

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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ZACHARY LEWY, JOHN LEE, ERIC :
KLEMENT, AND BENJAMIN L. PADNOS, : Civil Action No. 1:11-cv-02700 (PKC)
INDIVIDUALLY AND ON BEHALF OF ALL :
OTHERS SIMILARLY SITUATED, : ECF CASE
:
Plaintiffs, :
:
vs. :
:
SKYPEOPLE FRUIT JUICE, INC., RODMAN & :
RENSHAW, LLC, BDO LIMITED, CHILD, VAN :
WAGONER & BRADSHAW, PLLC, YONGKE :
XUE, HONGKE XUE, XIAOQIN YAN, SPRING :
LIU, NORMAN KO, GUOLIN WANG, ROBERT :
B. FIELDS, AND JOHN SMAGULA,
Defendants.

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**STIPULATION AND AGREEMENT OF SETTLEMENT WITH SKYPEOPLE FRUIT
JUICE, INC. AND ITS OFFICERS AND DIRECTORS**

This stipulation and agreement of settlement dated September 13, 2013 (the "Settlement Stipulation") is hereby submitted to the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure. Subject to the approval of the Court, this Stipulation is entered into between (i) Lead Plaintiff Zachary Lewy, and named plaintiffs John Lee, Eric Klement and Benjamin L. Padnos ("Plaintiffs") (Zachary Lewy, Eric Klement and Benjamin L. Padnos are collectively the "Proposed Class Representatives"), on behalf of themselves and the putative Class (defined herein), and (ii) SkyPeople Fruit Juice, Inc. ("SkyPeople"), Yongke Xue ("Y. Xue"), Hongke Xue ("H. Xue"), Xiaoqin Yan ("Yan"), Spring Liu ("Liu"), Norman Ko ("Ko"), John Smagula ("Smagula"), Guolin Wang ("Wang"), and Robert B. Fields ("Fields") (SkyPeople, Y. Xue, H. Xue, Yan, Liu, Ko, Smagula, Wang, and Fields are collectively the "Settling Defendants"), by and through their respective counsel.

1. WHEREAS, on April 20, 2011, a class action complaint alleging violations of federal securities laws, styled *Paul Kubala v. SkyPeople Fruit Juice, Inc., et al.*, No. 11-cv-2700-PKC, was filed in the United States District Court for the Southern District of New York (the "Court") against SkyPeople, certain of its officers and directors, and SkyPeople's underwriter Rodman & Renshaw, LLC ("Rodman & Renshaw") (the "First Complaint"); and on June 20, 2011, an action was filed in the same court and captioned as *Padnos v. SkyPeople Fruit Juice, Inc., et al.*, No. 11-cv-4177-PKC (the "Related Action").

2. WHEREAS, on June 20, 2011, several class members filed motions with this Court seeking to consolidate the Related Action with the First Action and for appointment as Lead Plaintiff and for approval of Lead Counsel.

3. WHEREAS, on August 30, 2011, the Court consolidated the Related Action and the First Action (together, the "Litigation") and appointed: (i) Zachary Lewy as Lead Plaintiff; and (ii) The Rosen Law Firm, P.A, as Lead Counsel for Lead Plaintiff.

4. WHEREAS, on November 28, 2011, Plaintiffs filed the operative consolidated amended class action complaint ("Complaint") in the United States District Court for the Southern District of New York, against the same Defendants as in the First Complaint, as well as SkyPeople's auditors BDO Limited ("BDO") and Child, Van Wagoner & Bradshaw, PLLC ("CVWB"), alleging: violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder against Defendants SkyPeople, Yongke Xue, Yan and Liu; violations of Section 20(a) of the Exchange Act against all Defendants except for H. Xue, SkyPeople, Rodman & Renshaw, BDO and CVWB; violations of Sections 11 of the Securities Act of 1933 ("Securities Act") against all Defendants except Defendants Fields and H. Xue; violations of Sections 12 of the Securities Act against Defendants SkyPeople and Rodman & Renshaw; violations of Section 15 of the Securities Act against all

Defendants except for SkyPeople, Rodman & Renshaw, BDO and CVWB (the "Litigation").

5. On June 28, 2013, Messrs. Lewy, Padnos, and Klement (the "Proposed Class Representatives") filed a motion to certify classes consisting of:

All persons who purchased shares of SkyPeople Fruit Juice, Inc. between March 31, 2010, and June 1, 2011, inclusively, excluding Defendants, members of the immediate family of each of the Defendants, any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any excluded party.

-and-

All persons who bought shares in, or pursuant and/or traceable to the registration statement of SkyPeople Fruit Juice, Inc., declared effective on August 24, 2010, excluding Defendants, members of the immediate family of each of the Defendants, any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any excluded party.

6. WHEREAS, the Settling Defendants deny any wrongdoing whatsoever, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Settling Defendant with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Settling Defendants have asserted.

7. WHEREAS, in recognition of the attendant risks and costs of continued litigation and the benefits of resolving this litigation, the parties hereto desire to settle and resolve any and all actual or potential claims by, between, or among Proposed Class Representatives, on the one hand, and the Settling Defendants, on the other hand, arising out of or relating to the subject matter of this action (the "Litigation"), which includes all allegations by Plaintiffs in the

Complaint. This Stipulation shall in no event be construed as, or be deemed to be evidence of, an admission or concession on the part of any Settling Defendant with respect to any actual or potential claim, liability, wrongdoing, or damage whatsoever, or any infirmity in the defenses that were or could have been asserted on behalf of the Settling Defendants or any of them.

SkyPeople hereby denies any wrongdoing whatsoever. This Stipulation also shall not be construed as or be deemed to be a concession by the Plaintiffs of any infirmity in the claims asserted in the Litigation. The parties to this Stipulation (the "Settling Parties") wish to settle and compromise any dispute regarding the Litigation or its subject matter, including but not limited to whether the Litigation was filed by the Lead Plaintiff and defended by the Settling Defendants in good faith and with adequate basis in fact under Rule 11 of the Federal Rules of Civil Procedure. The Settling Parties agree that the Litigation is being voluntarily settled after advice of counsel and that the terms of the Settlement are fair, adequate, and reasonable.

8. WHEREAS, the parties to this Stipulation recognize and acknowledge that the Litigation has been filed by Plaintiffs and defended by the Settling Defendants in good faith and with adequate basis in fact under Federal Rule of Civil Procedure 11, and that the Litigation is being voluntarily settled after work with a mediator and on advice of counsel.

9. WHEREAS, Lead Plaintiff's Counsel, on behalf of Plaintiffs, has conducted an investigation relating to the claims alleged in the Litigation and has analyzed the facts and the law applicable to the claims of the Plaintiffs against the Settling Defendants and the potential defenses thereto, which in the Proposed Class Representatives' judgment has provided an adequate and satisfactory basis for the evaluation of an agreement to settle, as described herein.

10. WHEREAS Plaintiffs' Counsel, Settling Defendants' Counsel, and Settling Defendants engaged in extensive mediation with mediators David Geronemus and Jed Melnick at JAMS, including all-day mediation sessions in-person on September 25, 2012, before David

Geronemus, and on July 25, 2013, before Jed Melnick, and they have conducted extensive discussions and arm's-length negotiations with each other in an attempt to reach a compromise and settlement of the Litigation.

11. WHEREAS, based upon their investigation, with the advice of Lead Plaintiff's Counsel, Proposed Class Representatives have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate as to the Class, and in the Class Members' best interests, and have agreed to settle the claims raised in the Litigation pursuant to the terms and provisions of this Stipulation, after considering: (i) the substantial benefits that the members of the Class will receive from settlement of the Litigation, (ii) the attendant risks of going forward with Litigation, and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation.

12. WHEREAS, the Settling Parties stipulate, subject to the terms of this Stipulation, and for the sole purpose of creating a settlement class, that the Litigation shall be certified for class treatment under Rule 23 of the Federal Rules of Civil Procedure.

13. AND WHEREAS, the Settlement Stipulation may be offered into evidence to enforce its terms. Neither this Settlement Stipulation, nor the fact of its execution, nor any of its provisions, shall be offered or received in evidence in any action or proceeding of any nature or otherwise referred to or used in any manner in any court or other tribunal to establish any allegation of liability or wrongdoing by the Settling Defendants other than to establish their potential breach of this Settlement Stipulation.

14. NOW THEREFORE, without any admission or concession on the part of the Plaintiffs of any lack of merit of the Litigation whatsoever, and without any admission or concession on the part of Settling Defendants of any liability or wrongdoing or lack of merit in their defenses whatsoever, it is hereby STIPULATED AND AGREED, by and among the

Settling Parties, through their respective attorneys, subject to approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, in consideration of the benefits flowing to the Settling Parties from the Settlement, that this case shall be settled, and dismissed with prejudice and (except as hereafter provided) without costs as to Proposed Class Representatives or Settling Defendants, subject to the approval of the Court, and subject to the following terms and conditions:

A. CERTAIN DEFINITIONS

As used in this Stipulation, the following terms have these meanings:

1. "Attorneys' Fees and Expenses" means the portion of the Gross Settlement Fund approved by the Court for payment to Plaintiffs' Counsel, including attorneys' fees, costs, litigation expenses, fees and expenses of experts (excluding Notice and Administration Expenses), and such attorneys' fees and expenses expended or incurred by counsel working under the direction of Lead Plaintiff's Counsel.
2. "Authorized Claimant" means any Claimant whose claim for recovery has been allowed by the Claims Administrator pursuant to the terms of this Stipulation or by order of the Court.
3. "Claimant" means any Class Member who files a Proof of Claim and Release (as defined below) in such form and manner, and within such time, as set forth in this Stipulation, or as the Court shall prescribe.
4. "Claims Administrator" means Strategic Claim Services, which will administer the Settlement, disseminate notice to the Class, and review and make decisions on approvals of Proofs of Claim, among other work.
5. "Class" and "Class Members" mean, for purposes of this Settlement, all persons or entities who purchased the publicly traded common stock of SkyPeople from March 31, 2010

through June 1, 2011, and persons who bought shares in, or pursuant and/or traceable to the registration statement of SkyPeople Fruit Juice, Inc., declared effective on August 24, 2010, and who were damaged thereby. Excluded from the Class are:

a. Defendants, all present and former officers and/or directors of SkyPeople; and the members of such excluded persons' immediate families and their heirs, successors and assigns, any person, firm, trust, corporation, officer, director, or other individual or entity in which any excluded person has a controlling interest or which is related to or affiliated with any of the excluded persons, and all such excluded persons' successors-in-interest or assigns;

b. Those persons who file valid and timely requests for exclusion in accordance with the Court's Order Preliminarily Approving Settlement and Providing For Notice ("Preliminary Approval Order") concerning this Stipulation as set forth in Exhibit A.

6. "Class Distribution Order" means the order entered by the Court, upon application of Lead Plaintiff's Counsel following the occurrence of the events identified in subparagraph D.14 below, which authorizes the Claims Administrator to distribute the Net Settlement Fund to the Class.

7. "Class Period" means the period from March 31, 2010 through June 1, 2011.

8. "Court" means the Honorable P. Kevin Castel, United States District Judge for the Southern District of New York, or any successor judge appointed to this case.

9. "Defendants" means, collectively, the Settling Defendants and the Non-Released Defendants.

10. "Effective Date" means the date on which all of the conditions set forth below in subparagraph O.1 shall have been satisfied and the Court's Order and Final Judgment,

substantially in the form of Exhibit B hereto, becomes "Final," which shall be deemed to be when either of the following has occurred: (i) if an appeal or review is not sought by any person from the Order and Final Judgment, the day following the expiration of the time to appeal from or petition for review of the Order and Final Judgment (including any extension of time under FRAP 4(a)(5) plus three days for mailing); or (ii) if an appeal or review is sought from the Order and Final Judgment, the day after such Order and Final Judgment is affirmed, or the appeal or review is dismissed or denied, and such Order and Final Judgment is no longer subject to further judicial review (including the expiry of any extension of time under FRAP 4(a)(5) plus three days for mailing).

11. "Escrow Account" means the bank account maintained by the Escrow Agent. The Escrow Account will be managed by the Escrow Agent for the benefit of Plaintiffs and the Class until the Effective Date of the Settlement.

12. "Escrow Agent" means The Rosen Law Firm, P.A., or its duly appointed agent(s).

13. "Gross Settlement Fund" means the Settlement Amount plus all interest earned thereon.

14. "Individual Defendants" means Yongke Xue, Hongke Xue, Xiaoqin Yan, Spring Liu, Norman Ko, Robert B. Fields, Guolin Wang and John Smagula.

15. "Lead Plaintiff" means Zachary Lewy.

16. "Lead Plaintiff's Counsel" means The Rosen Law Firm, P.A.

17. "Litigation" means the consolidated action styled *Paul Kubala v. SkyPeople Fruit Juice, Inc., et al.*, No. 11-cv-2700-PKC, pending in the United States District Court for the Southern District of New York.

18. "Net Settlement Fund" means the Gross Settlement Fund, less: (i) Attorneys' Fees and Expenses and awards to Plaintiffs; and (ii) Notice and Administration Expenses.

19. "Non-Released Defendants" means Rodman & Renshaw, LLC, BDO Limited, and Child, Van Wagoner & Bradshaw, PLLC.

20. "Notice and Administration Account" means the account to be established by an advance of \$100,000 from the Gross Settlement Fund, which will be paid from the Gross Settlement Fund and which may be drawn upon by Lead Plaintiff's Counsel for Notice and Administration Expenses without further order of the Court. Any part of the \$100,000 paid into the Notice and Administration Account not used for the payment of such expenses shall be returned to the Net Settlement Fund for distribution. If the Notice and Administration Expenses are greater than \$100,000, any additional amount needed to pay them may, with Court approval, be paid from the Gross Settlement Fund to the Notice and Administration Account in order to cover the deficiency.

21. "Notice and Administration Expenses" means all expenses incurred (whether or not yet paid) in connection with the preparation, printing, mailing, and publication of the Notice to the Class of the proposed Settlement; all of the Claims Administrator's fees and expenses including those for determination of the amounts payable to Class Members and distribution of such amounts to Class Members; all Taxes and Tax Expenses (including any indemnification for any Taxes and Tax Expenses); and all other expenses of the Settlement; provided, however, that none of these expenses shall be deemed to include Attorneys' Fees and Expenses. The sum of \$100,000 paid into the Notice and Administration Account in accordance with subparagraph A.20, above, shall be used to pay for Notice and Administration Expenses.

22. "Notice Date" means the date on which the Proposed Class Representatives cause the Claims Administrator to mail, by first-class mail, postage prepaid, a copy of the Notice and Proof of Claim to each member of the Class who can be identified by reasonable effort. The Notice Date must occur within fifteen (15) calendar days after the entry of the Preliminary

Approval Order by the Court.

23. "Order and Final Judgment" means the Order and Final Judgment entered by the Court, finally approving the Settlement and dismissing the Litigation as against all Settling Defendants with prejudice and without costs to any party substantially in the form set forth hereto as Exhibit B.

24. "Person" means any individual, corporation, partnership, limited liability partnership, limited partnership, professional corporation, association, affiliate, joint stock company, trust, estate, unincorporated association, government or any political subdivision or agency thereof, any other type of legal or political entity, any legal representative, and as applicable their respective spouses, heirs, predecessors, successors, representatives, or assignees.

25. "Plan of Allocation" means the plan for allocating the Net Settlement Fund (as set forth in Exhibit C, the Notice of Pendency and Proposed Settlement of Class Action (the "Notice")).

26. "Plaintiffs' Counsel" means The Rosen Law Firm, P.A., and Federman & Sherwood, LLP.

27. "Proposed Class Representatives" means Zachary Lewy, Eric Klement and Benjamin L. Padnos.

28. "Released Parties" means the Settling Defendants, and any of their current, former or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, advisors, accountants, insurers, associates and/or any other individual or entity in which any Settling Defendants has a controlling interest. The Released Parties do not include the Non-Released Defendants.

29. "Settled Claims" means any and all claims, debts, demands, liabilities, rights and

causes of action of every nature and description whatsoever (including but not limited to any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether suspected or unsuspected, asserted or unasserted, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including both known claims and Unknown Claims, (i) that have been alleged or asserted in the Litigation by the Plaintiffs and/or Class Members or any of them against any of the Settling Defendants; or (ii) that could have been alleged or asserted in the Litigation, or in any other action or forum, including but not limited to any claim arising out of or relating to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Litigation or otherwise alleged or asserted in the Litigation; provided, however, that Settled Claims do not include any claims to enforce any of the terms of this Stipulation or of the Order and Final Judgment.

30. "Settling Defendants" means SkyPeople, Y. Xue, H. Xue, Yan, Liu, Ko, Smagula, Wang, and Fields.

31. "Settling Defendants' Claims" means all claims, demands, rights, duties, remedies, liabilities and causes of action of every nature and description whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known and Unknown Claims, that have been or could have been asserted in the Litigation by Defendants or the successors and assigns of any of them against the Plaintiffs, any Class Member or any of their attorneys, which arise out of or relate in any way to the institution, prosecution or Settlement of this Litigation or the Settled Claims, including but not limited to all claims for malicious prosecution or sanctions; provided, however, that Settling Defendants' Claims do not include any claims to enforce any of the terms of this Stipulation or of the Order and Final

Judgment, and any claims that could be asserted in response to such a claim to enforce;

32. "Settling Defendants' Counsel" means the law firm Winston & Strawn LLP.

33. "Settlement" means the settlement contemplated by this Stipulation.

34. "Settlement Amount" means \$2,200,000 in cash.

35. "Settlement Hearing" means the hearing to be held by the Court to determine: (i) whether the proposed Settlement should be approved as fair, reasonable and adequate; (ii) whether all Settled Claims should be dismissed with prejudice; (iii) whether an order approving the Settlement should be entered thereon; (iv) whether the Plan of Allocation of the Net Settlement Fund should be approved; and (v) whether the application for an award of Attorneys' Fees and Expenses and award to Plaintiffs should be approved.

36. "Settling Parties" means the Proposed Class Representatives, Class Members and the Settling Defendants.

37. "Unknown Claims" means any Settled Claim which Plaintiffs or any member of the Class does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it, might have affected his, her or its decision with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement, and any Settling Defendants' Claims which any Settling Defendant does not know or expect to exist in his, her or its favor, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settling Defendants' Claims, the Parties stipulate and agree that upon the Effective Date, the Plaintiffs and Defendants shall expressly waive, and each Class Member shall be deemed to have and by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542,

which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

B. SCOPE AND EFFECT OF SETTLEMENT

1. The obligations incurred pursuant to this Stipulation shall be in full and final disposition of the Litigation and any and all Settled Claims as against all Released Parties and any and all Settling Defendants' Claims as against the Plaintiffs, the Class Members, or their attorneys.

2. Pursuant to the Order and Final Judgment, upon the Effective Date of this Settlement, the Plaintiffs and all Class Members, on behalf of themselves, their current and former heirs, executors, administrators, successors, attorneys, legal representatives, and assigns, shall be deemed to have released and to have forever relinquished and discharged the Released Parties from and with respect to the Settled Claims, whether or not such Class Members execute and deliver a Proof of Claim.

3. Pursuant to the Order and Final Judgment, upon the Effective Date of this Settlement, each of the Settling Defendants, on behalf of themselves and the Released Parties, shall be deemed to have released and to have forever relinquished and discharged each and every one of the Defendants' Claims as against the Plaintiffs, any of the Class Members, or their attorneys.

4. Pursuant to the Order and Final Judgment, upon the Effective Date of this Settlement, the Settling Parties, and anyone acting or purporting to act for any of them, shall be permanently and forever enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of, any Settled Claims and Settling Defendants' Claims.

C. THE SETTLEMENT CONSIDERATION

1. Subject to the terms of this Stipulation, the Settling Defendants shall pay the Settlement Amount into the Escrow Account within fifteen (15) business days after the Court issues the Preliminary Approval Order, provided that Plaintiffs have by then provided Settling Defendants and their insurer with complete payee information, including Tax Identification Number, an executed W-9 and, if appropriate, wiring information. The Settling Defendants shall be jointly and severally liable for payment of the Settlement Amount.

2. After all administrative determinations are made by the Claims Administrator with regard to the filings made by Class Members, the Net Settlement Fund shall be distributed to the Authorized Claimants.

3. Any sums required to be held in escrow hereunder shall be held by the Escrow Agent for the benefit of Plaintiffs and the Class. All funds held by the Escrow Agent shall be deemed to be in custodia legis and shall remain subject to the jurisdiction of the Court until such time as the funds are distributed or returned pursuant to this Stipulation and/or further order of the Court. The Escrow Agent shall not disburse the Gross Settlement Fund, or any portion thereof, except as provided in this Stipulation, or upon Order of the Court.

4. The Escrow Agent shall invest the Settlement Amount in an investment that is secured by the full faith and credit of the United States (whether in direct investments or a mutual fund, money market fund, or other fund of such federally-guaranteed investments) or is collateralized by investment securities including United States government securities, United States government agency securities or United States agency mortgage-backed securities, and shall collect and reinvest all interest accrued thereon. The Released Parties and Settling Defendants' Counsel will take no position on and will have no rights with regard to or liability for the management, investment or distribution of the Gross Settlement Fund or Net Settlement

Fund or any losses suffered by, or fluctuations in the value of them; provided, however, that nothing herein limits Settling Defendants' rights to receive repayment of the Gross Settlement Fund if there is not an Effective Date and the Settlement does not become Final. Lead Plaintiff's Counsel will maintain in liquid investments such amounts of the Gross Settlement Fund as it deems necessary to pay the Notice and Administration Expenses. Interest earned on the money deposited into the Escrow Account will be part of the Gross Settlement Fund.

5. The Notice and Administration Expenses shall be paid from the Notice and Administration Account. The Notice and Administration Account may be drawn upon for payment of Notice and Administration Expenses upon Lead Plaintiff's Counsel's review and approval and without prior Court approval.

6. After the Effective Date, Settling Defendants shall have no interest in the Gross Settlement Fund or in the Net Settlement Fund and no funds will be returned to Settling Defendants. The Settlement is non-recapture, i.e., it is not a claims-made settlement. Any undistributed money from the Settlement Fund that cannot be distributed cost effectively to a Class Member shall be donated to one or more non-sectarian, not-for-profit 501(c)(3) organization(s) designated by Lead Plaintiff's Counsel.

**D. ADMINISTRATION AND CALCULATION OF CLAIMS,
FINAL AWARDS AND DISTRIBUTION OF NET SETTLEMENT
FUND**

1. The Parties have agreed that Strategic Claims Services shall serve as the Claims Administrator.

2. The Claims Administrator shall administer and calculate the claims of Class Members that it determines should be allowed and oversee distribution of the Net Settlement Fund, under the supervision of Lead Plaintiff's Counsel, and subject to appeal to, and jurisdiction

of, the Court. Neither the Settling Defendants nor Settling Defendants' Counsel shall have any rights with regard to, or liability, obligation or responsibility for, the administration of the Gross Settlement Fund or Net Settlement Fund or the distribution of the Net Settlement Fund, and shall not comment thereon or on the Claims Administrator's determinations on Proofs of Claim.

3. Except as otherwise provided below, the Gross Settlement Fund shall be applied as follows:

a. To the extent not already paid, to pay, without prior order of the Court, the Notice and Administration Expenses;

b. To pay any award of Attorneys' Fees and Expenses; and then

c. Subject to the approval and further order(s) of the Court, the Net Settlement Fund shall be allocated to Authorized Claimants as set forth in paragraph F below.

4. Each Class Member wishing to participate in the Settlement shall be required to submit a Proof of Claim and Release (in substantially the form set forth in Exhibit D, which *inter alia* releases all Settled Claims against all Released Parties) (the "Proof of Claim"), signed under penalty of perjury by the beneficial owner(s) of the SkyPeople securities that are the subject of the Proof of Claim or by someone with documented authority to sign for the beneficial owners as specified in the instructions accompanying the Proof of Claim (which will not require notarization).

5. All Proofs of Claim must be postmarked or received within 75 calendar days after the Notice Date, unless otherwise ordered by the Court. Any Class Member who fails to submit a properly completed Proof of Claim within the period authorized by the Court shall be forever barred from receiving any payments pursuant to this Stipulation or from the Net Settlement Fund (unless, by Order of the Court, a later-submitted Proof of Claim by such Class Member is

approved), but will in all other respects be subject to the provisions of this Stipulation and the Order and Final Judgment, including, without limitation, the release of the Settled Claims and dismissal of the Litigation. A Proof of Claim shall be deemed to have been submitted when posted, if received with a legible postmark on the envelope and if mailed by first-class or other posted mail and addressed in accordance with the instructions thereon; in all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

6. Each Proof of Claim shall be submitted to the Claims Administrator who shall determine, in accordance with this Stipulation and any applicable orders of the Court, the extent, if any, to which each claim should be allowed, subject to appeal to the Court.

7. Lead Plaintiff's Counsel shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Proofs of Claim, in the interest of achieving substantial justice.

8. Proofs of Claim that do not meet the filing requirements may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator shall communicate with the Claimant in order to allow him/her/it to remedy curable deficiencies in the Proof of Claim submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all Claimants whose Proofs of Claim it proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose claims are to be rejected has the right to review by the Court if the Claimant so desires and complies with the requirement of subparagraph D.9 below. For each claim determined to be either deficient or rejected, the Claims Administrator shall send a deficiency letter or rejection letter as appropriate, describing the basis on which the claim was so determined. Persons who timely submit a Proof of Claim that is deficient or otherwise rejected shall be afforded a reasonable time (at least ten (10) calendar days) to cure

such deficiency if it shall appear that such deficiency may be cured.

9. If any Claimant whose claim has been rejected in whole or in part wishes to contest such rejection, the Claimant must, within thirty (30) calendar days after the date of mailing of the notice required by subparagraph D.8 above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's ground for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Plaintiff's Counsel shall thereafter present the request for review to the Court.

10. The administrative determinations of the Claims Administrator accepting and rejecting claims shall be presented to the Court for its approval.

11. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proofs of Claim, nor shall any discovery from or of Settling Defendants be allowed on any topic.

12. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but are otherwise bound by all of the terms of the Order and Final Judgment entered in the Litigation and the releases provided for herein, and will be barred from bringing any action against the Released Parties concerning the Settled Claims.

13. All proceedings with respect to the administration, processing and determination of claims described by this paragraph of this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the

validity of claims, shall be subject to the exclusive jurisdiction of the Court.

14. The Net Settlement Fund shall be distributed to Authorized Claimants only after: (i) all claims have been processed, and all Claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to appeal to the Court such rejection or disallowance; (ii) all objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; and (iii) all matters with respect to Attorneys' Fees and Expenses, awards to the Plaintiffs and Notice and Administration Expenses have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired; and (iv) all Notice and Administration Expenses have been paid or set aside.

15. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks and in no event earlier than one (1) year after the initial distribution of such funds, Lead Plaintiff may file a motion with the Court, with notice to all Parties, seeking permission to contribute any balance remaining in the Net Settlement Fund to one or more non-sectarian, not-for-profit organization(s) exempt under Section 501(c)(3) of the Internal Revenue Code designated by Lead Plaintiff's Counsel.

16. Prior to distribution of the Settlement Amount by the Claims Administrator, each of the Settling Defendants shall receive a list of the Proofs of Claim that have been allowed by the Claims Administrator.

E. TAX TREATMENT AND PAYMENTS

1. The Settling Parties agree that the Gross Settlement Fund is intended to be, and will be treated at all times as, a qualified settlement fund within the meaning of Treasury

Regulation § 1.468B-1 and Section 468B of the Internal Revenue Code, as amended, for the taxable years of the Gross Settlement Fund, beginning with the date it is created. In addition, the Escrow Agent and, as required, the Settling Defendants, shall jointly and timely make such elections as are necessary or advisable to carry out the provisions of this paragraph, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1(j)(2)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Claims Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

2. For purposes of Section 468B of the Internal Revenue Code, as amended, and the regulations promulgated thereunder, the "administrator" shall be the Claims Administrator, who shall timely and properly file all tax returns necessary or advisable with respect to the Gross Settlement Fund, and make all required tax payments, including deposits of estimated tax payments in accordance with Treas. Reg. § 1.468B-2(k). Such returns (as well as the election described in subparagraph E.1 hereof) shall be consistent with this paragraph and reflect that all Taxes and Tax Expenses (including any interest or penalties) on the income earned by the Gross Settlement Fund shall be paid out of the Gross Settlement Fund as provided in subparagraph E.3 hereof.

3. All (i) taxes (including any interest or penalties) arising with respect to the income earned by the Gross Settlement Fund, and (ii) expenses and costs incurred in connection with the operation and implementation of this paragraph (including without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing, or failing to file, the returns described in this paragraph) ("Taxes and Tax Expenses"), shall be paid out of the Gross Settlement Fund without prior approval of the Court, because they

are (as noted above) a Notice and Administration Expense. The Escrow Agent shall be obligated to withhold from distribution to Class Members any funds necessary to pay such amounts including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. § 1468B-2(l)(2)). The Settling Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

4. The Settling Defendants shall have no liability for or obligations with regard to Taxes and Tax Expenses.

5. Proposed Class Representatives and Lead Plaintiff's Counsel shall have no liability for or obligations with regard to Taxes and Tax Expenses. The Gross Settlement Fund shall indemnify and hold each of the Proposed Class Representatives and Plaintiffs' Counsel, and each of their Released Parties harmless for any Taxes and Tax Expenses (including, without limitation, taxes payable by reason of such indemnification).

F. ALLOCATION OF NET SETTLEMENT FUND

1. The Plan of Allocation is based upon Lead Plaintiff's Counsel's and its expert's assessment of the merits and the relative strengths and weaknesses, including recoverable damages, of the claims of the Class Members.

2. The Released Parties do not take any position as to the proposed Plan of Allocation and shall have no responsibility for and no obligations or liabilities of any kind whatsoever in connection with the Plan of Allocation or the determination of or administration and calculations under that Plan.

3. The Released Parties shall have no involvement in the solicitation, or review, of Proofs of Claim, or involvement in the administration process itself, which will be conducted by the Claims Administrator in accordance with this Stipulation and the orders entered by the Court.

4. No Class Member shall have any claim against Plaintiffs, Plaintiffs' Counsel, or the Claims Administrator based on, or in any way relating to, the distributions from the Net Settlement Fund that have been made substantially in accordance with this Stipulation and any applicable orders of the Court.

5. No Class Member shall have any claim against Settling Defendants, Settling Defendants' Counsel or any of the Released Parties based on, or in any way relating to, the administration of or distributions from the Net Settlement Fund.

6. Any Plan of Allocation is neither part of this Stipulation nor a necessary term or condition of the Settlement. For this reason, the approval of, or any change in, any Plan of Allocation or the allocation of the Net Settlement Fund ordered by the Court shall be deemed severable from, and shall not affect, the validity or finality of this Settlement.

G. OBLIGATIONS OF AND LIMITATIONS OF LIABILITY OF ESCROW AGENT

1. The Escrow Agent shall not be responsible for the payment of any sums due to Authorized Claimants except to the extent of maintaining account of and appropriately paying sums as required by this Stipulation, but only to the limited extent that such sums have been delivered into the Escrow Account as required by this Stipulation. If Lead Plaintiff's Counsel is appointed as Escrow Agent, the assumption of duties as Escrow Agent shall not preclude Lead Plaintiff's Counsel from continuing to represent, as the case may be, Plaintiff or Class Members.

H. LEAD PLAINTIFF'S COUNSEL'S REQUEST FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES

1. Lead Plaintiff's Counsel intends to submit an application to the Court for the payment of Attorneys' Fees and Expenses, including (i) an award of attorneys' fees up to 33^{1/3}% of the Gross Settlement Fund; and (ii) reimbursement of litigation costs and expenses, plus

interest, including fees and expenses of experts, incurred in connection with the prosecution of the Litigation. Lead Plaintiff's Counsel also intends to seek awards to Plaintiffs in an amount not to exceed \$10,000 in total for their contributions to the Litigation. All such amounts shall be paid from the Gross Settlement Fund. Lead Plaintiff's Counsel reserves the right to make additional application or applications for payment from the Gross Settlement Fund for fees and expenses incurred after the Settlement Hearing. Defendants now take and will take no position on any application concerning Lead Plaintiff's Counsel's request for Attorneys' Fees and Expenses and awards to Plaintiffs

2. Any Attorneys' Fees and Expenses and awards to Plaintiffs as are awarded by the Court shall be paid solely from the Gross Settlement Fund to Lead Plaintiff's Counsel or Plaintiffs upon entry of the Court's order awarding Attorneys' Fees and Expenses and awards to Plaintiffs (which order will be separate from the Order and Final Judgment), C.1. The Released Parties shall have no other or further obligation to pay any Class Member or Lead Plaintiff's Counsel for fees or expenses in connection with the Litigation or this Agreement, except as expressly provided for in this Agreement. If the Effective Date does not occur, or the Order and Final Judgment is reversed or modified in any way that affects the award of Attorneys' Fees and Expenses, or the Stipulation is terminated for any other reason, then Lead Plaintiff's Counsel and each Plaintiffs' Counsel law firm receiving fees or expenses under this provision shall, within ten (10) business days of receiving notice from Settling Defendants' Counsel or from a court of appropriate jurisdiction, refund to the Escrow Account or Settling Defendants as appropriate, either the full amount of the fees and expenses previously received by it pursuant to these provisions or an amount consistent with any modification of the order with respect to Attorneys' Fees and Expenses Lead Plaintiff's Counsel and any other Plaintiffs' Counsel that receives fees and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that the law

firm and its partners and/or shareholders are subject to jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph, and each shall be jointly and severally liable for repayment of all Attorneys' Fees and Expenses awarded by the Court. Lead Plaintiff's Counsel shall allocate the attorneys' fees and expense awards amongst Plaintiffs' Counsel in a manner which Lead Plaintiff's Counsel in good faith believes reflects the contributions of each such counsel to the prosecution and settlement of the action.

3. It is agreed that the procedure for, and the allowance or disallowance by the Court of, any applications by Lead Plaintiff's Counsel for the Attorneys' Fees and Expenses and awards to Plaintiffs, including fees for experts and consultants to be paid out of the Gross Settlement Fund, and any order or proceeding relating thereto, are not terms of nor a condition of this Settlement. For this reason, the allowance, disallowance, or any other Court order with respect to, Attorneys' Fees and Expenses and awards to Plaintiffs (and any appeal from, or any other form of review of, any order with respect to Attorneys' Fees and Expenses) shall not operate to terminate or cancel this Stipulation or affect its finality, and shall have no effect on the terms of this Stipulation or on the enforceability of this Settlement or of the Order and Final Judgment (including, without limitation, the releases contained therein).

I. RELEASE

1. Effective upon the Effective Date, Proposed Class Representatives, the Class and Class Members hereby fully, finally and forever release, relinquish, acquit, and discharge the Released Parties from the Settled Claims. As limited by the rights of the Settling Parties set forth in paragraph P below, the Final Judgment shall dismiss with prejudice all Claims contained in the Complaint against the Settling Defendants. Such release shall be expressly conditioned upon satisfaction of Settling Defendants' payment obligation pursuant to subparagraph C.1 above.

2. Effective upon the Effective Date, with respect to any and all Settled Claims, Proposed Class Representatives, the Class and Class Members hereby expressly waive the provisions, rights and benefits of California Civil Code § 1542 and any provisions, rights and benefits conferred by any law of any state or territory of the United States or principle of common law which is similar, comparable or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor.

3. Proposed Class Representatives, the Class or Class Members may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Settled Claims, but Proposed Class Representatives, the Class and Class Members hereby fully, finally and forever settle and release any and all Settled Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

4. Effective upon the Effective Date, the Settling Defendants hereby fully, finally and forever release, relinquish, acquit and discharge Plaintiffs, any Class Member or any of their attorneys, from the Settling Defendants' Claims. Nothing contained herein shall release the Proposed Class Representative, Class Counsel, and the Settling Defendants from any obligations under this Agreement. Nothing contained herein shall release any claim the Settling Defendants may have against any entity or party other than Plaintiffs, any Class Member or any of their

attorneys. Nothing contained herein shall release any claim the Proposed Class Representatives and Class Members may have against any entity or party other than the Released Parties.

J. LIMITATION ON CLAIMS AGAINST RELEASED PERSONS

The Settling Parties have negotiated the following bar order to be included in substantially the following form in the Final Judgment:

The Released Parties are by virtue of the Agreement hereby released and discharged from all claims for contribution, whether direct or derivative, that have been or may hereafter be brought by any person or entity, whether arising under state, federal or common law as claims, cross-claims, counterclaims, or third-party claims, based upon, arising out of, relating to, or in connection with the Settled Claims. Accordingly, to the full extent provided under the law, the Court hereby bars all claims for contribution, except claims for any contractual right for advancement and reimbursement for costs and fees incurred in defending the Litigation, by other alleged joint tortfeasors: (a) against the Released Parties; (b) by the Released Parties against any person or entity whose liability to the Class has been extinguished pursuant to the Agreement; and (c) by the Released Parties against the Non-Released Defendants.

K. NOTICE

1. Within fifteen (15) calendar days after the entry of the Preliminary Approval Order by the Court (the “Notice Date”), the Proposed Class Representatives shall cause the Claims Administrator to mail, by first-class mail, postage prepaid, a copy of the Notice and Proof of Claim to each member of the Class who can be identified by reasonable effort. The Notice shall be substantially in the form attached hereto as Exhibit C. Lead Plaintiff’s Counsel shall cause the Claims Administrator to publish the Notice on its website. Within fourteen (14) calendar days after the Notice Date, a summary notice substantially in the form of Exhibit E will be published once in the national edition of *Investor’s Business Daily* and once over *GlobeNewswire*. The cost of providing such notice shall constitute Notice and Administrative Expenses and be paid out of the Notice and Administration Account. Subject to the requirements of the Preliminary Approval Order, Lead Plaintiff’s Counsel shall submit to the Court affidavits

demonstrating the adequacy of its efforts to provide notice to the Class Members. The Settling Defendants shall have no responsibility with respect to the tasks enumerated or described in this paragraph.

L. OBJECTIONS AND REQUESTS FOR EXCLUSION

1. Any Class Member who intends to object to the fairness of the Settlement must do so no later than twenty-one (21) calendar days before the Settlement Hearing. In order to object, the Class Member must file with the Court, and provide a copy to Lead Plaintiff's Counsel and Settling Defendants' Counsel, a document that includes the following: (a) the name, address, telephone number and e-mail address of the Person objecting and, if represented by counsel, of his, her or its counsel; (b) specifically and in writing, all objections; (c) whether he, she or it intends to appear at the Settlement Hearing, either with or without counsel; and (d) a statement of his, her or its membership in the Class. Any Class Member who fails to timely file and serve a written objection and notice of his, her or its intent to appear at the Settlement Hearing pursuant to this paragraph shall not be permitted to object to the approval of the Settlement at the Settlement Hearing and shall be foreclosed from seeking any review of the Settlement or the terms of the Agreement by appeal or other means, unless given special permission by the Court.

2. Eligible Persons requesting exclusion from the Class shall be requested to provide the following information to the Claims Administrator: (i) name, (ii) address, (iii) telephone number, (iv) number of SPU Securities purchased (or otherwise acquired) or sold during the Class Period, (v) prices or other consideration paid or received for such SPU Securities, and (vi) the date of each transaction. Unless otherwise ordered by the Court, any member of the Class who does not submit a timely Proof of Claim or written request for exclusion as provided by this paragraph shall be bound by the Agreement, even if he, she or it has pending, or subsequently initiates, litigation, arbitration or any other proceeding, or has any Claim against any Released Party relating to any Settled Claim. Lead Plaintiff's Counsel and Settling Defendant's Counsel

shall request that the deadline for submitting Requests for Exclusion from this Litigation be set twenty-eight (28) calendar days prior to the Settlement Hearing.

3. The Claims Administrator shall scan and send electronically copies of all Requests for Exclusion from and objections to the Class settlement in PDF format (or such other format as shall be agreed) to counsel for each of the Settling Defendants and to Lead Plaintiff's Counsel expeditiously after the Claims Administrator receives such Requests for Exclusion or Objections.

4. As part of their reply papers in support of their motion for final approval of the settlement of the Litigation, Lead Plaintiff's Counsel will provide a list of all the Persons who have requested exclusion from the Class and all of the information provided to the Claims Administrator under paragraph L.1. of this Agreement for those persons requesting exclusion, and shall certify that all Requests for Exclusion received have been copied and provided to Settling Defendants' Counsel.

M. THE PRELIMINARY APPROVAL ORDER

1. Promptly after execution of this Stipulation, Lead Plaintiff's Counsel shall submit the Stipulation and its exhibits to the Court and shall apply for entry of a Preliminary Approval Order substantially in the form annexed hereto as Exhibit A, providing for, among other things, preliminary approval of the Settlement and notice to the Class of the Settlement Hearing. The Preliminary Approval Order shall contain exhibits substantially in the form set forth in (i) the Notice of Pendency and Proposed Settlement of Class Action (the "Notice") (Exhibit C); (ii) the Summary Notice of Pendency and Proposed Class Action Settlement (the "Summary Notice") (Exhibit E); and (iii) the Proof of Claim.

2. Settling Defendants and any and all issuers, securities firms or transfer agents holding transfer records which indicate the legal owners of SkyPeople common stock currently

or during the Class Period will produce such transfer records in a usable electronic format to Lead Plaintiff's Counsel or the Claims Administrator within fourteen (14) calendar days of entry of the Preliminary Approval Order.

N. ORDER AND FINAL JUDGMENT TO BE ENTERED BY THE COURT APPROVING THE SETTLEMENT

Not less than thirty-five (35) calendar days prior to the Settlement Hearing, the Settling Parties shall file a motion seeking to have the Court enter an Order and Final Judgment substantially in the form of Exhibit B hereto. Reply papers addressing Objections and/or Requests for Exclusion shall be filed not less than seven (7) calendar days prior to the Settlement Hearing.

O. CONDITIONS OF SETTLEMENT

1. The Effective Date of the Settlement shall be conditioned upon the occurrence of all of the following events:

a. The Court shall enter the Preliminary Approval Order in all material respects, as required by paragraph M.1 above;

b. The Settling Parties shall not have exercised within the required time period their right to terminate the Settlement as permitted by paragraph P below;

c. The Court shall enter the Order and Final Judgment in all material respects, as required by paragraph N above;

d. The Court's Order and Final Judgment, substantially in the form of Exhibit B, shall have become "Final," as defined in subparagraph A.10; and

e. Settling Defendants shall have paid the sum of \$2,200,000 (Two Million, Two Hundred Thousand Dollars) in accordance with subparagraph C.1 above.

2. Upon occurrence of all of the events set forth in subparagraph O.1 above, the

obligation of the Escrow Agent to return funds from the Gross Settlement Fund to Settling Defendants' pursuant to paragraph P or any other provision hereof shall be absolutely and forever extinguished.

P. RIGHTS OF TERMINATION AND EFFECTS THEREOF

1. Counsel for each of the Settling Defendants and Lead Plaintiff's Counsel each shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice") to all other counsel of the Settling Parties hereto within thirty calendar days of any of these events:

- a. the Court issues an order declining to enter the Preliminary Approval Order in any material respect;
- b. the Court issues an order refusing to approve this Stipulation or any material part of it (except with respect to any decision by the Court concerning Attorneys' Fees and Expenses or awards to Plaintiffs);
- c. the Court declines to enter the Order and Final Judgment in all material respects as required by paragraph N above;
- d. the Order and Final Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court; or
- e. the Court having entered an Order and Final Judgment in a form other than that provided above (an "Alternative Judgment") and none of the Parties hereto having elected to terminate this Settlement, such Alternative Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court.

2. If Settling Defendants fail to pay the Settlement Amount pursuant to the terms of this Stipulation, then the Settling Defendants shall not be permitted to terminate the Settlement and this Stipulation pursuant to preceding subparagraphs P.1.c or P.1.d.

3. If, prior to the Settlement Hearing, Persons who otherwise would be Class Members have filed with the Court valid and timely requests for exclusion ("Requests for Exclusion") from the Class (excluding any Requests for Exclusion that may have been validly retracted) in accordance with the provisions of the Preliminary Approval Order and the notice given pursuant thereto, and such Persons in the aggregate purchased SkyPeople stock during the Class Period in an amount greater than the amounts specified in a separate Supplemental Exclusion Agreement between the parties (the "Supplemental Exclusion Agreement"), SkyPeople, in its sole and absolute discretion, shall have the option to terminate this Stipulation and the Settlement in strict accordance with the requirements and procedures set forth in the Supplemental Exclusion Agreement ("Opt-out Termination Option"). Unless the Court orders otherwise, the Supplemental Exclusion Agreement will not be filed with the Court unless and until a dispute among the parties concerning its interpretation or application arises, and then will be filed under seal. If required by the Court, the Supplemental Exclusion Agreement and/or any of its terms may be disclosed *in camera* to the Court for purposes of approval of the Settlement. Any filing or such disclosure of the Supplemental Exclusion Agreement shall be carried out to the fullest extent possible in accordance with the practices of the Court so as to preserve the confidentiality of the Supplemental Exclusion Agreement, particularly the threshold aggregate number of shares discussed therein. The Proposed Class Representatives and Lead Plaintiff's Counsel shall have the right to seek a retraction of any Request for Exclusion. Copies of all Requests for Exclusion received shall be delivered to Settling Defendants' Counsel as soon as possible after receipt and no less than twenty-one (21) calendar days prior to the Settlement

Hearing. Copies of all written revocations of Requests for Exclusion shall be delivered to Settling Defendants' Counsel as soon as possible after receipt and no less than seventeen (17) calendar days prior to the Settlement Hearing. The required procedure for and consequences of making such an election are set forth in the Supplemental Exclusion Agreement.

4. If the Settlement Amount payable pursuant to subparagraph C.1 of this Stipulation is not paid, then the Proposed Class Representatives, in their sole discretion, may elect, at any time prior to the Court's entering the Final Judgment, (a) to terminate the Settlement by providing written notice to all Settling Parties; or (b) to enforce the terms of the Stipulation and seek a judgment effecting the terms herein. Failure of the Settling Defendants to pay the sum of \$2,200,000 (Two Million, Two Hundred Thousand Dollars), as set forth in subparagraph C.1 above, shall not serve as a basis for any Settling Defendant to terminate the Settlement. If Proposed Class Representatives elect to terminate the Settlement pursuant to this paragraph, the subparagraphs P.5, 6, 7, and 8 hereof will apply.

5. If this Stipulation is terminated pursuant to its terms, all of the Settling Parties shall be deemed to have reverted to their respective status prior to the execution of this Stipulation, and they shall proceed in all respects as if this Stipulation had not been executed and the related orders had not been entered, preserving in that event all of their respective claims and defenses in the Litigation, and shall revert to their respective positions in the Litigation.

6. The Settling Defendants' conditional stipulation to the creation of a settlement class is contingent upon the completion of all terms of this Stipulation. If this Stipulation is for any reason not finally approved, or is otherwise terminated, the Settling Defendants reserve the right to reassert all of their objections and defenses to certification of any class, and Lead Plaintiff will not offer the Settling Defendants' conditional stipulation to certification of a class as any evidence in support of a motion to certify any class for trial purposes.

7. Upon termination of this Stipulation pursuant to its terms, the Gross Settlement Fund, less Notice and Administration Expenses including Taxes and Tax Expenses (whether already paid or incurred but not yet paid), shall be refunded to the Settling Defendants by the Escrow Agent within ten calendar days.

8. If this Stipulation is terminated pursuant to its terms, and at the request of any of the Settling Defendants, the Escrow Agent or his designee shall apply for any tax refund owed to the Gross Settlement Fund and pay any appropriate part of the proceeds of the tax refund, after deduction of any fees and expenses incurred in connection with such application(s) for refund, to the Settling Defendants.

9. No order of the Court or modification or reversal of any order of the Court concerning the Plan of Allocation, the amount of any Attorneys' Fees and Expenses awarded by the Court, or the distribution of the Net Settlement Fund shall constitute grounds for cancellation or termination of the Stipulation.

Q. MISCELLANEOUS PROVISIONS

1. The Settling Parties: (i) acknowledge that it is their intent to consummate the Settlement contemplated by this Stipulation; (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Stipulation; and (iii) agree to exercise their best efforts and to act in good faith to accomplish the foregoing terms and conditions of the Stipulation.

2. This Stipulation may be amended or modified only by a written instrument signed by Settling Defendants' Counsel and by Lead Plaintiffs' Counsel or their successors-in-interest.

3. This Stipulation and the exhibits attached hereto constitute the entire agreement among the Settling Parties, and no representations, warranties or inducements have been made to any Settling Party concerning this Stipulation or its exhibits other than the representations,

warranties and covenants contained and memorialized in such documents. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

4. Whenever this Stipulation requires or contemplates that a Settling Party shall or may give notice to the other, unless otherwise specified, notice shall be provided by email and/or next-day (excluding Saturday and Sunday) express delivery service as follows, and shall be deemed effective upon delivery to the indicated electronic or physical address, as the case may be, below:

(i) If to Plaintiffs:

Laurence M. Rosen, Esq.
The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
lrosen@rosenlegal.com
jhorne@rosenlegal.com

(ii) If to Settling Defendants:

Neal R. Marder, Esq.
Winston & Strawn LLP
333 S. Grand Avenue
Los Angeles, CA 90071
nmarder@winston.com
jschreiber@winston.com

5. Except as otherwise provided herein, each Settling Party shall bear their own costs. The Attorneys' Fees and Expenses and awards to Plaintiffs, subject to Court approval, shall be paid only out of the Gross Settlement Fund and the Settling Defendants have no obligation with respect to the payment of said Attorneys' Fees and Expenses.

6. By the Preliminary Approval Order, Lead Plaintiff's Counsel, on behalf of the Class, is expressly authorized to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms.

7. Settling Defendants' Counsel and Lead Plaintiff's Counsel represent that they are authorized to sign this Stipulation on behalf of their respective clients.

8. This Stipulation may be executed in one or more original, photocopied or facsimile counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Settling Defendants' Counsel and Lead Plaintiff's Counsel shall exchange among themselves original signed counterparts of this Stipulation.

9. This Stipulation shall be binding upon, and inure to the benefit of, the successors, assigns, executors, administrators, heirs and legal representatives of the Settling Parties. No assignment shall relieve any party hereto of obligations hereunder.

10. All terms of this Stipulation and all exhibits hereto shall be governed and interpreted according to the laws of the State of New York without regard to its rules of conflicts of law, except to the extent that federal law requires that federal law governs, and in accordance with the laws of the United States.

11. Settling Defendants and Proposed Class Representatives, on behalf of themselves and each member of the Class, hereby irrevocably submit to the jurisdiction of the Court for any suit, action, proceeding or dispute arising out of or relating to this Stipulation or the applicability of this Stipulation. The administration and consummation of the Settlement as embodied in this

Stipulation shall be made under the authority of the Court and the Court shall retain exclusive jurisdiction for the purpose of entering orders providing for awards of Attorneys' Fees and Expenses or a payment to the Plaintiffs, and enforcing the terms of this Stipulation.

12. None of the Settling Parties shall be considered to be the drafter of this Stipulation or any provision hereof for purposes of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

13. Neither this Stipulation, nor the fact of the Settlement, is an admission or concession by any Settling Defendant of any liability or wrongdoing whatsoever. This Stipulation is not a finding of the validity or invalidity of any claims in the Litigation or of any wrongdoing by any of the Settling Defendants named therein. None of this Stipulation, or the fact of settlement, or the settlement proceedings and negotiations, or any related documents, shall be used or construed as an admission of any fault, liability or wrongdoing by any person or entity, or offered or received in evidence as an admission, concession, presumption or inference against any Settling Party in any proceeding other than such proceedings as may be necessary to consummate or enforce this Stipulation or the Order and Final Judgment.

14. The Settling Parties intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Class Members against the Settling Defendants with respect to the Settled Claims. Accordingly, unless the Court's Order and Final Judgment approving the Settlement does not become Final, the Settling Parties agree not to assert in any forum that the Litigation was brought, defended, or litigated by any of them in bad faith, without a reasonable basis, or in violation of Rule 11 of the Federal Rules of Civil Procedure. The Settling Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily, after consultation with experienced legal counsel after a full and fair

opportunity to review the settlement papers and consider alternatives to settlement.

15. The Settling Parties agree that the mediator for the Litigation, Jed Menick, may assist them with any disputes on the terms of the Settlement until such time as there is an Effective Date.

16. The headings in this Stipulation are used for purposes of convenience and ease of reference only and are not meant to have any legal effect, nor are they intended to influence the construction of this Stipulation in any way.

17. The waiver of one Settling Party of any breach of this Stipulation by any other Settling Party shall not be deemed a waiver of any other breach of this Stipulation. The provisions of this Stipulation may not be waived except by a writing signed by the affected Settling Party, or counsel for that Settling Party.

18. Except as may otherwise be required by law, the Settling Parties and their counsel agree to keep the contents of this Agreement and all related negotiations confidential until the Execution Date.

19. The Settling Parties and their respective counsel shall remain bound by the stipulated protective order entered in this Action on March 13, 2012. Proposed Class Representatives and Lead Plaintiff's Counsel shall not share any documents or work product that were designated by any Settling Defendants as Confidential or Highly Confidential (and were not ruled on by the Court as not being Confidential or Highly Confidential) with any party, person or entity; provided that if Proposed Class Representatives or Lead Plaintiff's Counsel are compelled, by subpoena or other form of judicial or compulsory process or order, to disclose such documents or work product, such person shall provide written notice within seven (7) business days of receipt of the subpoena or other judicial or compulsory process or order, and

include a copy of the subpoena or other judicial or compulsory process or order, to counsel for each of the Settling Defendants.

20. Except for paragraph I with respect to the Released Parties and Lead Plaintiff's Counsel, nothing contained in this Agreement is intended to confer upon any Person other than the Settling Parties any benefit, release, right or remedy under or by reason of this Agreement.

IN WITNESS WHEREOF, the Settling Parties hereto, intending to be legally bound hereby, have caused this Stipulation to be executed, by their duly authorized attorneys, as of the day and year first above written.

THE ROSEN LAW FIRM, P.A.



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Jonathan Horne
275 Madison Avenue, 34th Floor
New York, New York 10016
Telephone: 212-686-1060
Facsimile: 212-202-3827

*Lead Counsel for Lead Plaintiff
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*Counsel for Defendants SkyPeople Fruit
Juice, Inc., Hongke Xue, Xiaoqin Yan, Spring
Liu, Norman Ko, Robert B. Fields, and John
Smagula*

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