

July 18, 2012

Dear Shareholders,

I am pleased to report that 2011 was another sound and productive year for SkyPeople Fruit Juice, Inc. While we encountered challenges, due to unexpected weather conditions lasting throughout the growing seasons of our major fruit products, we were able to generate solid revenue and cash flow from all of our business segments. Our entire management team and SkyPeople organization worked very hard to bolster our market presence and generate positive operational and financial results in 2011. I am very proud of our Company's achievements to date and continue to be optimistic about SkyPeople's growth prospects.

A Year of Sound Financial Performance

In the 2011 fiscal year, we achieved a sound financial performance across a solid platform of established and diverse fruit product offerings. However, while still healthy, our revenue, earnings and operating margins were reduced in 2011 to a certain extent from those in 2010. This was primarily due to the unexpected weather conditions, causing an increase in our raw material costs, and the highly volatile price of fresh fruits.

For the 2011 fiscal year, our revenue was \$84.0 million, down 10% from 2010. However, we were able to generate year-to-year increases in two important product segments, the concentrated apple juice and apple aroma segment, and the concentrated pear juice segment, both up 6% from the previous year. In addition, our gross profits were \$27.5 million, and operating income was \$19.0 million. Furthermore, we had \$13.2 million of net income attributable to our common stock shareholders for the fiscal year 2011, and the corresponding earnings per share in 2011 were \$0.50.

We ended 2011 with approximately \$61.2 million in cash and cash equivalents, approximately \$87.6 million in working capital, and \$6.4 million in debt. Stockholders' equity was \$160.3 million, a 9.0% increase over the \$147.29 million recorded on December 31, 2010. In addition, our net cash inflow from operations was \$26.0 million in 2011 as compared to \$10.7 million in 2010.

With Genuine Appreciation

I would like to personally thank all of our shareholders, customers, employees, and partners who have contributed to our success. In 2012 and beyond, we will strive to deepen our fruit product portfolio, improve our product offerings and enhance our marketing and distribution efforts. I am excited about the future prospects of the company, especially given the industry's compelling dynamics.

As we further expand our businesses in China [and abroad], I welcome insight and feedback from all of our stakeholders on how we can make SkyPeople Fruit Juice, Inc. a stronger, more adept, and intensely competitive company. Our objective is to realize our potential as a preeminent fruit processing and distribution company, to embody the best in the competitive spirit, and to always focus upon maximizing long term shareholder value.

Sincerely,

Yongke Xue
Chairman and CEO

