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SkyPeople Fruit Juice, Inc. Announces Turnjube Contract for Pharmaceutical Manufacturer

\$2.2 million Contract Marks Company's Entry into Raw Material Supply to Pharmaceutical Producers in China

XI'AN, China, May 7 /PRNewswire-Asia-FirstCall/ -- SkyPeople Fruit Juice, Inc. (Nasdaq:SPU) ("SkyPeople" or "the Company"), a manufacturer of kiwifruit, apple, pear and other concentrated specialty fruit juices and manufacturer of Hedetang(TM)-branded fruit beverages, today announced that it signed a supplier agreement with Xi'an Boai Pharmaceutical Corporation Limited ("Boai") to supply a new specialty fruit concentrate, turnjube, for use in Boai's production of Chinese medicines.

Under the supply agreement, SkyPeople will supply Boai with 150 metric tons of turnjube concentrate valued at approximately \$2.2 million in aggregate for use in the production of select Chinese medicines manufactured by Boai Pharmaceuticals. Turnjube (*Hovenia dulcis*) is an arbor species with an average height of 10 meters and is usually found on sunny mountain slopes and valleys in Asia. Turnjube used by SkyPeople grows in the Qinba mountain area, which is one of the original planting regions of turnjube in China. There are more than five species of turnjube in the Qinba area from which SkyPeople selected a species renowned for its larger fruit, flavor, high yield, and ability to be stored for extended periods of time.

Turnjube is rich in glucose and potassium malate, which is sweetened during the processing of turnjube concentrate. When used as medicine, the concentrate serves as a diuretic beneficial in the delivery of well-known traditional Chinese medicines and particularly those needed for liver function and rejuvenation. SkyPeople will produce turnjube concentrate on the Company's concentrate production facility in the Jingyang factory, where the Company produces its pear juice products. The Company will produce turnjube concentrate from April through July of each year, which is the non-squeezing season for pear.

Turnjube juice and its concentrate are considered by SkyPeople as a specialty fruit juice and recognized in the juice industry as a "small-breed" fruit juice. Small-breed fruit juices are juices squeezed from fruits that are grown in limited quantities such as mulberry juice, pomegranate juice, and other juices with less output due to challenging technical requirements in the production process. Using technologies developed by SkyPeople in the production of its product portfolio of small breed fruit juices and concentrates, SkyPeople has been one of the few companies to produce turnjube juice and its concentrate at a pharmaceutical grade for use in medicine production.

"We consider ourselves the leading specialty fruit juice producer in China," began Mr. Yongke Xue, Chairman and CEO of Sky People Fruit Juice. "Specialty concentrates have



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outstanding potential to fill gaps during our traditional harvest and concentrate manufacturing seasons. As the only Company with a Provincial-Level Corporate Technology Center in the food industry in Shaanxi Province, the successful introduction of this new product not only demonstrates our Company's strong R&D capacity and its achievements, but is also a considerable step forward in our exploration and development of specialty concentrates for uses in other market segments, such as pharmaceutical industry. We look forward to developing other specialty customers like Boai pharmaceuticals in the future and generating additional revenues for our Company as we sign new supplier agreements with other specialty customers," Xue concluded.

About SkyPeople Fruit Juice, Inc.

SkyPeople Fruit Juice, Inc., a Florida company, through its wholly-owned subsidiary Pacific Industry Holding Group Co., Ltd., a Vanuatu company, holds 99% ownership interest in SkyPeople Juice Group Co., Ltd. ("SkyPeople (China)"). SkyPeople (China) is engaged in the production and sales of fruit juice concentrates (including fruit purees, concentrated fruit purees, and concentrated fruit juices), fruit beverages (including fruit juice beverages and fruit cider beverages), and other fruit related products (including primarily organic and non-organic fresh fruits, kiwifruit seeds and apple aroma) in and from the PRC. Its fruit juice concentrates are sold to domestic customers and exported directly or via distributors. Fruit juice concentrates are used as a basic ingredient component in the food industry. Its brand, Hedetang(TM) which is registered trademark in the PRC, is positioned as a high quality, healthy and nutritious end-use juice beverage. For more information, please visit <http://www.skypeoplefruitjuice.com>.

Forward-Looking Statements

This press release contains certain "forward-looking statements" that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate and the actual results and future events could differ materially from management's current expectations. Such factors include, but are not limited to, the Company's ability to obtain the necessary financing to continue and expand operations, to market its products in new markets and to offer products at competitive pricing, to attract and retain management, and to integrate and maintain technical information and management information systems, political and economic factors in the People's Republic of China, compliance requirement of laws and regulations of the PRC, the effects of currency policies and fluctuations, general economic conditions and other factors detailed from time to time in the Company's filings with the United States Securities and Exchange Commission and other regulatory authorities. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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