one year, and it renews for an additional one-year at the end of each term unless terminated by written notice by either Tianjin Tajite or Daiso. Due to the policy of China Customs, many of the bestselling products of Daiso are not allowed to be imported through the general form of trade model, but only through cross-border e-commence business model. As a result, the Company and Daiso agreed to suspend the cooperation temporarily and wait for the opening of the China-Japan-South Korea Free Trade Zone.

On November 1, 2017, the Company established an Apocynum Industrial Park in Xinjiang, China. The industrial park is focusing on planting and purchasing Bluish Dogbane and processing and distributing Bluish Dogbane preliminary products.

On March 13, 2019, Tenet-Jove established Beijing Tenjove Newhemp Biotechnology Co., Ltd. ("TNB") with registered capital of RMB10.0 million (US$1,502,650). TNB became a wholly-owned subsidiary of Tenet-Jove.

On August 22, 2019, Tenet-Jove established Shineco Zhong Hemp Group Co., Ltd. ("Zhong Hemp") with registered capital of RMB200.0 million (US$28,237,022) and owns 60% interest of Zhong Hemp.

The Company ceased the business operation of Xinjiang Taihe and Runze in September 2020 and October 2020, respectively.

On August 16, 2021, Tenet-Jove, completed the previously announced acquisition pursuant to the Restructuring Agreement dated June 8, 2021. Pursuant to the terms of the Restructuring Agreement, (i) the Company transferred all of its rights and interests in Ankang Longevity to Yushe County Guangyuan Forest Development Co., Ltd. ("Guangyuan")'s Shareholders in exchange for the control of 100% of equity interests in Guangyuan, which composes of one group of similar identifiable assets; (ii) Tenet-Jove entered a Termination Agreement with Ankang Longevity and the Ankang Shareholders; (iii) as a consideration to the Restructuring Agreement and based on a valuation report on the equity interests of Guangyuan issued by an independent third party, Tenet-Jove relinquished all of its rights and interests in Ankang Longevity and transferred those rights and interests to the Guangyuan Shareholders; and (iv) Guangyuan and the Guangyuan Shareholders entered into a series of variable interest entity agreements with Tenet-Jove.

The Company, its subsidiaries, its VIEs, and its VIEs' subsidiaries (collectively the "Group") operate three main business segments: 1) Tenet-Jove is engaged in manufacturing and selling Bluish Dogbane and related products, also known in Chinese as "Luobuma," including therapeutic clothing and textile products made from Luobuma; 2) the Zhisheng VIEs are engaged in planting, processing, and distributing green agricultural produce as well as providing domestic and international logistic services for agricultural products ("Agricultural Products"); and, 3) Ankang Longevity Group, which is reclassified as discontinued operations, manufactures traditional Chinese medicinal herbal products as well as other retail pharmaceutical products. These different business activities and products can potentially be integrated and benefit from one another.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The consolidated financial statements of the Company reflect the principal activities of the Company, its subsidiaries, its VIEs and its VIEs' subsidiaries. The non-controlling interest represents the minority shareholders' interest in the Company's majority owned subsidiaries and VIEs. All intercompany accounts and transactions have been eliminated in consolidation.

Consolidation of Variable Interest Entities

VIEs are generally entities that lack sufficient equity to finance their activities without additional financial support from other parties or whose equity holders lack adequate decision-making ability. All VIEs and their subsidiaries with which the Company is involved must be evaluated to determine the primary beneficiary of the risks and rewards of the VIE. The primary beneficiary is required to consolidate the VIE for financial reporting purposes.

The total carrying amount of the VIEs and their subsidiaries' consolidated assets and liabilities and income information were as follows:

	June 30, 2021	June 30, 2020
Current assets	$ 44,631,744	$ 58,350,565
Plant and equipment, net	4,698,184	8,168,594
Other non-current assets	4,894,445	11,054,954
Total assets	54,224,373	77,574,113
Total liabilities	(7,377,886)	(6,189,172)
Net assets	$ 46,846,487	$ 71,384,941

	For the years ended June 30,	
	2021	2020

Net sales	$	10,991,641	$	23,516,385
Gross profit (loss)	$	(3,165,304)	$	6,197,221
Loss from operations	$	(22,319,655)	$	(2,661,451)
Net loss	$	(27,754,161)	$	(197,776)

The carrying amount of the VIEs and their subsidiaries' consolidated assets and liabilities and income information held for discontinued operations were as follows:

	June 30, 2021		June 30, 2020	
Current assets	$	19,659,742	$	19,549,858
Plant and equipment, net		3,683,525		7,057,554
Other non-current assets		1,359,506		5,787,014
Total assets		24,702,773		32,394,426
Total liabilities		(4,866,934)		(4,331,447)
Net assets	$	19,835,839	$	28,062,979

	For the years ended June 30,			
	2021		2020	
Net sales	$	8,085,527	$	13,266,050
Gross profit	$	986,174	$	3,224,255
Income (loss) from operations	$	(4,544,819)	$	1,598,745
Net income (loss)	$	(10,038,088)	$	767,936

The carrying amount of the VIEs and their subsidiaries' consolidated assets and liabilities and income information held for continued operations were as follows:

	June 30, 2021		June 30, 2020	
Current assets	$	24,972,002	$	38,800,707
Plant and equipment, net		1,014,659		1,111,040
Other non-current assets		3,534,939		5,267,940
Total assets		29,521,600		45,179,687
Total liabilities		(2,510,952)		(1,857,725)
Net assets	$	27,010,648	$	43,321,962

	For the years ended June 30,			
	2021		2020	
Net sales	$	2,906,114	$	10,250,335
Gross profit (loss)	$	(4,151,478)	$	2,972,966
Income (loss) from operations	$	(17,774,836)	$	1,062,706
Net loss	$	(17,716,073)	$	(965,712)

Non-controlling Interests

U.S. GAAP requires that non-controlling interests in subsidiaries and affiliates be reported in the equity section of a company's balance sheet. In addition, the amounts attributable to the non-controlling interests in the net income of these entities are reported separately in the consolidated statements of loss and comprehensive loss.

Risks and Uncertainties

The operations of the Company are located in the PRC and are subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These include risks associated with, among others, the political, economic, and legal environment and foreign currency exchange. The Company's results may be adversely affected by changes in the political, regulatory, and social conditions in the PRC, and by changes in governmental policies or interpretations with respect to laws and regulations, anti-inflationary measures, currency conversion, remittances abroad, and rates and methods of taxation, among other things. Although the Company has not experienced losses from these factors and believes that it is in compliance with existing laws and regulations, there is no guarantee that the Company will continue to do so in the future.

Members of the current management team own controlling interests in the Company and are also the owners of the VIEs in the PRC. The Company only controls the VIEs through contractual arrangements, which obligate it to absorb the risk of loss and to receive the residual expected returns. As such, the controlling shareholders of the Company and the VIEs could cancel these agreements or permit them to expire at the end of the agreement terms, as a result of which the Company would not retain control of the VIEs. In addition, should these agreements be challenged or litigated, they would also be subject to the laws and courts of the PRC legal system, which could make enforcing the Company's rights difficult.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements as well as the reported amounts of revenue and expenses during the reporting periods. Significant estimates required to be made by management include, but are not limited to, useful lives of property, plant, and equipment, and intangible assets, the recoverability of long-lived assets, and the valuation of accounts receivable, deferred taxes, and inventory reserves. Actual results could differ from those estimates.

Revenue Recognition

We previously recognized revenue from sales of Luobuma products, Chinese medicinal herbal products, and agricultural products, as well as providing logistic services and other processing services to external customers. We recognized revenue when all of the following have occurred: (i) there was persuasive evidence of an arrangement with a customer; (ii) delivery had occurred or services had been rendered; (iii) the sales price was fixed or determinable; and (iv) our collection of such fees was reasonably assured. These criteria, as related to our revenue, were considered to have been met as follows:

Sales of products: The Company recognized revenue from the sale of products when the goods were delivered and title to the goods passed to the customer, provided that there were no uncertainties regarding customer acceptance; persuasive evidence of an arrangement existed; the sales price was fixed or determinable; and collectability was deemed probable.

Revenue from the provision of services: Revenue from international freight forwarding, domestic air, and overland freight forwarding services was recognized upon the performance of services as stipulated in the underlying contract or when commodities were being released from the customer's warehouse; the service price was fixed or determinable; and collectability was deemed probable.

With the adoption of ASC 606, "Revenue from Contracts with Customers," revenue is recognized when all of the following five steps are met: (i) identify the contract(s) with the customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations; (v) recognize revenue when (or as) each performance obligation is satisfied. The Company adopted the new revenue standard beginning July 1, 2018, and adopted a modified retrospective approach upon adoption. The Company believes that its previous revenue recognition policies are generally consistent with the new revenue recognition standards set forth in ASC 606. Potential adjustments to input measures are not expected to be pervasive to the majority of the Company's contracts. There is no significant impact upon adoption of the new guidance.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit, and other highly liquid investments which are unrestricted as to withdrawal or use, and which have original maturities of three months or less when purchased. The Company maintains cash with various financial institutions mainly in the PRC. As of June 30, 2021 and 2020, the Company had no cash equivalents.

Under PRC law, it is generally required that a commercial bank in the PRC that holds third-party cash deposits protect the depositors' rights over and interests in their deposited money. PRC banks are subject to a series of risk control regulatory standards, and PRC bank regulatory authorities are empowered to take over the operation and management of any PRC bank that faces a material credit crisis. The Company monitors the banks utilized and has not experienced any problems.

Accounts Receivable, Net

Accounts receivable are recorded at net realizable value, consisting of the carrying amount less an allowance for uncollectible accounts, as necessary. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, the customers' historical payment history, their current credit-worthiness, and current economic trends. The fair value of long-term receivables is determined using a present value technique by discounting the future expected contractual cash flows using current rates at which similar instruments would be issued at the measurement date. As of June 30, 2021 and 2020, the allowance for doubtful accounts from the continuing operations was US$9,805,402 and US$3,698,036, respectively. As of June 30, 2021 and 2020, the allowance for doubtful accounts from the discontinued operations was US$3,675,619 and US$1,537,400, respectively. Accounts are written off against the allowance after efforts at collection prove unsuccessful.

Inventories, Net

Inventories, which are stated at the lower of cost or net realizable value, consist of raw materials, work-in-progress, and finished goods related to the Company's products. Cost is determined using the first in first out ("FIFO") method. Agricultural products that the Company farms are recorded at cost, which includes direct costs such as seed selection, fertilizer, labor cost and contract fees that are spent in growing agricultural products on the leased farmland, and indirect costs which include amortization of prepayments of farmland leases and farmland development costs. All the costs are accumulated until the time of harvest and then allocated to the harvested crops costs when they are sold. The Company periodically evaluates its inventory and records an inventory reserve for certain inventories that may not be saleable or whose cost exceeds net realizable value. As of June 30, 2021 and 2020, the inventory reserve from the continuing operations was US$1,349,288 and US$1,121,408, respectively. As of June 30, 2021 and 2020, the inventory reserve from the discontinued operations were both US$ nil.

Advances to Suppliers, Net

Advances to suppliers consist of payments to suppliers for materials that have not been received. Advances to suppliers are reviewed periodically to determine whether their carrying value has become impaired. As of June 30, 2021 and 2020, the Company had an allowance for uncollectible advances to suppliers from the continuing operations of US$11,546,609 and US$3,342,590, respectively. As of June 30, 2021 and 2020, the Company had an allowance for uncollectible advances to suppliers from the discontinued operations of US$1,773,698 and US$ nil, respectively.

Business Acquisitions

Business acquisitions are accounted for under the acquisition method. The acquisition method requires the reporting entity to identify the acquirer, determine the acquisition date, recognize and measure the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquired entity, and recognize and measure goodwill or a bargain gain from the purchase. The acquiree's results are included in the Company's consolidated financial statements from the date of acquisition. Assets acquired and liabilities assumed are recorded at their fair values on the date acquired and the excess of the purchase price over the amounts assigned is recorded as goodwill, or if the fair value of the net assets acquired exceeds the purchase price consideration, a bargain purchase gain is recorded. Adjustments to fair value assessments are generally recorded to goodwill over the measurement period (not longer than 12 months). The acquisition method also requires that acquisition-related transaction and post-acquisition restructuring costs be charged to expense as committed, and requires the Company to recognize and measure certain assets and liabilities, including those arising from contingencies and contingent consideration in a business combination.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired. The goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, goodwill of the reporting unit would be considered impaired. To measure the amount of the impairment loss, the implied fair value of a reporting unit's goodwill is compared to the carrying amount of that goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. If the carrying amount of a reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. For each of these tests, the fair value of each of the Company's reporting units is determined using a combination of valuation techniques, including a discounted cash flow methodology. To corroborate the discounted cash flow analysis performed at each reporting unit, a market approach is utilized using observable market data such as comparable companies in similar lines of business that are publicly traded or which are part of a public or private transaction (to the extent available).

Leases

The Company adopted ASU 2016-02, "Leases" on July 1, 2019 and used the alternative transition approach, which permits the effects of adoption to be applied at the effective date. The new standard provides a number of optional practical expedients in transition. The Company elected the "package of practical expedients," which permits it not to reassess under the new standard its prior conclusions about lease identification, lease classification, and initial direct costs. The Company also elected the short-term lease exemption and combining the lease and non-lease components practical expedients. The most significant impact upon adoption relates to the recognition of new Right-of-use ("ROU") assets and lease liabilities on the Company's balance sheet for office space operating leases. Upon adoption, the Company recognized additional operating liabilities of approximately US$0.5 million, with corresponding ROU assets of US$3.6 million based on the present value of the remaining rental payments under current leasing standards for existing operating leases. There was no cumulative effect of adopting the standard.

Property and Equipment, Net

Property and equipment are stated at cost, less accumulated depreciation and amortization. Expenditures for additions, major renewals, and betterments are capitalized, and expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided on a straight-line basis, less estimated residual value, if any, over an asset's estimated useful life. Farmland leasehold improvements are amortized over the shorter of lease term or estimated useful lives of the underlying assets. The estimated useful lives of the Company's property and equipment are as follows:

	Estimated useful lives
Buildings	20-50 years
Machinery equipment	5-10 years
Motor vehicles	5-10 years
Office equipment	5-10 years
Farmland leasehold improvements	12-18 years

Land Use Rights, Net

According to Chinese laws and regulations regarding land use rights, land in urban districts is owned by the state, while land in the rural areas and suburban areas, except otherwise provided for by the state, is collectively owned by individuals designated as resident farmers by the state. In accordance with the legal principle that land ownership is separate from the right to the use of the land, the government grants individuals and companies the rights to use parcels of land for a specified period of time. Land use rights, which are usually prepaid, are stated at cost less accumulated amortization. Amortization is provided over the life of the land use rights, using the straight-line method. The useful life is 50 years, based on the term of the land use rights.

Long-lived Assets

Finite-lived assets and intangibles are reviewed for impairment testing when circumstances require. For purposes of evaluating the recoverability of long-lived assets, when undiscounted future cash flows will not be sufficient to recover an asset's carrying amount, the asset is written down to its fair value. The long-lived assets of the Company that are subject to evaluation consist primarily of property, plant and equipment, land use rights, investments, and long-term prepaid leases. For the years ended June 30, 2021 and 2020, the Company did not recognize any impairment of its long-lived assets from the continuing operations and the discontinued operations.

Fair Value of Financial Instruments

The Company follows the provisions of ASC 820, "Fair Value Measurements and Disclosures." ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs, other than quoted prices in level, that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the asset or liability.

The carrying value of financial instruments included in current assets and liabilities approximate their fair values because of the short-term nature of these instruments.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The provisions of ASC 740-10-25, "Accounting for Uncertainty in Income Taxes," prescribe a more-likely-than-not threshold for consolidated financial statement recognition and measurement of a tax position taken (or expected to be taken) in a tax return. This ASC also provides guidance on the recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and related disclosures. The Company did not have any uncertain tax positions from the continuing operations and the discontinued operations at June 30, 2021 and 2020. The Company had not provided deferred taxes for undistributed earnings of non-U.S. subsidiaries from the continuing operations and the discontinued operations at June 30, 2021, as it is the Company's policy to indefinitely reinvest these earnings in non-U.S. operations. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested earnings is not practicable.

The statute of limitations for the Company's U.S. federal income tax returns and certain state income tax returns remains open for tax year 2017 and thereafter. As of June 30, 2021, the tax years ended December 31, 2016 through December 31, 2020 for the Company's PRC subsidiaries remained open for statutory examination by PRC tax authorities.

On December 22, 2017, the "Tax Cuts and Jobs Act" ("The Act") was enacted. Under the provisions of The Act, the U.S. corporate tax rate decreased from 35% to 21%. As the Company has a June 30 fiscal year end, the lower corporate income tax rate was phased in, resulting in a U.S. statutory federal rate of approximately 28% for our fiscal year ended June 30, 2018, and 21% for subsequent fiscal years. Additionally, The Act imposes a one-time transition tax on deemed repatriation of historical earnings of foreign subsidiaries, and future foreign earnings are subject to U.S. taxation. The change in rate caused the Company to re-measure its income tax liability and record an estimated income tax expense of US$744,766 for the year ended June 30, 2018. On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of The Act. In accordance with SAB 118, additional work is necessary to do a more detailed analysis of The Act as well as potential correlative adjustments. Any subsequent adjustment to these amounts will be recorded to current tax expense in fiscal 2019 when the analysis is complete. The Company elects to pay the transition tax over an eight-year period using specified percentages (eight percent per year for the first five years, 15 percent in year six, 20 percent in year seven, and 25 percent in year eight).

Value-Added Tax

Sales revenue represents the invoiced value of goods, net of a value-added tax ("VAT"). Before May 1, 2018, all of the Company's products that were sold in the PRC were subject to a Chinese value-added tax at a rate of 17% of the gross sales price. After May 1, 2018, the Company was subject a tax rate of 16%, and after April 1, 2019, the tax rate was further reduced to 13% based on the new Chinese tax law. This VAT may be offset by VAT paid by the Company on raw materials and other materials included in the cost of producing finished products or acquiring finished products. The Company records a VAT payable or VAT receivable in the accompanying consolidated financial statements.

Foreign Currency Translation

The Company uses the United States dollar ("U.S. dollars," "USD," or "US$") for financial reporting purposes. The Company's subsidiaries and VIEs maintain their books and records in their functional currency of Renminbi ("RMB"), the currency of the PRC.

In general, for consolidation purposes, the Company translates the assets and liabilities of its subsidiaries and VIEs into U.S. dollars using the applicable exchange rates prevailing at the balance sheet date, and the statements of income and cash flows are translated at average exchange rates during the reporting periods. As a result, amounts related to assets and liabilities reported on the statement of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheet. Equity accounts are translated at historical rates. Adjustments resulting from the translation of the financial statements of the subsidiaries and VIEs are recorded as accumulated other comprehensive loss.

The balance sheet amounts, with the exception of equity, at June 30, 2021 and 2020 were translated at 1 RMB to 0.1549 USD and at 1 RMB to 0.1414 USD, respectively. The average translation rates applied to the income and cash flow statement amounts for the years ended June 30, 2021 and 2020 were 1 RMB to 0.1510 USD and 1 RMB to 0.1422 USD, respectively.

Convertible Notes Payable

In accordance with ASC 470 *Debt with conversion and other option*, an embedded beneficial conversion feature present in a convertible instrument shall be recognized separately at issuance by allocating a portion of the proceeds equal to the intrinsic value of that feature to additional paid-in capital. Issuance costs should be allocated proportionally to the debt host and conversion feature. Deferred financing costs will be discounted and amortized subsequently, and the fair value of the convertible notes will be assessed by an independent appraiser.

Comprehensive Loss

Comprehensive loss consists of two components, net loss and other comprehensive income (loss). The foreign currency translation gain or loss resulting from translation of the financial statements expressed in RMB to USD is reported in other comprehensive income (loss) in the consolidated statements of loss and comprehensive loss.

Equity Investment

An investment in which the Company has the ability to exercise significant influence, but does not have a controlling interest, is accounted for using the equity method. Significant influence is generally considered to exist when the Company has an ownership interest in the voting stock between 20% and 50%, and other factors, such as representation on the board of directors, voting rights, and the impact of commercial arrangements, are considered in determining whether the equity method of accounting is appropriate.

Earnings (Loss) per Share

The Company computes earnings (loss) per share ("EPS") in accordance with ASC 260, "Earnings per Share" ("ASC 260"). ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS is measured as net loss divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., outstanding convertible securities, options, and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. There is no anti-dilutive effect for the years ended June 30, 2021 and 2020.

The following table presents a reconciliation of basic and diluted earnings (loss) per share for the years ended June 30, 2021 and 2020:

	For the years ended June 30,	
	2021	**2020**
Net loss from continuing operations attributable to Shineco	$ (21,407,359)	$ (7,230,243)
Net income (loss) from discontinued operations attributable to Shineco	(10,038,088)	601,571
Net loss attributable to Shineco	(31,445,447)	(6,628,672)

Weighted average shares outstanding - basic and diluted*	4,401,048	2,949,166
Net loss from continuing operations per share of common share		
Basic and diluted	$ (4.86)	$ (2.45)
Net income (loss) from discontinued operations per share of common share		
Basic and diluted	$ (2.28)	$ 0.20
Net loss per share of common share		
Basic and diluted	$ (7.14)	(2.25)

Reclassifications

Certain prior year balances were reclassified to conform to the current year's presentation with consideration of reflecting the Company's Ankang Longevity Group as discontinued operations. None of these reclassifications had an impact on reported financial position or cash flows for any of the periods presented.

New Accounting Pronouncements

In November 2019, the FASB issued ASU No. 2019-08, Compensation - Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606). The guidance identifies, evaluates, and improves areas of GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided. The amendments in that ASU expanded the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. For entities that have adopted the amendments in Update 2018-07, the updated guidance is effective for annual periods beginning after December 15, 2019, and is applicable to the Company in fiscal 2021. Early adoption is permitted. The Company adopted this ASU on July 1, 2020 and the adoption of this ASU did not have a material impact on its financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes. The FASB is issuing this Update as part of its initiative to reduce complexity in accounting standards (the "Simplification Initiative"). The objective of the Simplification Initiative is to identify, evaluate, and improve areas of GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. The specific areas of potential simplification in this ASU were submitted by stakeholders as part of the Simplification Initiative. For public business entities, the amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The Company expects that the adoption of this ASU will not have a material impact on its financial statements.

In March 2020, the FASB issued ASU 2020-03, Codification Improvements to Financial Instruments, ("ASU 2020-03"). ASU 2020-03 improves various financial instruments topics, including the CECL Standard. ASU 2020-03 includes seven different issues that describe the areas of improvement and the related amendments to GAAP, intended to make the standards easier to understand and apply by eliminating inconsistencies and providing clarifications. The amendments related to Issue 1, Issue 2, Issue 4, and Issue 5 were effective upon issuance of ASU 2020-03. The amendments related to Issue 3, Issue 6, and Issue 7 were effective for the Company beginning on January 1, 2020. The Company adopted this ASU on July 1, 2020 and the adoption of this ASU did not have a material impact on its financial statements.

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. The amendments in this standard can be applied anytime between the first quarter of 2020 and the fourth quarter of 2022.

The Company is currently in the process of evaluating the impact of adoption of the new rules on the Company's financial condition, results of operations, cash flows, and disclosures.

The Company believes that other recent accounting pronouncement updates will not have a material effect on the Company's consolidated financial statements.

NOTE 3 – INVENTORIES, NET

The inventories, net consisted of the following:

	June 30, 2021	June 30, 2020
Raw materials	$ 208,253	$ 958,206
Work-in-process	1,232,787	529,655
Finished goods	1,512,884	1,433,423
Less: inventory reserve	(1,349,288)	(1,121,408)
Total inventories, net	1,604,636	1,799,876
Less: inventories, net, held for discontinued operations	281,245	1,100,391
Inventories, net, held for continuing operations	$ 1,323,391	$ 699,485

Work-in-process includes direct costs such as seed selection, fertilizer, labor cost, and subcontractor fees that are spent in growing agricultural products on the leased farmland, and indirect costs which include amortization of the prepayment of the farmland lease fees and farmland development costs. All the costs are accumulated until the time of harvest and then allocated to harvested crop costs when they are sold.

NOTE 4 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

	June 30, 2021	June 30, 2020
Buildings	$ 8,242,357	$ 11,525,458
Machinery and equipment	688,979	860,610
Motor vehicles	63,090	57,630
Office equipment	243,543	231,174
Farmland leasehold improvements	3,256,339	2,974,508
	12,494,308	15,649,380
Less: accumulated depreciation and amortization	(6,556,839)	(6,159,896)
Total property and equipment, net	5,937,469	9,489,484
Less: property and equipment, net, held for discontinued operations	3,683,525	7,057,554
Property and equipment, net held for continuing operations	$ 2,253,944	$ 2,431,930

Depreciation and amortization expense charged to the continuing operations was US$255,255 and US$453,344 for the years ended June 30, 2021 and 2020, respectively. Depreciation and amortization expense charged to the discontinued operations was US$260,317 and US$295,739 for the years ended June 30, 2021 and 2020, respectively.

Farmland leasehold improvements consisted of following:

	June 30, 2021	June 30, 2020
Blueberry farmland leasehold improvements	$ 2,501,664	$ 2,285,149
Yew tree planting base reconstruction	280,279	256,021
Greenhouse renovation	474,396	433,338
Total farmland leasehold improvements	3,256,339	2,974,508
Less: farmland leasehold improvement, held for discontinued operations	-	-
Total farmland leasehold improvement, held for continuing operations	$ 3,256,339	$ 2,974,508

NOTE 5 - LAND USE RIGHTS, NET

Land use rights are recognized at cost less accumulated amortization. According to the Chinese laws and regulations regarding land use rights, land in urban districts is owned by the state, while land in the rural areas and suburban areas, except otherwise provided for by the state, is collectively owned by individuals designated as resident farmers by the state. However, in accordance with the legal principle that land ownership is separate from the right to the use of the land, the government grants the user a "land use right" to use the land. The Company has the land use right to use the land for 50 years and amortizes the rights on a straight-line basis over the period of 50 years.

	June 30, 2021	June 30, 2020
Land use rights	$ 1,722,396	$ 1,573,325
Less: accumulated amortization	(448,134)	(377,382)
Total land use rights, net	1,274,262	1,195,943
Less: land use rights, net, held for discontinued operations	1,274,262	1,195,943
Land use rights, net, held for continuing operations	$ -	$ -

For the years ended June 30, 2021 and 2020, amortization expenses from the continuing operations were both US$ nil. For the years ended June 30, 2021 and 2020, the Company recognized amortization expenses from the discontinued operations of US$39,592 and US$36,876, respectively.

The estimated future amortization expenses are as follows:

12 months ending June 30:	
2022	$ 34,448
2023	34,448
2024	34,448
2025	34,448
2026	34,448
Thereafter	1,102,022
Total	$ 1,274,262

NOTE 6 - DISTRIBUTION RIGHTS

The Company acquired distribution rights to distribute branded products of Daiso 100-yen shops through the acquisition of Tianjin Tajite. As this distribution right is difficult to acquire and will contribute significant revenue to Tianjin Tajite, such distribution rights were identified and valued as an intangible asset in the acquisition of Tianjin Tajite. The distribution rights, which have no expiration date, have been determined to have an indefinite life. Since the distribution rights have an indefinite life, the Company will evaluate them for impairment at least annually or earlier if determined necessary. As of June 30, 2021, the distribution rights from continuing operations were evaluated at RMB7,380,000 (US$1,142,794).

NOTE 7 - INVESTMENTS

In 2013, Ankang Longevity Group entered into two equity investment agreements with Shaanxi Pharmaceutical Group Pai'ang Medicine Co. Ltd. ("Shaanxi Pharmaceutical Group"), a Chinese state-owned pharmaceutical enterprise, to invest a total of RMB6.8 million (approximately US$1.0 million) for a 49% equity interest in a pharmacy retail company called Shaanxi Pharmaceutical Sunsimiao Drugstores Ankang Retail Chain Co., Ltd. ("Sunsimiao Drugstores"), and a 49% equity interest in a pharmaceutical wholesale distribution company named Shaanxi Pharmaceutical Holding Group Longevity Pharmacy Co., Ltd. ("Shaanxi Longevity Pharmacy"). These two entities were incorporated to collaborate with Shaanxi Pharmaceutical Group to expand sales to regional hospitals and clinics and to establish the presence of retail pharmacies under the brand name "Sunsimiao." The investments were accounted for using the equity method because Ankang Longevity Group has significant influence, but no control of these two entities. The Company's discontinued operations, Ankang Longevity Group recorded a loss of US$3,784,000 and an income of US$106,657 for the years ended June 30, 2021 and 2020, respectively, from the investments, which was included in "Income (loss) from discontinued operations, net of taxes" in the consolidated statements of loss and comprehensive loss. (See Note 11.) On March 5, 2021, Ankang Longevity Group entered into two equity investment transfer agreements with a third-party company to sell all of its 49% equity interest in Sunsimiao Drugstores and its 49% equity interest in Shaanxi Longevity Pharmacy for a total consideration of RMB6.86 million (approximately US$1.0 million), and the full amount had been received by March 31, 2021. Upon the transfer of these two equity investments, Ankang Longevity Group recorded a loss of US$1,762,770, which was included in the Income (loss) from discontinued operations, net of taxes for the year ended June 30, 2021 as mentioned above.

In 2013, Ankang Longevity Group entered into a supplemental agreement with Shaanxi Pharmaceutical Group. According to the supplemental agreement, new 49% equity investment companies established by Shaanxi Pharmaceutical Group and Ankang Longevity Group are required to exclusively purchase certain raw materials and drug products from Shaanxi Pharmaceutical Group. In return, Shaanxi Pharmaceutical Group has agreed to compensate Ankang Longevity Group with a purchase rebate of 7% of the total purchases made from Shaanxi Pharmaceutical Group. For the years ended June 30, 2021 and 2020, no income was recognized by Ankang Longevity Group from this supplemental agreement in addition to its 49% share of the income from the equity investment companies.

On October 21, 2013, the Company, through its controlled subsidiaries, Zhisheng Freight and Zhisheng Agricultural, entered into an agreement with an unrelated third party, Zhejiang Zhen'Ai Network Warehousing Services Co., Ltd. ("Zhen'Ai Network"), and invested RMB14.5 million (approximately US$ 2.2 million) into Tiancang Systematic Warehousing project ("Tiancang Project") operated by Zhen'Ai Network. The Tiancang Project is an online platform established to provide comprehensive warehousing and logistic solutions to companies involved in E-commerce. The Company is entitled to 29% of Tiancang Project's after-tax net income annually, less 30% statutory reserve and a 10 % employee welfare fund contribution. When the amount of the accumulated statutory reserve reaches 30% of the total investment for the Tiancang Project, no additional appropriation to the statutory reserve is required. The Company considered it unlikely to obtain any investment income in the future, and decided the make a full impairment on this investment during the year ended June 30, 2020.

The Company's investments in unconsolidated entities consist of the following:

	June 30, 2021	June 30, 2020
Shaanxi Pharmaceutical Holding Group Longevity Pharmacy Co., Ltd.	$ -	$ 3,690,419
Shaanxi Pharmaceutical Sunsimiao Drugstores Ankang Chain Co., Ltd.	-	824,705
Total investment	-	4,515,124
Less: investment, held for discontinued operations	-	4,515,124

Investment, held for continuing operations	$ -	$ -

Summarized financial information of unconsolidated entities from discontinued operations is as follows:

	June 30, 2021	June 30, 2020
Current assets	$ -	$ 38,546,879
Noncurrent assets	-	324,725
Current liabilities	-	29,671,104

	For the years ended June 30,	
	2021	2020
Net sales	$ 21,373,037	$ 30,552,645
Gross profit	1,763,172	2,838,942
Income (loss) from operations	(4,099,079)	207,934
Net income (loss)	(4,124,960)	217,668

NOTE 8 - LEASES

Effective July 1, 2019, the Company adopted the new lease accounting standard using the optional transition method, which allowed it to continue to apply the guidance under the lease standard in effect at the time in the comparative periods presented. In addition, the Company elected the package of practical expedients, which allowed it to not reassess whether any existing contracts contain a lease, to not reassess historical lease classification as operating or finance leases, and to not reassess initial direct costs. The Company has not elected the practical expedient to use hindsight to determine the lease term for its leases at transition. The Company has also elected the practical expedient, allowing it to not separate the lease and non-lease components for all classes of underlying assets. Adoption of this standard resulted in the recording of operating lease ROU assets and corresponding operating lease liabilities of $3,587,788 and $450,123, respectively, as of July 1, 2019 with no impact on accumulated deficit. Financial position for reporting periods beginning on or after July 1, 2019, are presented under the new guidance, while prior-period amounts are not adjusted and continue to be reported in accordance with previous guidance.

The Company leases offices space under non-cancelable operating leases, with terms ranging from one to six years. In addition, the Zhisheng VIEs entered into several farmland lease contracts with farmer cooperatives to lease farmland in order to plant and grow organic vegetables, fruit, and Chinese yew trees. The lease terms vary from five years to 24 years. The Company considers those renewal or termination options that are reasonably certain to be exercised in the determination of the lease term and initial measurement of ROU assets and lease liabilities. Lease expenses for lease payment are recognized on a straight-line basis over the lease term. Leases with initial terms of 12 months or less are not recorded on the balance sheet.

When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of the Company's leases do not provide a readily determinable implicit rate. Therefore, the Company discounts lease payments based on an estimate of its incremental borrowing rate.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The table below presents the operating lease related assets and liabilities from the continuing operations recorded on the balance sheets. No operating lease related assets and liabilities from the discontinued operations.

	June 30, 2021	June 30, 2020
ROU lease assets	$ 3,585,703	$ 3,227,895
Operating lease liabilities – current	434,411	97,633
Operating lease liabilities – non-current	352,863	401,891
Total operating lease liabilities	$ 787,274	$ 499,524

The weighted average remaining lease terms and discount rates for all of operating leases were as follows as of June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
Remaining lease term and discount rate:		
Weighted average remaining lease term (years)	7.25	9.26
Weighted average discount rate	5.00%	5.0

Rent expenses totaled US$641,486 and US$801,191 from the continuing operations for the years ended June 30, 2021 and 2020, respectively. Rent expenses were both US$ nil from the discontinued operations for the years ended June 30, 2021 and 2020, respectively.

The following is a schedule, by years, of maturities of lease liabilities as of June 30, 2021:

2022	$ 709,542
2023	633,041
2024	353,938
2025	353,938
2026	333,493
Thereafter	1,273,773
Total lease payments	3,657,725
Less: imputed interest	(72,022)
Less: prepayments	(2,798,429)
Present value of lease liabilities	$ 787,274

NOTE 9 - SHORT-TERM LOANS

Short-term loans consisted of the following:

Lender	June 30, 2021	Maturity Date	Int. Rate/Year
Agricultural Bank of China-a(1)	1,548,502	2022/2/27	5.66%
Agricultural Bank of China-b#	309,700	2022/9/1	5.66%
Total short-term loans	1,858,202		
Less: short-term loans, held for discontinued operations	1,858,202		
Short-term loans, held for continuing operations	$ -		

Lender	June 30, 2020	Maturity Date	Int. Rate/Year
Agricultural Bank of China-b*	$ 282,896	2020-8-22	5.60%

Agricultural Bank of China-a*	636,517	2020-12-23	4.65%
Agricultural Bank of China-a	1,414,481	2021-2-24	5.66%
Total short-term loans	2,333,894		
Less: short-term loans, held for discontinued operations	2,333,894		
Short-term loans, held for continuing operations	$ -		

The loans outstanding were guaranteed by the following properties, entities or individuals:

a. Guaranteed by a commercial credit guaranty company unrelated to the Company and also by Jiping Chen, a stockholder of the Company.

b. Collateralized by the building owned by Xiaoyan Chen and Jing Chen, who are both related parties of the Company. Xiaoyan Chen is one of the shareholders of Ankang Longevity Group. Jing Chen is the sister of Xiaoyan Chen but not a shareholder of Ankang Longevity Group.

* The Company repaid the loan in full on maturity date.

(1) Upon the original maturity date of February 27, 2021, the Company signed a loan extension agreement with Agricultural Bank of Chin to extend the loan repayment date to February 27, 2022 with the same interest rate of 5.66% per annum.

\# Upon the original maturity date of September 1, 2021, the Company signed a loan extension agreement with Agricultural Bank of Chin to extend the loan repayment date to September 1, 2022 with the same interest rate of 5.66% per annum.

Interest expenses from continuing operations were both US$ nil for the years ended June 30, 2021 and 2020, respectively. The Company recorded interest expenses from discontinued operations of US$115,806 and US$116,438 for the years ended June 30, 2021 and 2020, respectively. The annual weighted average interest rates from discontinued operations were 5.44% and 5.14 % for the years ended June 30 2021 and 2020, respectively.

NOTE 10 - ACQUISITION

On December 12, 2016, the Company entered into a merger and acquisition agreement with Tianjin Tajite, a professional e-commerce company distributing Luobuma fabric commodities and branded products of Daiso 100-yen shops, based in Tianjin, China, to acquire 51 % equity interests in Tianjin Tajite.

Pursuant to the agreement, the Company made a payment of RMB14,000,000 (approximately US$2.1 million) at the end of December 2016 as the total consideration for the acquisition of Tianjin Tajite.

On October 26, 2017, the Company completed the acquisition of Tianjin Tajite. The acquisition provides a unique opportunity for the Company to enter the market of Luobuma fabric commodities and branded products of Daiso 100-yen shops.

The transaction was accounted for in accordance with the provisions of ASC 805-10, Business Combinations. The Company retained independent appraisers to advise management in the determination of the fair value of the various assets acquired and liabilities assumed. The values assigned in these financial statements represents management's best estimate of fair values as of the acquisition date.

As required by ASC 805-20, Business Combinations—Identifiable Assets and Liabilities, and Any Noncontrolling Interest, management conducted a review to reassess whether they identified all the assets acquired and all the liabilities assumed, and followed ASC 805-20's measurement procedures for recognition of the fair value of net assets acquired.

The excess of the purchase price over the aggregate fair value of assets acquired was allocated to goodwill which amounted to RMB14,010,195 (approximately US$2.1 million). The results of operations of Tianjin Tajite have been included in the consolidated statements of operations from the date of acquisition.

In June 2018, the management performed evaluation on the impairment of goodwill. Due to the lower than expected revenue and profit, and unfavorable business environment, the management fully recorded an impairment loss on goodwill of Tianjin Tajite.

The fair value of distribution rights and its estimated useful lives from continuing operations are as follows:

	Preliminary Fair Value	Weighted Average Useful Life (in Years)
Distribution rights	$ 1,142,794	(a)

(a) The distribution rights with no expiration date has been determined to have an indefinite life.

Under ASC 805-10, acquisition-related costs (i.e., advisory, legal, valuation, and other professional fees) are not included as a component of consideration transferred, but are expensed in the periods in which the costs are incurred. Acquisition-related costs were US$ nil in the year ended June 30, 2021.

NOTE 11 - RELATED PARTY TRANSACTIONS

Due from Related Parties

The Company has made temporary advances to certain stockholders of the Company and to other entities that are either owned by family members of those stockholders or to other entities that the Company has investments in. Those advances are due on demand and non-interest bearing.

As of June 30, 2021 and 2020, the outstanding amounts due from related parties consisted of the following:

	June 30, 2021	June 30, 2020
Yang Bin	$ 46,454	$ 42,434
Beijing Huiyinansheng Asset Management Co., Ltd (a.)	23,228	21,217
Wang Qiwei	62,716	57,288
Total due from related parties	132,398	120,939
Less: due from related parties, held for discontinued operations	-	-
Due from related parties, held for continuing operations	$ 132,398	$ 120,939

a. This company is wholly owned by one of the Company's senior managements.

Due to Related Parties

As of June 30, 2021 and 2020, the Company had related party payables of US$1,159,407 and US$1,355,919, respectively, mainly due to the principal stockholders or certain relatives of the stockholders of the Company who lend funds for the Company's operations. The payables are unsecured, non-interest bearing, and due on demand.

	June 30, 2021	June 30, 2020

Wu Yang	$	99,183	$	90,598
Wang Sai		91,433		90,629
Chen Jiping		-		3,024
Zhou Guocong		551,314		648,308
Li Baolin		232,275		353,619
Zhao Min		185,202		169,741
Total due to related parties		1,159,407		1,355,919
Less: due to related parties, held for discontinued operations		-		-
Due to related parties, held for continuing operations	$	1,159,407	$	1,355,919

Sales to Related Parties

For the years ended June 30, 2021 and 2020, no sales to related parties or balance of accounts receivables were from continuing operations. The Company recorded sales to Shaanxi Pharmaceutical Group from the discontinued operations, a related party (see Note 7), of US$1,892,410 and US$2,990,910, respectively. As of June 30, 2021 and 2020, the balance of accounts receivable due from Shaanxi Pharmaceutical Group from discontinued operations was US$551,237 and US$1,567,160, respectively.

NOTE 12 - CONVERTIBLE NOTES PAYABLE

On June 16, 2021, the Company entered into a Securities Purchase Agreement pursuant to which the Company issued an unsecured convertible promissory note with a one-year maturity ("the Note") to an institutional accredited investor Streeterville Capital, LLC ("Investor"). The Note has the original principal amount of US$3,170,000 and Investor gave consideration of US$3.0 million, reflecting original issue discount of US$150,000 and Investor's legal fee of US$20,000. Interest accrues on the outstanding balance of the Note at 6% per annum. The Investor may redeem all or any part of the outstanding balance of the Note, at any time after six months from the issue date upon three trading days' notice, in cash or converting into shares of the Company's common stock at a price equal to 80% multiplied by the lowest daily volume weighted average price ("VWAP") during the fifteen trading days immediately preceding the applicable redemption conversion, subject to certain adjustments and ownership limitations specified in the Note. Following the receipt of a redemption notice, the Company may either ratify Investor's proposed allocation in the applicable redemption notice or elect to change the allocation by written notice to Investor within twenty-four (24) hours of its receipt of such redemption notice, so long as the sum of the cash payments and the amount of redemption conversions equal the applicable redemption amount. The Company anticipates using the proceeds for general working capital purposes.

As of June 30, 2021, the Company received principal in full from the Investor. The net convertible notes payable amounted to US$2,933,030 (carrying value of US$3,170,000, net of deferred financing costs of US$236,970), and the conversion feature of US$66,970 was recorded as additional paid-in capital as reflected in the accompanying consolidated balance sheets.

NOTE 13 - TAXES

(a) Corporate Income Taxes

The Company is subject to income taxes on an entity basis on income arising in or derived from the location in which each entity is domiciled.

Shineco is incorporated in the United States and has no operating activities. Tenet-Jove and its VIEs are governed by the Income Tax Laws of the PRC, and are currently subject to tax at a statutory rate of 25% on taxable income. Two VIEs and Xinjiang Taihe receive a full income tax exemption from the local tax authority of the PRC as agricultural enterprises as long as the favorable tax policy remains unchanged.

On December 22, 2017, The Act was enacted. The Act imposes a one-time transition tax on deemed repatriation of historical earnings of foreign subsidiaries, and future foreign earnings are subject to U.S. taxation. The change in rate has caused the Company to re-measure its income tax liability and record an estimated income tax expense of US$744,766 for the year ended June 30, 2018. In accordance with SAB 118, additional work is necessary to do a more detailed analysis of The Act as well as potential correlative adjustments. Any subsequent adjustment to these amounts will be recorded to current tax expense in fiscal 2019 when the analysis is complete. The Company elects to pay the transition tax over an eight-year period using specified percentages (eight percent per year for the first five years, 15 percent in year six, 20 percent in year seven, and 25 percent in year eight).

i) The components of the income tax expenses were as follows:

	For the years ended June 30,	
	2021	**2020**
Current income tax provision	$ 43,701	$ 673,562
Deferred income tax provision	-	416,834
Total income tax expenses	43,701	1,090,396
Less: income tax expenses, held for discontinued operations	43,701	845,920
Income tax expenses, held for continuing operations	$ -	$ 244,476

	June 30, 2021	**June 30, 2020**
Deferred tax assets:		
Allowance for doubtful accounts	$ 951,136	$ 428,879
Inventory reserve	306,308	252,022
Net operating loss carry-forwards	552,579	504,754
Total	1,810,023	1,185,655
Valuation allowance	(1,810,023)	(1,185,655)
Total deferred tax assets	-	-
Deferred tax liability:		
Distribution rights	(285,699)	(260,972)
Total deferred tax liability	(285,699)	(260,972)
Deferred tax liability, net	(285,699)	(260,972)
Less: deferred tax liability, net, held for discontinued operations	-	-
Deferred tax liability, net, held for continuing operations	$ (285,699)	$ (260,972)

Movement of the valuation allowance:

	June 30, 2021	**June 30, 2020**
Beginning balance	$ 1,185,655	$ 519,671
Current year addition	512,028	680,901
Exchange difference	112,340	(14,917)
Ending balance	1,810,023	1,185,655
Less: valuation allowance, held for discontinued operations	(1,362,329)	(384,350)
Valuation allowance, held for continuing operations	$ 447,693	$ 801,305

(b) Value-Added Tax

The Company is subject to a VAT for selling merchandise. The applicable VAT rate was 17% before May 1, 2018 for products sold in the PRC and decreased to 16% thereafter, and after April 1, 2019, the tax rate was further reduced to

13% based on the new Chinese tax law. The amount of VAT liability is determined by applying the applicable tax rate to the invoiced amount of goods sold (output VAT) less VAT paid on purchases made with the relevant supporting invoices (input VAT). Under commercial practice in the PRC, the Company pays VAT based on tax invoices issued. The tax invoices may be issued subsequent to the date on which revenue is recognized, and there may be a considerable delay between the date on which the revenue is recognized and the date on which the tax invoice is issued.

In the event that the PRC tax authorities dispute the date on which revenue is recognized for tax purposes, the PRC tax office has the right to assess a penalty based on the amount of the taxes which are determined to be late or deficient, and the penalty will be expensed in the period if and when a determination is made by the tax authorities. There were no assessed penalties during the years ended June 30, 2021 and 2020.

(c) Taxes Payable

Taxes payable consisted of the following:

	March 31, 2021	June 30, 2020
Income tax payable	$ 3,376,499	$ 3,424,043
Value added tax payable	73,390	522,615
Business tax and other taxes payable	8,573	6,026
Total tax payable	3,458,462	3,952,684
Less: tax payable, held for discontinued operations	(1,743,673)	(1,918,829)
Tax payable, held for continuing operations	$ 1,714,789	$ 2,033,855
Income tax payable - current portion	$ 2,952,021	$ 3,386,662
Less: income tax payable - current portion, held for discontinued operations	(1,743,673)	(1,918,829)
Income tax payable - current portion, held for continuing operations	$ 1,208,348	$ 1,467,833
Income tax payable - noncurrent portion	$ 506,441	$ 566,022
Less: income tax payable - noncurrent portion, held for discontinued operations	-	-
Income tax payable - noncurrent portion, held for continuing operations	$ 506,441	$ 566,022

NOTE 14 - STOCKHOLDERS' EQUITY

Initial Public Offering

On September 28, 2016, the Company completed its initial public offering of 190,354 shares of common stock at a price of US$ 40.50 per share for gross proceeds of US$ 7.7 million and net proceeds of approximately US$ 5.4 million. The Company's common shares began trading on September 28, 2016 on the NASDAQ Capital Market under the symbol "TYHT."

Statutory Reserve

The Company is required to make appropriations to reserve funds, comprising the statutory surplus reserve and discretionary surplus reserve, based on after-tax net income determined in accordance with generally accepted accounting principles of the PRC ("PRC GAAP").

Appropriations to the statutory surplus reserve are required to be at least 10% of the after-tax net income determined in accordance with PRC GAAP until the reserve is equal to 50% of the entities' registered capital. Appropriations to the discretionary surplus reserve are made at the discretion of the board of directors. As of June 30, 2021 and 2020, the balance of the required statutory reserves was US$4,198,107 and US$4,198,107, respectively.

On September 3, 2019, the Company granted 184,763 restricted shares of common stock to its employees as compensation cost for awards. The fair value of the restricted shares was US$1,022,660 based on the closing stock price US$5.54 at September 3, 2019. These restricted shares vested immediately on the grant date.

On September 5, 2019, the Company entered into a securities purchase agreement with select investors whereby the Company agreed to sell, and the investors agreed to purchase, up to 310,977 shares of common stock at a purchase price of US$4.68 per Share. The Company received net proceeds of US$1,500,203. The offering was made pursuant to the Company's effective registration statement on Form S-3 (Registration Statement No. 333-221711) previously filed with the Securities and Exchange Commission and a prospectus supplement thereunder.

On July 10, 2020, the Company's stockholders approved a 1-for-9 reverse stock split of the Company's common stock, par value $0.001 per share, with a market effective date of August 14, 2020 (the "Reverse Stock Split"). As a result of the Reverse Stock Split, each nine pre-split shares of common stock outstanding automatically combined and converted to one issued and outstanding share of common stock without any action on the part of stockholders. No fractional shares of common stock were issued to any stockholders in connection with the Reverse Stock Split. Each stockholder was entitled to receive one share of common stock in lieu of the fractional share that would have resulted from the Reverse Stock Split. The number of the Company's authorized common stock remained at 100,000,000 shares, and the par value of the common stock following the Reverse Stock Split remained at $0.001 per share. As of August 14, 2020 (immediately prior to the effective date), there were 27,333,428 shares of common stock outstanding, and the number of common stock outstanding after the Reverse Stock Split was 3,037,048, taking into account of the effect of rounding fractional shares into whole shares. As a result of the Reverse Stock Split, the Company's shares and per share data as reflected in the unaudited condensed consolidated financial statements were retroactively restated as if the transaction occurred at the beginning of the periods presented.

On December 10, 2020, the Company entered into a securities purchase agreement with select investors whereby the Company agreed to sell, and the investors agreed to purchase, up to 604,900 shares of common stock at a purchase price of US$2.73 per share. The Company received net proceeds of US$1,643,087. The offering was made pursuant to the Company's effective registration statement on Form S-3 (Registration Statement No. 333-221711) previously filed with the Securities and Exchange Commission and a prospectus supplement thereunder.

On January 27, 2021, the Company issued 364,445 shares of common stock to three investors at a price of US$3.0 per share. The Company received net proceeds of US$1,093,355.

On April 10, 2021, the Company issued 3,872,194 shares of common stock to selected investors at a price of US$3.2 per share. The Company received net proceeds of US$2,470,001 and US$1,093,355 is outstanding as of June 30, 2021.

NOTE 15 - CONCENTRATIONS AND RISKS

The Company maintains principally all bank accounts in the PRC. The cash balance held in the PRC bank accounts from the continuing operations was US$16,333,102 and US$21,991,266 as of June 30, 2021 and 2020, respectively. The cash balance held in the PRC bank accounts from the discontinued operations was US$12,676,416 and US$10,366,986 as of June 30, 2021 and 2020, respectively.

During the years ended June 30, 2021 and 2020, almost 100% of the Company's assets were located in the PRC and 100% of the Company's revenues were derived from its subsidiaries and VIEs located in the PRC.

For the year ended June 30, 2021, four customers accounted for approximately 23%, 20%, 19% and 10% of the Company's total sales from the continuing operations, respectively. For the year ended June 30, 2021, six customers accounted for approximately 23%, 20%, 19%, 14%, 12% and 12% of the Company's total sales from the discontinued operations, respectively. At June 30, 2021, four customers accounted for approximately 72% of the Company's accounts receivable from the continuing operations, and five customers accounted for approximately 95% of the Company's accounts receivable from the discontinued operations.

For the year ended June 30, 2020, five customers accounted for approximately 21%, 20%, 19%, 14% and 13% of the Company's total sales from the continuing operations, respectively. For the year ended June 30, 2020, five customers accounted for approximately 27%, 22%, 19%, 12% and 11% of the Company's total sales from the discontinued operations, respectively. At June 30, 2020, four customers accounted for approximately 84% of the Company's accounts receivable from the continuing operations, and four customers accounted for approximately 88% of the Company's accounts receivable from the discontinued operations.

For the year ended June 30, 2021, one vendor accounted for approximately 95% of the Company's total purchases from the continuing operations, respectively. For the year ended June 30, 2021, six vendors accounted for approximately 24%, 19%, 17%, 15%, 13% and 12% of the Company's total purchases from the discontinued operations, respectively.

For the year ended June 30, 2020, two vendors accounted for approximately 84% and 16% of the Company's total purchases from the continuing operations, respectively. For the year ended June 30, 2020, six vendors accounted for approximately 26%, 18%, 17%, 13%, 13% and 13% of the Company's total purchases from the discontinued operations, respectively.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Legal Contingencies

On May 16, 2017, Bonwick Capital Partners, LLC (the "Plaintiff") commenced a lawsuit (Case No. 1:17-cv-03681-PGG) against the Company in the United States District Court for the Southern District of New York. Plaintiff alleged that the Company entered into an agreement with the Plaintiff, pursuant to which the Plaintiff was to provide the Company with financial advisory services in connection with the Company's initial public offering in the United States. The Plaintiff alleged that the Company breached the Agreement and seek money damages up to US$6 million. In March 2021, the Company entered into a Settlement Agreement and Release with the Plaintiff, pursuant to which the Company paid the Plaintiff a total sum of US$ 47,500 as settlement payment, and upon acceptance of the settlement payment from the Company, the Plaintiff waived, released, and forever discharged the Company from all past and future claims.

NOTE 17 - SEGMENT REPORTING

ASC 280, "Segment Reporting," establishes standards for reporting information about operating segments on a basis consistent with the Group's internal organizational management structure as well as information about geographical areas, business segments, and major customers in for details on the Group's business segments.

The Company's chief operating decision maker has been identified as the Chief Executive Officer who reviews the financial information of separate operating segments when making decisions about allocating resources and assessing performance of the Group. Based on management's assessment, the Company has determined that it has three operating segments according to its major products and locations as follows:

- *Developing, manufacturing, and distributing of specialized fabrics, textile products, and other by-products derived from an indigenous Chinese plant called Apocynum Venetum, commonly known as "Bluish Dogbane" or known in Chinese as "Luobuma" (referred to herein as Luobuma):*

  The operating companies of this segment, namely Tenet-Jove and Tenet Huatai, specialize in Luobuma growing, development and manufacturing of relevant products, as well as purchasing Luobuma raw materials processing.

This segment's operations are focused in the north region of Mainland China, mostly carried out in Beijing, Tianjin, and Xinjiang.

- *Processing and distributing of traditional Chinese medicinal herbal products as well as other pharmaceutical products ("Herbal products"):*

  The operating companies of this segment, namely AnKang Longevity Group and its subsidiaries, which are reclassified as discontinued operations, process more than 600 kinds of Chinese medicinal herbal products with an established domestic sales and distribution network.

  Ankang Longevity Group is also engaged in the retail pharmacy business and the operating revenue, which is not material, is also included in this segment.

- *Planting, processing, and distributing of green and organic agricultural produce as well as growing and cultivating of Chinese Yew trees ("Other agricultural products"):*

  The operating companies of this segment, the Zhisheng VIEs, are engaged in the business of growing and distributing green and organic vegetables and fruits as well as providing logistics services for distributing agricultural products. This segment has been focusing its efforts on the growing and cultivating of Chinese yew trees (formally known as "taxus media"), a small evergreen tree whose branches can be used for the production of medications believed to be anti-cancer and the tree itself can be used as an ornamental indoor bonsai tree, which are known to have the effect of purifying air quality.

  The operations of this segment are located in the East and North regions of Mainland China, mostly carried out in Shandong Province and in Beijing, where the Zhisheng VIEs have newly developed over 100 acres of modern greenhouses for cultivating yew trees and other plants.

The following table presents summarized information by segment for the year ended June 30, 2021:

	For the year ended June 30, 2021				
	Continuing Operations			**Discontinued Operations**	
	Luobuma products	**Other agricultural products**	**Total**	**Herbal products**	**Total**
Segment revenue	$ 115,590	$ 2,906,114	$ 3,021,704	$ 8,085,527	$11,107,231
Cost of revenue and related business and sales tax	200,263	7,057,592	7,257,855	7,099,353	14,357,208
Gross profit (loss)	(84,673)	(4,151,478)	(4,236,151)	986,174	(3,249,977)
Gross profit (loss) %	(73.3)%	(142.9)%	(140.2)%	12.2%	(29.3)%

The following table presents summarized information by segment for the year ended June 30, 2020:

	For the year ended June 30, 2020				
	Continuing Operations			**Discontinued Operations**	
	Luobuma products	**Other agricultural products**	**Total**	**Herbal products**	**Total**
Segment revenue	$ 168,241	$ 10,250,335	$10,418,576	$ 13,266,050	$23,684,626

Cost of revenue and related business and sales tax	245,650	7,277,369	7,523,019	10,041,795	17,564,814
Gross profit (loss)	(77,409)	2,972,966	2,895,557	3,224,255	6,119,812
Gross profit (loss) %	(46.0)%	29.0%	27.8%	24.3%	25.8%

Total assets as of June 30, 2021 and 2020 were as follows:

	June 30, 2021	June 30, 2020
Luobuma products	$ 3,849,675	$ 2,836,450
Herbal products	32,766,151	43,855,815
Other agricultural products	24,702,773	32,396,346
Total assets	61,318,599	79,088,611
Less: total assets held for discontinued operations	(24,702,773)	(32,394,426)
Total assets, held for continuing operations	$ 36,615,826	$ 46,694,185

NOTE 18 - DISCONTINUED OPERATIONS

On August 16, 2021, Tenet-Jove completed the previously announced acquisition pursuant to the Restructuring Agreement dated June 8, 2021 (the “Restructuring Agreement”) with the following parties:

- Ankang Longevity, a company incorporated under the laws of the People’s Republic of China (the “PRC”);
- Mr. Jiping Chen, who is a minority shareholder of the Company and holds 68.7% of the equity interests in Ankang Longevity, and Ms. Xiaoyan Chen, who holds 31.3% of the equity interests in Ankang Longevity (collectively, the “Ankang Shareholders”);
- Yushe County Guangyuan Forest Development Co., Ltd., a company incorporated under the laws of the PRC (“Guangyuan”); and
- Mr. Baolin Li, who is a minority shareholder of the Company and holds 90% of the equity interests in Guangyuan, and Ms. Yufeng Zhang, who holds 10% of the equity interests in Guangyuan (collectively, the “Guangyuan Shareholders”).

Pursuant to the terms of the Restructuring Agreement, (i) the Company transferred all of its rights and interests in Ankang Longevity to the Guangyuan Shareholders in exchange for the control of 100% of equity interests in Guangyuan, which composes of one group of similar identifiable assets; (ii) Tenet-Jove entered a Termination Agreement with Ankang Longevity and the Ankang Shareholders; (iii) as a consideration to the Restructuring Agreement and based on a valuation report on the equity interests of Guangyuan issued by an independent third party, Tenet-Jove relinquished all of its rights and interests in Ankang Longevity and transferred those rights and interests to the Guangyuan Shareholders; and (iv) Guangyuan and the Guangyuan Shareholders entered into a series of variable interest entity agreements with Tenet-Jove.

In accordance with ASU No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, a disposal of a component of an entity or a group of components of an entity is required to be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results when the components of an entity meets the criteria in paragraph 205-20-45-1E to be classified as held for sale. When all of the criteria to be classified as held for sale are met, including management, having the authority to approve the action, commits to a plan to sell the entity, the major current assets, other assets, current liabilities, and noncurrent liabilities shall be reported as components of total assets and liabilities separate from those balances of the continuing operations. At the same time, the results of all discontinued operations, less applicable income taxes (benefit), shall be reported as a component of net income (loss) separate from the net income (loss) of continuing operations in accordance with ASC 205-20-45. The assets and liabilities of the entities of Ankang Longevity have been reclassified as "assets of discontinued operations" and "liabilities of discontinued operations" within current and non-current assets and liabilities, respectively, on the consolidated balance sheets as of June 30, 2021 and 2020. The results of operations of Ankang Longevity have been reclassified to "net income (loss) from discontinued operations" in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2021 and 2020.

The carrying amount of the major classes of assets and liabilities of discontinued operations as of June 30, 2021 and 2020 consist of the following:

	June 30, 2021	June 30, 2020
Assets of discontinued operation:		
Current assets:		
Cash	$ 12,681,483	$ 10,371,673
Accounts receivables	3,473,057	5,950,135
Inventories, net	281,245	1,100,391
Advances to suppliers, net	700,348	2,127,659
Other current assets	2,523,609	-
Total current assets of discontinued operation	19,659,742	19,549,858
Property and equipment, net	3,683,525	7,057,554
Land use right, net of accumulated amortization	1,274,262	1,195,943
Investments	-	4,515,124
Long-term deposit and other noncurrent assets	85,244	75,947
Total assets of discontinued operation	$ 24,702,773	$ 32,394,426
Liabilities of discontinued operation:		
Current liabilities:		
Short-term loans	$ 1,858,202	$ 2,333,894
Accounts payable	46,948	42,967
Other payables and accrued expenses	1,218,111	2,463,431
Taxes payable	1,743,673	1,918,829
Total liabilities of discontinued operation	$ 4,866,934	$ 6,759,121

The summarized operating result of discontinued operations included in the Company's consolidated statements of operations consist of the following:

	For the Years Ended June 30,	
	2021	2020
REVENUE	$ 8,085,527	$ 13,266,050
COST OF REVENUE		
Cost of product and services	7,069,026	9,993,068
Business and sales related tax	30,327	48,727
Total cost of revenue	7,099,353	10,041,795

GROSS PROFIT	986,174	3,224,255
OPERATING EXPENSES		
General and administrative expenses	5,456,786	1,536,861
Selling expenses	74,207	88,649
Total operating expenses	5,530,993	1,625,510
INCOME (LOSS) FROM OPERATIONS	(4,544,819)	1,598,745
OTHER INCOME (EXPENSE)		
Income (loss) from equity method investments	(3,784,000)	106,657
Other expenses	(2,171,150)	(71)
Interest expense, net	(73,318)	(91,475)
Total other income (loss)	(6,028,468)	15,111
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS	(10,573,287)	1,613,856
PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS	43,701	845,920
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	(10,616,988)	767,936
Net income (loss) attributable to non-controlling interest	(578,900)	166,365
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO SHINECO, INC.	(10,038,088)	601,571

NOTE 19 - SUBSEQUENT EVENTS

On July 16, 2021, the Company entered into a Securities Purchase Agreement (the “July Agreement”) pursuant to which the Company issued two unsecured convertible promissory notes with a one-year maturity (the “Notes”) to an institutional accredited investor Streeterville Capital, LLC (“Investor”). The first convertible promissory note (“Note #1”) has the original principal amount of US$3,170,000.00 and the Investor will give consideration of US$3.0 million, reflecting original issue discount of US$150,000 and Investor’s legal fee of US$20,000. The second convertible promissory note (“Note #2”) has the original principal amount of US$4,200,000.00 and Investor will give consideration of US$4.0 million, reflecting original issue discount of US$200,000. Interest accrues on the outstanding balance of the Notes at 6% per annum. As the date of this report, the Company received principal in full from the Investor.

On August 19, 2021, the Company entered into a Securities Purchase Agreement (the “Agreement”) pursuant to which the Company issued an unsecured convertible promissory note with a one-year maturity (the “Note”) to an institutional accredited investor Streeterville Capital, LLC (“Investor”). The Note has the original principal amount of US$10,520,000.00 and Investor gave consideration of US$10.0 million, reflecting original issue discount of US$500,000 and Investor’s legal fee of US$20,000. Interest accrues on the outstanding balance of the Note at 6% per annum. As the date of this report, the Company received principal in full from the Investor.

For the above-mentioned convertible promissory notes issued in July and August, the Investor may redeem all or any part of the outstanding balance of the Notes, at any time after six months from the issue date upon three trading days’ notice, in cash or converting into shares of the Company’s common stock at a price equal to 80% multiplied by the lowest daily volume weighted average price (“VWAP”) during the fifteen trading days immediately preceding the applicable redemption conversion, subject to certain adjustments and ownership limitations specified in the Notes. The Company anticipates using the proceeds for general working capital purposes.

These consolidated financial statements were approved by management and available for issuance on September XX, 2021, and the Company has evaluated subsequent events through this date. No subsequent events required adjustments to or disclosure in these consolidated financial statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that material information required to be disclosed by us in the reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that the information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on our review, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were not effective at the reasonable assurance level as of the end of the period covered by this Report due to following material weaknesses:

- The Company does not have U.S. GAAP full-time qualified personnel in the accounting department to monitor the recording of the daily transactions;

- Lack of segregation of duties for accounting personnel who prepared and reviewed the journal entries.

In order to address the above material weaknesses, our management plans to take the following steps:

- Recruiting sufficient qualified professionals with appropriate levels of knowledge of U.S. GAAP and experience to assist in reviewing and resolving accounting issues in routine or complex transactions. To mitigate the reporting risks, we engaged an outside professional consulting firm to supplement our efforts to improve our internal control over financial reporting;

- Improving the communication between management, board of directors and the Chief Financial Officer; and

- Obtaining proper approval for other significant and non-routine transactions from the Board of Directors.

The Company believes the foregoing measures will remediate the identified material weaknesses in future periods. The Company is committed to monitoring the effectiveness of these measures and making any changes that are necessary and appropriate.

(b) Changes in Internal Control over Financial Reporting

Other than described above, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during our fiscal year ended June 30, 2021. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

(c) Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for the Company. These controls are designed and implemented under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance to the management and our Board of Directors regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

2. Provide reasonable assurance that transactions are recorded properly to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of June 30, 2021, management assessed the effectiveness of its internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control—2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on such evaluation, management identified deficiencies that were determined to be material weaknesses.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Because of the following material weaknesses, management concluded that our internal controls over financial reporting were ineffective as of June 30, 2020:

1. We did not have sufficient skilled accounting personnel that are either qualified as Certified Public Accountants in the United States or that have received education from U.S. institutions or other educational programs that would provide adequate relevant education relating to U.S. GAAP. Our Chief Financial Officer has limited experience with U.S. GAAP and are not U.S. Certified Public Accountants. Furthermore, our operating subsidiaries are based in China and are therefore required to comply with PRC GAAP, rather than U.S. GAAP. Thus, the accounting skills and understanding necessary to fulfill the requirements of U.S. GAAP-based reporting, including the preparation of consolidated financial statements, remain inadequate and thus constitute a material weakness.

2. Lack of segregation of duties for accounting personnel who prepared and reviewed the journal entries.

3. In addition, since we only completed the design of our internal controls and assessments for all of our financial reporting cycles in March 2012, we are not yet able to declare our controls as effective over a sufficient period of time in order to demonstrate the operating effectiveness of our controls as of June 30, 2020. Therefore, we have determined that such lack of time to evaluate the design and operating effectiveness of our controls is also a material weakness.

In an effort to remedy the foregoing material weaknesses in the future, we have started the second and third approaches, and we intend to continue to do the following:

- Develop a comprehensive training and development plan for our finance, accounting and internal audit personnel, including our Chief Financial Officer and Controller, in the principles and rules of U.S. GAAP, SEC reporting requirements and the application thereof;

- Design and implement a program to provide ongoing company-wide training regarding our internal controls, with particular emphasis on our finance and accounting staff;

- Implement an internal review process over financial reporting to review all recent accounting pronouncements and to verify that any accounting treatment identified in such report has been fully implemented and confirmed by our third-party consultant, and to continue to improve our ongoing review and supervision of our internal control over financial reporting; and

- Hire a full-time employee who possesses the requisite U.S. GAAP experience and education.

Despite the material weaknesses and deficiencies reported above, our management believes that our consolidated financial statements included in this Report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented and that this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual Report.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this annual report.

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Executive Officers and Directors

The following table and text set forth the names and ages of all directors and executive officers as of the date of this Annual Report. There are no family relationships among our directors and executive officers. Each director is elected at our annual meeting of shareholders and holds office until the next annual meeting of shareholders, or until his successor is elected and qualified. Also provided herein are brief descriptions of the business experience of each director, executive officer and advisor during the past five years and an indication of directorships held by each director in other companies subject to the reporting requirements under the Federal securities laws. None of our officers or directors is a party adverse to us or has a material interest adverse to us.

Name	Age	Role	Since
Yuying Zhang	68	Chair of the Board	2011
Sai (Sam) Wang	36	Chief Financial Officer and Director	2015*
Jennifer Zhan	33	Chief Executive Officer and Director	2021
Jin Liu	55	Director (Independent)	2020
Yanzeng An	42	Director (Independent)	2019
Mike Zhao	57	Director (Independent)	2021
Hu Li	47	Director (Independent)	2021

* Mr. Sai (Sam) Wang has been our CFO since 2015 and director since 2016.

YuYing Zhang, age 68, has been Chairman of Shineco since 2011 and is the Chairman of the Company. He was the principal founder of Tenet-Jove, which was established in 1995 with his research and development of Luobuma functional fiber healthcare products. He has been the Chairman and CEO of Tenet-Jove since December 2003; under his leadership, the company has worked with more than 20 research institutions and enterprises and has obtained numerous national invention and new product patent rights for Luobuma product development. He also serves as a director in Tianjin Tenet Huatai Technological Development Co., Ltd. since 2003. From April 2014 to December 2014, he was the Chairman of the Board of Beijing Huiyin Ansheng Asset Management Co., Ltd. From 1995 to December 2003, he served as general manager of Tianjin Balas Technological Development Co., Ltd. Prior to starting Tenet-Jove in 1995, he was the deputy director at the Army Institute of Integrative Medicine. From 1991 to 1994, he was the Executive Director and Deputy General Manager at Shan Haidan Pharmaceutical Group, where he was responsible for strategic development planning and marketing. Mr. Zhang is a senior economist with a bachelor degree from China Central Radio and Television University in China. Mr. Zhang was chosen as director because his knowledge and extensive experience in research and development and management.

Sai (Sam) Wang, age 36, became our Chief Financial Officer in February 2015 and Director since 2016. Mr. Wang has worked for Shineco, Inc. since 2011 where he served as Financial Controller until his appointment as our Chief Financial Officer. Mr. Wang has been the supervisory director of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. since 2014. He serves as the General Manager of Qingdao Yinghuanhai International Logistics Co., Ltd. since 2012. Prior to joining Shineco, he worked for Citibank in Shenzhen from 2008 until 2011, where he served as Manager of Corporate Finance. Mr. Wang obtained a Masters in Commerce with a concentration in applied finance from The University of Queensland in 2010. In 2008, he received a bachelor's degree in Accounting from Griffith University in Australia. Mr. Wang was chosen as a director because he has profound knowledge of our industry and he is experienced with our financial matters.

Jennifer Zhan, age 33, was a founding partner of Tian 'Ang capital Beijing Investment Management Co., Ltd., a private equity investment firm, since January 2018. Ms. Zhan was mainly responsible for the firm' daily operation, team building, business expansion, and its private equity investment in the medical and health field. From December 2017 to December 2018, Ms. Zhan served as Vice President of CEB International, an investment company under China Everbright Bank. She was responsible for daily operation and management, established good cooperative relationships with top domestic and foreign investment banks such as Goldman Sachs, JPMorgan Chase, Guotai Junan, SDIC China Merchants, Sequoia Capital, and established venture capital funds in cooperation with Shandong Yantai and other local governments. From January 2015 to November 2017, Ms. Zhan was Deputy Director of Financial Law Division at Jingshi Law Firm, one of the top five law firms in China with 2,000 practicing lawyers. From January 2010 to December 2014, Ms. Zhan served as Chief Business Officer of Greater China at Japan Mitsubishi Japan Machinery Co., Ltd. Ms. Zhan obtained her bachelors' degree in Business Administration from Beijing Foreign Studies University in 2010 and is studying in the executive MBA program at ESC PAU Pau Business School, France.

Jin Liu, age 55, has served as Executive Vice-President of China Science & Merchants Investment Management Group since 2014. Mr. Liu has served as an independent director of JLU Communication (Symbol: 300597) since 2017. Mr. Liu has the certificate of independent director of listed company issued by Shenzhen Stock Exchange and has experience in the design and transformation of corporate governance structure, capital restructuring and M&A. Mr. Liu received a Master Degree in economics from Dongbei University of Finance & Economics. Mr. Liu was appointed as a Director of the Company because he is an expert in risk control, information disclosure, financial management of domestic and foreign listed companies.

Yanzeng An, age 42, From 2002 to 2005, Mr. An engaged in civil trial work in Dezhou Court in Shandong Province. From 2008 to 2015 Mr. An engaged in criminal trial work in Beijing Shijingshan District Court. From 2016 to date, Mr. An has been a Partner and lawyer at Beijing Bright Law Firm. Mr. An obtained his Bachelor of Laws from Yantai University and his Master of Laws in China University of Political Science and Law. Mr. An was chosen as a director because of his qualified experience in the legal field.

Mike Zhao, age 56. Since April, 2018, Mr. Zhao has served as the Director of New York Hua Yang, Inc., a leading real estate company in New York. From July 2016 to March 2018, Mr. Zhao served as the Chief Executive Officer of TD Holdings, Inc. (NASDAQ stock ticker: GLG. Formerly known as China Commercial Credit Inc.). From September 2011 to July 2016, Mr. Zhao was appointed as the Chief Operating Officer and a director of New York Hua Yang, Inc. Mr. Zhao has more the 20 years of management experience in diverse corporations and financial service institutions, with a proven record of productivity, quality and integrity. Mr. Zhao obtained Master of Business Administration degree with the highest honor from University of Bridgeport in Connecticut in May 2003. Mr. Zhao received the Bachelor of Science degree from China Eastern Normal University in Shanghai, China in July 1985.

Hu Li, age 47, was the chief supervisor of Anhui Yihai Mining Equipment Co., Ltd., a public company in China NEEQ Market (Stock Symbol: 831451) since February 2018. From September 2015 to February 2018, Mr. Li served as the Vice General Manager of Shaanxi Huipu Financial Leasing Co., Ltd. He was responsible for daily operation and management and he carried out asset securitization and financial leasing business. From April 2006 to September 2015, Mr. Li was the manager of international department and board secretary of Bodisen Biotech Inc., an Amex listed company then. He was responsible for the company's financing and investor relations. From July 2000 to March 2006, Mr. Li served as international trading manager of at Yuan Dong Trading Co., Ltd. From September 1995 to June 2000, Mr. Li worked as a bank clerk under the International Department in China Construction Bank, Xi'an Branch. Mr. Li obtained his master's degree in Business Administration from Xi'an Technology University in 2008 and bachelor's degree from Xi'an Fanyi University in 1996.

Identification of Significant Employees

We do not have employees who are not executive officers, but who are expected to make significant contributions to our business.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, none of the following events occurred during the past ten years that are material to an evaluation of the ability or integrity of any of our executive officers, directors or promoters**:**

(1) A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

(i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) Engaging in any type of business practice; or

(iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

(4) Subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (3)(i) above, or to be associated with persons engaged in any such activity;

(5) Found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

(6) Found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

(7) Subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

(i) Any Federal or State securities or commodities law or regulation; or

(ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

(iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

(8) Subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization, any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7

U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Promoters and Certain Control Persons

None of our management or other control persons were "promoters" (within the meaning of Rule 405 under the Securities Act), and none of such persons took the initiative in the formation of our business or received any of our debt or equity securities or any of the proceeds from the sale of such securities in exchange for the contribution of property or services, during the last five years .

Board of Directors and Board Committees

Our board of directors currently consists of seven directors, four of whom — Jin Liu, Yanzeng An, Mike Zhao and Hu Li — are independent, as such term is defined by The NASDAQ Capital Market.

Mr. Yuying Zhang currently holds the position of Chairman of the Board.

As a smaller reporting company with a small board of directors, we believe it is appropriate to have the involvement and input of all of our directors in risk oversight matters.

Board Committees

We have established three standing committees under the board: the audit committee, the compensation committee and the nominating committee. Each committee has three members, and each member is independent, as such term is defined by The Nasdaq Capital Market. The audit committee is responsible for overseeing the accounting and financial reporting processes of our company and audits of the financial statements of our company, including the appointment, compensation and oversight of the work of our independent auditors. The compensation committee of the board of directors reviews and makes recommendations to the board regarding our compensation policies for our officers and all forms of compensation, and also administers our incentive compensation plans and equity-based plans (but our board retains the authority to interpret those plans). The nominating committee of the board of directors is responsible for the assessment of the performance of the board, considering and making recommendations to the board with respect to the nominations or elections of directors and other governance issues. The nominating committee considers diversity of opinion and experience when nominating directors.

The members of the audit committee, the compensation committee and the nominating committee are set forth below. All such members qualify as independent under the rules of The Nasdaq Capital Market.

Director	Audit Committee	Compensation Committee	Nominating Committee
Jin Liu	(1)(2)(3)	(1)	
Yanzeng An	(1)		(1)(2)
Hu Li	(1)	(1)	
Mike Zhao		(1)(2)	(1)

(1) Committee member

(2) Committee chair

(3) Our board has determined that we have at least one "audit committee financial expert," as defined by the rules and regulations of the SEC and that is Jin Liu.

Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act, as amended, requires our directors and certain of our officers, as well as persons who own more than 10% of a registered class of our equity securities ("Reporting Persons"), to file reports with the SEC. To our knowledge, based solely on review of the copies of such reports furnished to us and written representations that no other reports were required, all Section 16(a) filing requirements applicable to officers, directors and greater than ten percent shareholders were complied with during the fiscal year ended June 30, 2021.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We will provide a copy of our code of ethics to any person who requests a copy in writing to the Secretary of the Company, including the e-mail address or facsimile number of the requesting party. Any written requests should be mailed to us at Shineco, Inc., Room 1001, Building T5, DaZu Square, Daxing District, Beijing, People's Republic of China.

ITEM 11. EXECUTIVE COMPENSATION

The following table shows the annual compensation paid by us for the years ended June 30, 2021 and 2020 to YuYing Zhang, our principal executive officer. We are required to include the compensation of our CEO, regardless of his compensation.

Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary (1) ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Other Compensation ($)	Total ($)
YuYing Zhang	2020	120,000	-	-	-	22,780(2)	142,780
(Chairman) (1)	2019	120,000	-	-	-	21,130(2)	141,130

(1) Salaries were paid in RMB.

(2) Mr. Zhang receives monthly payments for rent for his personal home and parking and $10,000 director fees.

Employment Agreements

Generally

Under Chinese law, we may only terminate employment agreements without cause and without penalty by providing notice of non-renewal one month prior to the date on which the employment agreement is scheduled to expire. If we fail to provide this notice or if we wish to terminate an employment agreement in the absence of cause, then we are obligated to pay the employee one month's salary for each year we have employed the employee. We are, however, permitted to terminate an employee for cause without penalty to our company, where the employee has committed a crime or the employee's actions or inactions have resulted in a material adverse effect to us. At this time, we have no employment agreements with any of our executive officers.

Outstanding Equity Awards

There was no equity awards granted to our officers or directors in the year ended June 30, 2021.

Retirement Plans

We currently have no plans that provide for the payment of retirement benefits, or benefits that will be paid primarily following retirement, including but not limited to tax-qualified defined benefit plans, supplemental executive retirement plans, tax-qualified defined contribution plans and nonqualified defined contribution plans.

Potential Payments upon Termination or Change-in-Control

We currently have no contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to a named executive officer at, following, or in connection with any termination, including without limitation resignation, severance, retirement or a constructive termination of a named executive officer, or a change in control of the Company or a change in the named executive officer's responsibilities, with respect to each named executive officer.

Director Compensation

During the year ended June 30, 2021, we paid our independent directors an annual cash retainer of $10,000. In the future, we may also provide stock, option or other equity-based incentives to our directors for their service. We also reimbursed our directors for any out-of-pocket expenses incurred by them in connection with their services provided in such capacity.

The following table reflects all compensation awarded to, earned by or paid to our directors for the fiscal year ended June 30, 2021. Directors who are also officers do not receive any additional compensation for their services as directors.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Options Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($) (1)
YuYing Zhang	10,000	—	—	—	—	—	10,000
Sai (Sam) Wang	10,000	—	—	—	—	—	10,000
Mingye Wang (2)	1,918	—	—	—	—	—	1,918
Jin Liu	10,000	—	—	—	—	—	10,000
Yanzeng An	10,000	—	—	—	—	—	10,000
Lei Gao (2)	959	—	—	—	—	—	959
Harry Edelson (3)	36,000	—	—	—	—	—	36,000

(1) All cash compensation was paid in RMB. The amounts in the foregoing table have been converted into U.S. Dollar at the conversion rate at 1 RMB to 0.1466 USD.
(2) On July 14, 2021, Ms. Mingye Wang and Mr. Lei Gao were removed from the Company's Board.
(3) On September 2, 2021, Mr. Edelson resigned from the Company's Board.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information, as of September 27, 2021, regarding the beneficial ownership of our common stock by any person known to us to be the beneficial owner of more than 5% of the outstanding common stock, by directors and certain executive officers, and by all of our directors and executive officers as a group. Unless otherwise noted, our officers and directors utilize the following address for correspondence purposes: Shineco, Inc., Room 1001, Building T5, DaZu Square, Daxing District, Beijing, People's Republic of China.

Name and Address(1)	Title of Class	Amount and Nature of Beneficial Ownership	Percent (%) of Class(2)
Yuying Zhang	common	127,016	1.45%
Sai (Sam) Wang	common	83,294	1.00%
Jennifer Zhan	common	--	
Jin Liu	common	--	
Yanzeng An	common	--	
Mike Zhao	common	--	
Hu Li	common	--	
All Officers and Directors as a Group (7 total)	common	210,310	2.40%
5% Shareholders Not Mentioned Above :			
Li Chang	common	679,736	7.75%
Shanchun Huang	common	780,000	8.90%

(1) Unless otherwise noted, the address for each of the named beneficial owners is: c/o Shineco, Inc., Room 1001, Building T5, DaZu Square, Daxing District, Beijing, People's Republic of China 100176.

(2) The number and percentage of outstanding shares of common stock is based upon 8,768,109 shares outstanding as of September 27, 2021.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Our audit committee is responsible for reviewing and approving all related party transactions that are required to be disclosed under the applicable rules of the SEC and NASDAQ, when appropriate, and authorizing or ratifying all such transactions in accordance with written policies and procedures established by our board of directors from time to time. The audit committee may approve or ratify related party transaction only if it determines in good faith that under all the circumstances, the transaction is fair to us.

A director may vote in respect of any contract or transaction in which he is interested, provided, however that the nature of the interest of any director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote on that matter. A general notice or disclosure to the directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof of the nature of a director's interest shall be sufficient disclosure and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may be counted for a quorum upon a motion in respect of any contract or arrangement which he shall make with our company, or in which he is so interested and may vote on such motion.

We have a policy under which we are prohibited from making or renewing any personal loan to our executive officers or directors in accordance with Section 13(k) of the Exchange Act. The related party transactions with YuYing Zhang, our Chairman of the Board, described in this section occurred prior to adoption of this policy, and as such, these transactions were not subject to such prohibition. As of date of this Report, all outstanding amounts due from any loans to executive officers or directors have been collected in full.

TRANSACTIONS

Members of the current management team are the owners of the VIEs in the PRC. (For additional details regarding the structure and ownership of our VIEs, please refer to Item 1 "Business".)

DUE FROM RELATED PARTIES

The Company had previously made temporary advances to certain shareholders (listed below) of the Company and to other entities that are either owned by family members of those shareholders or to other entities that the Company has investments in. Those advances are due on demand, non-interest bearing

As of June 30, 2021, the outstanding amounts due from related parties consist of the following:

		June 30, 2021
Yang Bin	$	46,454
Beijing Huiyinansheng Asset Management Co., Ltd		23,228
Wang Qiwei		62,716
	$	132,398

DUE TO RELATED PARTIES

As of June 30, 2021, the Company had related party payables of US$ 1,159,407, mainly due to the principal shareholders or certain relatives of the shareholders of the Company who lend funds for the Company's operations. The payables are unsecured, non-interest bearing and due on demand.

		June 30, 2021
Wu Yang	$	99,183
Wang Sai		91,433
Chen Jiping		0.00
Zhou Guocong		551,314
Li Baolin		232,275
Zhao Min		185,202
	$	1,159,407

(1) Yang Wu is the wife of Yin Weixing, one of our Directors.

(2) Sai (Sam) WangSai (Sam) Wang is our Chief Financial Officer and Director. The Company paid to Wang Sai $91,433 for the related party payables in the year ended June 30, 2021.

(3) Min Zhao is the wife of Yuying Zhang, our Chief Executive Officer and Chair of the Board.

SALES TO RELATED PARTIES

For the years ended June 30, 2021 and 2020, no sales to related parties or balance of accounts receivables were from continuing operations. The Company recorded sales to Shaanxi Pharmaceutical Group from the discontinued operations, a related party (see Note 7), of US$1,892,410 and US$2,990,910, respectively. As of June 30, 2021 and 2020, the balance of accounts receivable due from Shaanxi Pharmaceutical Group from discontinued operations was US$551,237 and US$1,567,160, respectively.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table shows the fees that were billed for audit and other services provided by Centurion ZD CPA, our independent accountants, for the fiscal year ended June 30, 2021 and 2020:

	Fiscal Year Ended June 30,	
	2021	2020
Audit Fees(1)	$ 195,000	$ 195,000
Audit-related Fees(2)	-	-
Tax Fees(3)	-	-
All Other Fees(4)	-	-
Total	$ 195,000	$ 195,000

(1) **Audit Fees** –This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q, and services that are normally provided by independent auditors in connection with statutory and regulatory filings or the engagement for fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

(2) **Audit-Related Fees** – This category consists of assurance and related services by our independent auditor that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC.

(3) **Tax Fees** – This category consists of professional services rendered by our independent auditors for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

(4) **All Other Fees** –This category consists of fees for other miscellaneous items such as travel and out-of-pocket expenses.

Pre-Approval Policies and Procedures of the Audit Committee

Our Audit Committee approves the engagement of our independent auditors and is also required to pre-approve all audit and non-audit expenses. Prior to engaging its accountants to perform particular services, our Audit Committee obtains an estimate for the service to be performed. All of the services described above were approved by the Audit Committee in accordance with its procedure.

Part IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

EXHIBIT INDEX

The following documents are filed herewith:

Number	Exhibit
3.1†	Certificate of Incorporation of Shineco, Inc. (1)
3.2†	Amended and Restated Bylaws of Shineco, Inc.(1)
4.1†	Specimen Common Stock Share Certificate (3)

4.2†	2016 Share Incentive Plan (2)
10.1†	Exclusive Business Cooperation Agreement between Beijing Tenet-Jove Technological Development Co., Ltd. and Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.2†	Timely Reporting Agreement between Shineco Inc. and Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated July 3, 2014. (1)
10.3†	Equity Interest Pledge Agreement among Beijing Tenet Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Liu Yu, Zhou Qi, Yang Chunhong, and Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.4†	Exclusive Option Agreement among Beijing Tenet Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Liu Yu, Zhou Qi, Yang Chunhong (Shareholders from Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd.), and Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.5†	Power of Attorney by and between Yang Chunhong and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.6†	Power of Attorney by and between Yin Weixing and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.7†	Power of Attorney by and between Liu Yu and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.8†	Power of Attorney by and between Wang Qiwei and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.9†	Power of Attorney by and between Wang Sai and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)

10.10†	Power of Attorney by and between Zhou Qi and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Shineco Zhisheng (Beijing) Bio-Technology Co., Ltd. dated February 24, 2014. (1)
10.11†	Exclusive Business Cooperation Agreement between Beijing Tenet-Jove Technological Development Co., Ltd. and Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)
10.12†	Timely Reporting Agreement between Shineco Inc. and Yantai Zhisheng International Freight Forwarding Co., Ltd. dated July 3, 2014. (1)
10.13†	Equity Interest Pledge Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Zhang Weisheng, Zhou Qi, Yang Chunhong, and Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.14† Exclusive Option Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Zhang Weisheng, Zhou Qi, Yang Chunhong, and Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.15† Power of Attorney by and between Zhou Qi and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.16† Power of Attorney by and between Zhang Weisheng and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.17† Power of Attorney by and between Yang Chunhong and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.18† Power of Attorney by and between Wang Qiwei and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.19† Power of Attorney by and between Wang Sai and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.20† Power of Attorney by and between Yin Weixing and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Freight Forwarding Co., Ltd. dated June 16, 2011. (1)

10.21† Exclusive Business Cooperation Agreement between Beijing Tenet Jove Technological Development Co., Ltd. and Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)

10.22† Timely Reporting Agreement between Shineco Inc. and Yantai Zhisheng International Trade Co., Ltd. dated July 3, 2014. (1)

10.23† Equity Interest Pledge Agreement among Beijing Tenet Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Zhang Weisheng, Zhou Qi, Yang Chunhong, and Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)

10.24† Exclusive Option Agreement among Beijing Tenet Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Zhang Weisheng, Zhou Qi, Yang Chunhong, and Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)

10.25† Power of Attorney by and between Zhang Weisheng and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)

10.26† Power of Attorney by and between Zhou Qi and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)

10.27† Power of Attorney by and between Wang Qiwei and Beijing Tenet Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)

10.28†	Power of Attorney by and between Yin Weixing and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)
10.29†	Power of Attorney by and between Wang Sai and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)
10.30†	Power of Attorney by and between Yang Chunhong and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Zhisheng International Trade Co., Ltd. dated June 16, 2011. (1)
10.31†	Exclusive Business Cooperation Agreement between Beijing Tenet-Jove Technological Development Co., Ltd. and Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)
10.32†	Timely Reporting Agreement between Shineco Inc. and Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated July 3, 2014. (1)
10.33†	Equity Interest Pledge Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Zhang Weisheng, Zhou Qi, Yang Chunhong, and Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)
10.34†	Exclusive Option Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Wang Qiwei, Wang Sai, Yin Weixing, Zhang Weisheng, Zhou Qi, Yang Chunhong, and Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)
10.35†	Power of Attorney by and between Wang Sai and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Qingdao Zhihesheng Agricultural Produce Services Co., Ltd. dated May 24, 2012. (1)
10.36†	Power of Attorney by and between Wang Qiwei and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Qingdao Zhihesheng Agricultural Produce Services Co., Ltd. dated May 24, 2012. (1)
10.37†	Power of Attorney by and between Yin Weixing and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)
10.38†	Power of Attorney by and between Zhang Weisheng and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)
10.39†	Power of Attorney by and between Zhou Qi and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)
10.40†	Power of Attorney by and between Yang Chunhong and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Qingdao Zhihesheng Agricultural Produce Services, Co., Ltd. dated May 24, 2012. (1)

10.41†	Exclusive Business Cooperation Agreement between Beijing Tenet-Jove Technological Development Co., Ltd. and Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated June 16, 2011. (1)

10.42†	Timely Reporting Agreement between Shineco Inc. and Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated July 3, 2014. (1)
10.43†	Guarantee Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Wang Qiwei, and Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated June 16, 2011. (1)
10.44†	Power of Attorney by and between Zhang Weisheng and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated June 16, 2011. (1)
10.45†	Power of Attorney by and between Yin Weixing and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated June 16, 2011. (1)
10.46†	Power of Attorney by and between Wang Sai and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated June 16, 2011. (1)
10.47†	Power of Attorney by and between Wang Qiwei and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Yantai Mouping District Zhisheng Agricultural Produce Cooperative dated June 16, 2011. (1)
10.48†	Exclusive Business Cooperation Agreement between Beijing Tenet-Jove Technological Development Co., Ltd. and Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated December 31, 2008. (1)
10.49†	Timely Reporting Agreement between Shineco Inc. and Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated July 3, 2014. (1)
10.50†	Equity Interest Pledge Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Chen Jiping, Chen Xiaoyan, and Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated December 31, 2008. (1)
10.51†	Exclusive Option Agreement among Beijing Tenet-Jove Technological Development Co., Ltd., Chen Jiping, Chen Xiaoyan, and Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated December 31, 2008. (1)
10.52†	Power of Attorney by and between Chen Xiaoyan and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated December 31, 2008. (1)
10.53†	Power of Attorney by and between Chen Jiping and Beijing Tenet-Jove Technological Development Co., Ltd. regarding shareholding of Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated December 31, 2008. (1)
10.54†	Summary translation of Cooperation Agreement between Shaanxi Pharmacy Sunsimiao Drugstore Chain Co., Ltd. and Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated September 27, 2012. (1)

10.55†	Summary translation of Cooperation Agreement between Shaanxi Pharmacy Holding Group Xi’an Pharmaceutical Co., Ltd. and Ankang Longevity Pharmaceutical (Group) Co., Ltd. dated September 27, 2012. (1)

10.56†	Summary translation of Loan Contract between Beijing Tenet-Jove Technological Development Co., Ltd. and Beijing Rural Commercial Bank Co., Ltd. Tiantongyuan Branch dated December 31, 2009. (1)
10.57†	Summary translation of Project Shares Purchase Contract among Yantai Zhisheng International Freight Forwarding Co., Ltd., Yantai Mouping District Zhisheng Agricultural Produce Cooperative and Zhejiang Zhen'Ai Network Warehousing Services Co., Ltd. dated October 21, 2013. (1)
10.58†	Summary translation of Contractual Management/Operation Agreement between Ankang Longevity Pharmaceutical Group Chain Co., Ltd. and Qiu Haiyin dated March 1, 2013. (1)
10.59†	Summary translation of Supplementary Agreement between Ankang Longevity Pharmaceutical Group Chain Co., Ltd. and Qiu Haiyin dated February 28, 2014. (1)
10.60†	Form of Independent Director Engagement Letter (2)
10.61†	2016 Share Incentive Plan (included in Exhibit 4.2) (2)
10.62†	Translated Definitive Share Exchange and Acquisition Agreement between Xinjiang Taihe and Western Xinjiang Tiansheng Agricultural Development Co., Ltd., dated December 6, 2017 (Incorporated by reference to the Company's Form 8-K filed with the SEC on December 11, 2017)
10.63†	Common Stock Purchase Agreement between the Company and IFG Opportunity Fund LLC, dated January 23, 2018 (Incorporated by reference to the Company's Form 8-K filed with the SEC on January 26, 2018)
10.64†	Registration Rights Agreement between the Company and IFG Opportunity Fund LLC, dated January 23, 2018 (Incorporated by reference to the Company's Form 8-K filed with the SEC on January 26, 2018)
10.65†	Termination Agreement between the Company and IFG Opportunity Fund LLC, dated July 3, 2018 (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 5, 2018)
10.66†	Form of Securities Purchase Agreement among the Company and selected investors, dated September 27, 2018 (Incorporated by reference to the Company's Form 8-K filed with the SEC on September 28, 2018)
10.67†	Form of Securities Purchase Agreement dated December 10, 2020 (Incorporated by reference to the Company's Form 8-K filed with the SEC on December 15, 2020)
10.68†	Form of Stock Purchase Agreement by and between the Company and the Purchasers dated April 14, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on April 1, 2021)
10.69†	Employment Agreement dated May 6, 2021 by and between Shineco, Inc. and Ou Yang (Incorporated by reference to the Company's Form 8-K filed with the SEC on May 7, 2021)
10.70†	English translation of the Restructuring Agreement, dated June 8, 2021, by and among the Company, Tenet-Jove, Ankang Longevity, the Ankang Shareholders, Guangyuan, and the Guangyuan Shareholders
10.71†	Exclusive Business Cooperation Agreement, dated June 8, 2021, by and between Tenet-Jove and Guangyuan (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)

10.72†	Equity Interest Pledge Agreement, dated June 8, 2021, by and among Tenet-Jove, Guangyuan, and the Guangyuan Shareholder (Baolin Li) (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)

10.73†	Equity Interest Pledge Agreement, dated June 8, 2021, by and among Tenet-Jove, Guangyuan, and the Guangyuan Shareholder (Yufeng Zhang) (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)
10.74†	Exclusive Option Agreement, dated June 8, 2021, by and among Tenet-Jove, Guangyuan, and the Guangyuan Shareholder (Baolin Li) (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)
10.75†	Exclusive Option Agreement, dated June 8, 2021, by and among Tenet-Jove, Guangyuan, and the Guangyuan Shareholder (Yufeng Zhang) (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)
10.76†	Power of Attorney, dated June 8, 2021, by and between the Guangyuan Shareholder (Baolin Li) and Tenet-Jove (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)
10.77†	Power of Attorney, dated June 8, 2021, by and between the Guangyuan Shareholder (Yufeng Zhang) and Tenet-Jove (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)
10.78†	English translation of the Termination Agreement, dated June 8, 2021, by and among Tenet-Jove, Ankang Longevity, and the Ankang Shareholders (Incorporated by reference to the Company's Form 8-K filed with the SEC on June 11, 2021)
10.79†	Director Offer Letter dated July 14, 2021 by and between Shineco, Inc. and Jennifer Zhan (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 15, 2021)
10.80†	Director Offer Letter dated July 14, 2021 by and between Shineco, Inc. and Mike Zhao (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 15, 2021)
10.81†	Employment Agreement dated July 15, 2021 by and between Shineco, Inc. and Jennifer Zhan (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 16, 2021)
10.82†	Convertible Promissory Note dated June 16, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 21, 2021)
10.83†	Convertible Promissory Note #1 dated July 16, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 21, 2021)
10.84†	Convertible Promissory Note #2 dated July 16, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 21, 2021)
10.85†	Securities Purchase Agreement between Shineco, Inc. and Streeterville Capital, LLC dated June 16, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 21, 2021)
10.86†	Securities Purchase Agreement between Shineco, Inc. and Streeterville Capital, LLC dated July 16, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on July 21, 2021)
10.87†	Convertible Promissory Note dated August 19, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on August 23, 2021)
10.88†	Securities Purchase Agreement between Shineco, Inc. and Streeterville Capital, LLC dated August 19, 2021 (Incorporated by reference to the Company's Form 8-K filed with the SEC on August 23, 2021)
10.89†	Offer Letter dated September 2, 2021, by and between the Company and Mr. Hu Li (Incorporated by reference to the Company's Form 8-K filed with the SEC on September 9, 2021)

14.1†	Code of Ethics of the Company. (2)
21.1*	List of subsidiaries of the Company.
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of CEO pursuant to Rule 13a-14 under the Securities Exchange Act of 1934.
31.2*	Certification of CFO pursuant to Rule 13a-14 under the Securities Exchange Act of 1934.
32.1*	Certifications of CEO and CFO pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

† Previously filed.

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 filed with the SEC on July 1, 2015 (Registration No. 333-202803).

(2) Incorporated by reference to the Company's Annual Report on Form 10-K filed with the SEC September 28, 2016.

(3) Incorporated by reference to the Company's Registration Statement on Form S-1 filed with the SEC on January 27, 2016 (Registration No. 333-202803).

ITEM 16. FORM 10-K SUMMARY.

Not applicable.

SIGNATURES

Pursuant to the requirements of section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SHINECO, INC.
(Registrant)

Date: September 30, 2021

By:*/s/ Jennifer Zhan*

Jennifer Zhan
Chief Executive Officer

Date: September 30, 2021 By: */s/ Sai (Sam) Wang*

Sai (Sam) Wang
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Jennifer Zhan Jennifer Zhan	Chief Executive Officer (Principal Executive Officer)	September 30, 2021
/s/ Sai (Sam) Wang Sai (Sam) Wang	Chief Financial Officer and Director (Principal Accounting and Financial Officer)	September 30, 2021
/s/ Baolin Li Baolin Li	Director	September 30, 2021
/s/ Jin Liu Jin Liu	Director	September 30, 2021
/s/ Yanzeng An Yanzeng An	Director	September 30, 2021
/s/ Ning Chen Ning Chen	Director	September 30, 2021
/s/ Harry Edelson Harry Edelson	Director	September 30, 2021
/s/ Yuying Zhang Yuying Zhang	Director	September 30, 2021