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No.2, Gaoxin 1st Road
Xi'an, Shaanxi, China 710075

SkyPeople Fruit Juice Reports First Quarter 2017 Financial Results

XI'AN, China, May 16, 2017 /PRNewswire/ -- SkyPeople Fruit Juice, Inc. (NASDAQ: SPU) ("SkyPeople" or "the Company"), a producer of fruit juice concentrates, fruit juice beverages and other fruit-related products, today announced its financial results for the first three months ended March 31, 2017.

First Quarter 2017 Summary:

- Total revenue was \$3.0 million
- Gross profit was \$0.5 million
- Gross profit margin was 18%
- Net loss attributable to SkyPeople Fruit Juice, Inc. stockholders was \$2.6 million
- Cash, cash equivalents and restricted cash were \$2.5 million as of March 31, 2017

"We recorded lower than expected operating results due to a decrease in sales from apple product segment which has been experiencing a severe contraction in supply and an erosion in market pricing which has forced us to limit production. A limited supply of available fresh fruit due to volatile weather conditions led to a difficult growing season for our other product categories. Also, online discounting has been disruptive to our normal retail distribution model for our fruit juice segment," said Mr. Hongke Xue, Chief Executive Officer of SkyPeople.

"To address raw materials supply shortages, we are building a vertically integrated supply chain to help ensure a steady supply of fresh fruit. As major initiatives, we will be growing kiwi and oranges for processing through our acquisition and leasing of orchards in Mei County and Yidu, Hubei Province, respectively. The new orchards will help secure fresh fruit for our key kiwi product segment, diversify our product offerings and strengthen our competitive positioning. We will employ modern agricultural techniques to optimize our production output and look to enhance our margins through best practices commodities management," continued Mr. Hongke Xue.

"We are beginning to generate orders from several of the online e-commerce platforms where we are currently marketing with particular focus on our fruit juice beverage products. We plan to aggressively pursue this distribution channel to regain our market share and our previous volume metrics. We also expect important synergies to develop from our



logistics trading center in Mei County that constitutes an important commercial and logistics complex for all of our operating businesses."

"We appreciate the support of our shareholders as we build our business into a dynamic world-class company with new capabilities that include e-commerce platforms, big data analytics, commodities trading, innovative finance, international trade, and industrial integration and management services. Our vision is to broaden and diversify our core business with high margin growth opportunities to generate a sustainable income stream for many years to come," Mr. Hongke Xue concluded.

First Quarter 2017 Financial Results

Revenue for the three months ended March 31, 2017 was \$3.0 million, as compared to revenue of \$5.4 million for the first three months of 2016. This decrease was primarily due to a decrease in sales in the concentrated apple juice and apple aroma business segment partially offset by increased revenues from the concentrated kiwifruit juice and kiwifruit puree, concentrated pear juice and fruit juice beverages segments.

Fiscal Year Revenue by Segment (in thousands)

<i>(In \$000's, except %'s)</i>	Quarter Ended March 31,		% of change
	2017	2016	
Concentrated apple juice and apple aroma	1,019	5,259	(81%)
Concentrated kiwifruit juice and kiwi puree	195	16	NMF
Concentrated pear juice	923	157	488%
Fruit juice beverages	822	2	NMF
Other – fruit related products	-	2	NMF
Total	2,959	5,436	(46%)

NMF = Not meaningful figure

Revenue by Segment. Sales from apple-related products were \$1.0 million for the three months ended March 31, 2017, as compared to sales of \$5.3 million for the same period of 2016. During the first three months of 2017, the Company sold approximately 1,160 tons of concentrated apple juice and apple aroma as compared to 4,796 tons of apple-related products sold in the same period of 2016. Most of our concentrated apple juice was sold directly or indirectly to the international market. According to the data provided by the Chinese Customs, the amount of exported concentrated apple juice from China declined by 11.9% in



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the first two months of year 2017 as compared to the same period of 2016. Over the past three years, the purchase price of fresh apples has increased, but the sales price of concentrated apple related products has remained low. Because of the negative trends in the international market, and lower operating margins, our YingKou and Huludao Wonder factories did not operate their apple juice production facilities in fiscal 2016 which resulted in a lower inventory of concentrated apple juice.

Sales from concentrated kiwifruit juice and kiwifruit puree were \$0.2 million for the three months ended March 31, 2017, as compared to sales of \$16,000 for the same period of 2016. The increase was due to an increase in products sold in the first quarter of 2017 as compared to same period of 2016 due to a rise in customer demand.

Sales of concentrated pear juice were \$0.9 million for the three months ended March 31, 2017, as compared to sales of \$0.2 million for the same period of 2016. During the first three months of 2017, the Company sold approximately 1,160 tons of concentrated pear juice as compared to 199 tons concentrated pear juice sold in the same period of 2016. The increase in sales was mainly due an improved inventory of concentrated pear juice in the first quarter of 2017.

Sales from our fruit juice beverages segment were \$0.8 million for the three months ended March 31, 2017, as compared to sales of \$2,000 for the same period of 2016. The increase in revenues was primarily due to an increase in advertising and marketing which resulted in increased sales.

Sales from our other - fruit related products segment were nil for the three months ended March 31, 2017, as compared to sales of \$2,000 for the same period of 2016. The amount of sales in this business segment is expected to be unstable and is generally not indicative of this segment's future sales.

Gross Profit. Gross profit was \$0.5 million for the three months ended March 31, 2017, as compared to \$43,000 for the same period of 2016, mainly due to an increase in the gross profit of the fruit juice beverage and concentrated pear juice segments. The consolidated gross profit margin was 18% for the three months ended March 31, 2017 as compared to 1% for the same period of 2016 primarily due to the higher period-over-period gross margin of these same segments partially offset by the gross profit margin of the concentrated apple juice segment. The Company did not have any inventory of concentrated apple juice during the first quarters of 2017 and 2016 and had to purchase concentrated apple juice at prevailing



market prices to satisfy customer demand, which resulted in a low gross margin for both periods. The gross profit margin of the concentrated kiwifruit juice and kiwifruit puree segment was 23% for the first quarter of 2017 as compared to a negative 48% for the same period of 2016, primarily due to an increase in production during the first quarter of 2017.

<i>(In \$000's, except %'s)</i>	Quarter Ended March 31,			
	2017		2016	
	Gross profit	Gross margin	Gross profit	Gross margin
Concentrated apple juice and apple aroma	29	3%	45	1%
Concentrated kiwifruit juice and kiwi puree	45	23%	(8)	(48%)
Concentrated pear juice	126	14%	4	2%
Fruit juice beverages	335	41%	1	26%
Other – fruit related products	-	-	1	NMF
Total	535	18%	43	1%

NMF = Not meaningful figure

Operating expenses for the three months ended March 31, 2017 were \$3.1 million, as compared to \$1.5 million for the same period of 2016. General and administrative expenses increased to \$2.9 million for the first quarter of 2017 as compared to \$0.7 million for the same period of 2016, mainly due to an increase in the amortization cost of intangible assets in the first quarter of 2017 as compared to the same period of 2016. The Company began the amortization of land lease rights in Hedetang Foods Industry (Yidu) Co, Shaanxi Guoweimei Kiwi Deep Processing Company and Trading Market Mei County beginning in the fourth quarter of 2016. Selling expenses decreased to \$0.2 million for the first quarter of 2017, as compared to \$0.9 million for the same period of in 2016, mainly due to the reduced amount of sales in the current quarter.

Loss from continuing operations after taxes for the three months ended March 31, 2017 was \$2.6 million, as compared to loss from continuing operations of \$1.1 million for the same period of 2016. The increase in loss from operations was mainly due to the 46% decrease in revenue and a substantial increase in total operating expenses due to an increase in the amortization cost of intangible assets in the current quarter.

Net loss attributable to SkyPeople Fruit Juice shareholders for the three months ended March 31, 2017 was \$2.6 million, as compared to net loss of \$1.1 million for the same period of 2016. Diluted loss per share from continued operations was \$0.62 for the first quarter of 2017 as compared to diluted earnings per share from continued operations of \$0.30 for the same period of 2016.



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Financial Condition

As of March 31, 2017, the Company had \$2.5 million in cash, cash equivalents and restricted cash, an increase from \$1.1 million as of December 31, 2016. The Company had working capital of \$23.7 million as of March 31, 2017 as compared to working capital of \$24.7 million as of December 31, 2016. As of March 31, 2017, the Company had total liabilities of \$94.6 million, which included \$29.5 million in short-term bank loans and \$16.6 million in capital lease obligations. Stockholders' equity attributable to SkyPeople Fruit Juice was \$133.0 million as of March 31, 2017 as compared to \$135.0 million as of December 31, 2016.

During the first quarter of 2017, net cash used in the Company's operating activities was \$0.8 million, as compared to net cash provided by operating activities of \$0.4 million for the same period of 2016. Net cash used in investing activities were \$0.1 million for the first three months of 2017 as compared to net cash used in investing activities of \$2.8 million for the same period of 2016. Cash generated by the Company's financing activities was \$2.0 million for the first three months of 2017 as compared to cash a net cash inflow of \$4.0 million for the same period of 2016. The Company expects projected cash flows from operations, anticipated cash receipts, cash on hand, and trade credit will provide the necessary capital to meet its projected operating cash requirements for at least the next twelve months, which does not take into account any potential expenditures related to the potential expansion of its current production capacity.

Project Updates

The Company entered into a Letter of Intent with the People's Government of Suizhong County fruit to establish a fruit and vegetable industry chain and processing zone in Suizhong County, Liaoning Province, China. The Company has made partial payment to acquire the land use right from the local government, purchase equipment and build facilities. As of the date of this report, the Company has finished construction of an office building, dormitory, refrigeration storage facility and a warehouse. However, due to heavy competition in the concentrated fruit juice business in China, construction work on this project is currently suspended.

The Company is developing an orange processing and distribution center pursuant to its investment/service agreement with the Yidu Municipal People's Government in Hubei Province, China. Pursuant to the agreement, the Company will be responsible for an investment amount of approximately \$48 million which will be mainly used to establish the



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distribution center and the orange processing facility on project land of approximately 280 mu (approximately 46 acres). Also, the Company and the Yidu Municipal People's Government has agreed to discuss the investment amount and location associated with establishing an R&D center and an orange plantation. On November 23, 2015, the Company started the construction of the Yidu project. The Company plans to finish the construction of the infrastructure of office building, R&D center, fruit juice production facility, cold storage facility and other construction work in the second quarter of 2017. The orange plantation is planned to be operational in the second quarter of 2017 and the distribution center is planned to be completed by the fourth quarter of 2017.

The Company is developing a kiwi processing and trading center pursuant to its investment agreement with the Managing Committee of Mei County National Kiwi Fruit Wholesale Trading Center, which has been authorized by the People's Government of Mei County, China. Pursuant to the agreement, the Company will be responsible for construction and financing with an investment amount of approximately \$72 million for buildings and equipment on a total planned area of 286 mu (approximately 47 acres). As of the date of this report, the Company is in the process of building fruit juice production lines, a vegetable and fruit flash freeze facility, an R&D center and an office building. The Company plans to complete the construction of these facilities in the second quarter of 2017.

As of the date of this report, the Mei County National Kiwi Fruit Wholesale Trading Center has started normal operations. There are a number of enterprises operating in the trading center including 12 express delivery companies, 12 logistic companies, four on-line sales companies, two packing companies and three agriculture companies. In addition, all government departments that are relevant to the operations of the Mei County National Kiwi Fruit Wholesale Trading Center have moved into the trading center. The Company is expected to have completed its investment in the trading center in the second quarter of 2017, and believes that it will generate income from the trading center through various means, such as rental income from cold storage and shops, income from logistic service, etc.

Recent Events

On April 13, 2017, the Company announced that it has entered into a definitive agreement with institutional investors to purchase shares of common stock for aggregate gross proceeds of \$2,672,500 in a registered direct offering. The closing of the offering occurred on April 13, 2017. The Company intends to use the net proceeds from the transaction to fund working capital and other general corporate purposes.



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On April 12, 2017, the Company announced that on April 10, 2017, Xi'an Hedetang E-Commerce Co., Ltd. ("Hedetang E-Commerce"), an indirect holding company of SkyPeople Fruit Juice, Inc., signed a one-year service agreement to market its products on the open platform Xunqin Mall with Shenzhen Weipin Zhiyuan Information Technology Co., Ltd. ("Shenzhen Weipin"), one of whose shareholders is China Continent Insurance. The brands to be marketed are the Company's Hedetang and Hede Jiachuan products. The Company believes that joining Xunqin Mall can help the Company to grow faster, improve operating efficiencies and promote regional sales.

On March 23, 2017, the Company announced that on March 20, 2017, its wholly owned subsidiaries, Hedetang Foods (China) Co. Ltd. ("Hedetang China") and Hedetang Farm Products Trading Market (Mei County) Co. Ltd., ("Hedetang Farm") entered into an agreement with Xi'an Taizhan Financial Management Co., Ltd. ("Taizhan") to jointly establish a new company currently named China Agricultural Commodity Trading Market Co., Ltd. (the "China Agricultural Commodity Trading Center") in Mei County, Shaanxi Province, China. Once established, the China Agricultural Commodity Trading Center will become an innovative platform that promotes agricultural e-commerce trading, industrial integration and modernization, and financial innovation.

On March 17, 2017, the Company announced that on March 13, 2017, the Board of Directors approved Future World Trading (Hong Kong) Limited's, a wholly owned subsidiary of the company, acquisition of Shaanxi Quangoutong E-commerce Inc. ("Quangoutong"), an e-commerce company and a wholly owned subsidiary of SkyPeople International Holdings Group Limited, which is the major shareholder of the Company. The relevant agreement was signed on March 16, 2017. Quangoutong owns certain permits and licenses from local governments in China to conduct certain on-line financial service businesses in China. The purchase price for Quangoutong will be nominal as it has divested itself of several of its traditional businesses and all of its assets and debts. The FinTech industry is an emerging sector that utilizes computer programs and innovative technology to support the delivery of payment and financial services. The Company believes that the acquisition of Quangoutong will bring an innovative business development and sales model to SkyPeople.

On March 15, 2017, the Company announced that on March 13, 2017, Xi'an Hedetang E-Commerce Co., Ltd. ("Hedetang E-Commerce"), a wholly-owned subsidiary of the Company signed a one-year business agreement with the Jiangsu Nongmuren Agricultural Products ("Nongmuren") e-commerce Platform. The Nongmuren E-Commerce Platform is a



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unique food quality-focused platform that integrates the Internet of Things ("IoT"), e-commerce and Internet advertising. It implements food safety supervision through the entire agricultural supply chain to ensure farm-to-table information traceability. The platform mainly works with county-level local food production and processing enterprises that produce famous specialty agricultural goods. Nongmuren anticipates having hundreds of millions of registered users in the next three years. Hedetang E-Commerce plans to sell the Company's products through this platform, which will expand the Company's distribution channel.

On March 6, 2017, the Company announced that on March 1, 2017, Hedetang Foods, a wholly-owned subsidiary of SkyPeople Fruit Juice, Inc., signed a one-year business agreement with China Aigo O2O Technology Inc. (Beijing) and joined the latter's Aigo Integrity Alliance. The Aigo Integrity Alliance is a smart Online to Offline (O2O) platform owned by China Aigo O2O Technology (Beijing), which is the most valued subsidiary of the Aigo Network Technology Co. The Aigo Integrity Alliance has invested heavily to build an O2O platform and developed five unique, world-leading patented technologies in the Mobile Internet arena. Hedetang Foods plans to sell its fruit juice through this platform, which will expand the Company's distribution channel.

About SkyPeople Fruit Juice, Inc.

SkyPeople Fruit Juice, Inc., a Florida company, through its wholly-owned subsidiary Pacific Industry Holding Group Co., Ltd. ("Pacific"), a Vanuatu company, and SkyPeople Juice International Holding (HK) Ltd., a company organized under the laws of Hong Kong Special Administrative Region of the People's Republic of China and a wholly owned subsidiary of Pacific, holds 99.78% ownership interest in SkyPeople Juice Group Co., Ltd. ("SkyPeople (China)"). SkyPeople (China), together with its operating subsidiaries in China, is engaged in the production and sales of fruit juice concentrates, fruit beverages, and other fruit related products in the PRC and overseas markets. 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 brands, "Hedetang" and "SkyPeople," which are registered trademarks in the PRC, are positioned as high quality, healthy and nutritious end-use juice beverages. For more information, please visit <http://www.skypeoplefruitjuice.com>.

Safe Harbor Statement

Certain of the statements made in this press release are "forward-looking statements" within



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the meaning and protections of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "plan," "point to," "project," "could," "intend," "target" and other similar words and expressions of the future.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2016 and otherwise in our SEC reports and filings, including the final prospectus for our offering. Such reports are available upon request from the Company, or from the Securities and Exchange Commission, including through the SEC's Internet website at <http://www.sec.gov>. We have no obligation and do not undertake to update, revise or correct any of the forward-looking statements after the date hereof, or after the respective dates on which any such statements otherwise are made.

-Financial Tables Follow-

**SKYPEOPLE FRUIT JUICE, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)**

	March 31, 2017	December 31, 2016
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,459,424	\$ 1,143,585
Accounts receivable, net of allowance of \$4,843,809 as of March 31, 2017 and December 31, 2016, respectively	5,863,873	7,325,773
Other receivables	29,830,980	28,417,194
Inventories	2,818,225	3,041,300



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Deferred tax assets	3,566,442	3,566,442
Advances to suppliers and other current assets	57,167,955	58,132,189
TOTAL CURRENT ASSETS	101,706,899	101,626,483
PROPERTY, PLANT AND EQUIPMENT, NET	82,298,162	81,523,569
LAND USE RIGHT, NET	31,888,862	31,854,360
LONG TERM ASSETS	2,804,632	2,789,390
DEPOSITS	44,213,325	43,867,228
TOTAL ASSETS	\$ 262,911,880	\$ 261,661,030
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 17,391,177	\$ 16,569,988
Accrued expenses	27,443,847	27,449,664
Income tax payable	3,623,076	3,590,084
Advances from customers	4,149	696
Short-term bank loans	29,524,734	29,364,279
TOTAL CURRENT LIABILITIES	77,986,983	76,974,711
NON-CURRENT LIABILITIES		
Obligations under capital leases	16,585,674	14,494,003
TOTAL NON-CURRENT LIABILITIES	16,585,674	14,494,003
TOTAL LIABILITIES	94,572,657	91,468,714
EQUITY		
SkyPeople Fruit Juice, Inc, Stockholders' equity		
Series B Preferred stock, \$0.001 par value; 10,000,000 shares authorized; None issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	-	-
Common stock, \$0.001 par value; 8,333,333 shares authorized; 4,311,090 and 4,061,090 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	4,311	4,061
Additional paid-in capital	108,732,710	105,366,887
Retained earnings	97,587,103	100,237,011
Accumulated other comprehensive loss	(73,341,154)	(70,579,747)
Total SkyPeople Fruit Juice, Inc. stockholders' equity	132,982,970	135,028,212
Non-controlling interests	35,356,253	35,164,104
TOTAL EQUITY	168,339,223	170,192,316
TOTAL LIABILITIES AND EQUITY	\$ 262,911,880	\$ 261,661,030

The accompanying notes in the 2017 first quarter 10-Q as filed with the SEC are an integral part of these consolidated financial statements

SKYPEOPLE FRUIT JUICE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

For the three month Ended



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	March 31,	
	2017	2016
Revenue	\$ 2,958,834	\$ 5,436,308
Cost of goods sold	2,424,220	5,393,484
Gross profit	534,614	42,824
Operating Expenses		
General and administrative expenses	2,855,329	679,944
Selling expenses	194,879	861,140
Total operating expenses	3,050,208	1,541,084
Loss from operations	(2,515,594)	(1,498,260)
Other income (expenses)		
Interest income	1,040	131,024
Subsidy income	-	531,445
Interest expenses	(30,796)	(208,665)
Consulting fee related to capital lease	172,147	(9,159)
Total other income (expenses)	142,391	444,645
Loss from Continuing Operations before Income Tax	(2,373,203)	(1,053,615)
Income tax provision	61,422	-
Loss from Continuing Operations before Minority Interest	(2,434,625)	(1,053,615)
Less: Net income attributable to non-controlling interests	(166,598)	(12,465)
Loss from Continuing Operations	(2,601,223)	\$ (1,066,080)
Discontinued Operations (Note 11)		
Loss from discontinued operations	(48,685)	-
NET LOSS ATTRIBUTABLE TO SKYPEOPLE FRUIT JUICE, INC.		
STOCKHOLDERS	\$ (2,649,908)	\$ (1,066,080)
Other comprehensive income (loss)		
Foreign currency translation adjustment	626,056	\$ 20,698,646
Comprehensive income	(1,857,254)	19,645,031
Comprehensive expense attributable to non-controlling interests	\$ (124,897)	\$ (4,997,409)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SKYPEOPLE FRUIT JUICE, INC. STOCKHOLDERS	(1,982,151)	14,647,622
Loss per share:		
Basic loss per share from continued operations	(0.63)	(0.30)
Basic loss per share from discontinued operations	(0.01)	-
Basic loss per share from net income	(0.64)	(0.30)
Diluted Loss per share:		
Diluted loss per share from continued operations	(0.62)	(0.30)
Diluted loss per share from discontinued operations	(0.01)	-
Diluted loss per share from net income	(0.63)	(0.30)
Weighted average number of shares outstanding		



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Basic	4,147,201	3,548,183
Diluted	4,209,701	3,548,183

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SKYPEOPLE FRUIT JUICE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the three months ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (2,649,908)	\$ (1,066,080)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	798,511	2,745,539
Deferred income tax assets	-	(11,666)
Provisions provided for bad debt expenses	(4,503)	-
Changes in operating assets and liabilities	-	
Accounts receivable	1,509,312	(1,852,548)
Other receivable	(1,437,626)	(2,572,743)
Advances to suppliers and other current assets	624,779	3,135,265
Inventories	240,154	(836,764)
Accounts payable	313,214	4,200,224
Accrued expenses	695,701)	(989,025)
Income tax payable	(737,480)	(3,473,175)
Advances from customers	3,455	1,116,238
Net cash (used in) provided by operating activities	<u>(644,391)</u>	<u>395,265</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	-	(2,527,423)
Prepayment for other assets	-	(257,189)
Prepayments for deposit on equipment	(106,597)	-
Net cash used in investing activities	<u>(106,597)</u>	<u>(2,784,612)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of common stock	-	16,641,394
Repayment from related party loan	(31,565)	(1,233,968)
Proceeds (repayments) long term debt	2,016,329	
Payment for capital lease	-	(11,391,267)
Net cash provided by financing activities	<u>1,984,764</u>	<u>4,016,159</u>
Effect of change in exchange rate	82,063	8,427,051
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,315,839	10,053,863
Cash and cash equivalents, beginning of period	1,143,585	50,006,914
Cash and cash equivalents, end of period	<u>\$ 2,459,424</u>	<u>\$ 60,060,777</u>



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SUPPLEMENTAL DISCLOSURES OF CASH FLOW

INFORMATION

Cash paid for interest	\$	30,796	\$	208,665
Cash paid for income taxes	\$	61,422	\$	1,259,559

SUPPLEMENTARY DISCLOSURE OF SIGNIFICANT NON-CASH

TRANSACTION

Transferred from other assets to property, plant and equipment and construction in process	\$	106,597	\$	2,342,127
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The accompanying notes in the 2017 first quarter 10-Q as filed with the SEC are an integral part of these consolidated financial statements

For more information, please contact:

COMPANY

Cindy Liu, Investor Relations Manager

SkyPeople Fruit Juice, Inc.

Tel: China + 86 - 29-8837-7161

Email: skypeople_annie@163.com