

Yasheng Group Reports Record Full-Year Results

REDWOOD CITY, CA--(Marketwired - Apr 11, 2014) - Yasheng Group (OTCQB: HERB), a high-growth diversified China-based agricultural conglomerate with U.S. headquarters in Redwood City, California, today announced financial results for the full year 2013.

	FY2013	FY2012
Revenues (millions)	\$ 1,011	\$ 993
Net Income (millions)	\$ 136	\$ 126
EPS	\$.88	\$.82

Net Sales. In the beginning of 2013, the global economy continued to recover. The company expanded seed, vegetable and green agricultural product lines, with strengthened internal control system implementation. We generate sales from our farm and side line products. Net sales for the year ended December 31, 2013 increased \$18 million or 1.8% to \$1,011 million as compared to \$993 million for the year ended December 31, 2012. The increase in net sales was attributable to higher yields and a better product mix. We also continued to benefit from expanded distribution channels. However, at the beginning and the end of 2013, most of the northern region of China experienced cold weather with snow and wind, negatively affecting fruit tree harvests.

Cost of Goods Sold. Our cost of goods sold consists primarily of the costs of raw materials, labor, and overhead. Cost of sales for the year ended December 31, 2013 increased by \$7.9 million, or 0.9%, to \$868 million from \$860 million for the year ended December 31, 2012. Due to management's continued heightened focus on cost control exercised throughout production, costs grew less than sales. The Gansu Provincial Development and Reform Commission reported that in 2013 the major reasons for increased agricultural costs were: transportation and diesel costs continued to rise, the costs for consumables such as pesticides, seeds, agricultural film increased, and labor costs continued to rise.

Gross Profit and Gross Margin. Our gross profit for the year ended December 31, 2013 increased \$10.3 million or 8% to \$143 million from \$133 million for the year ended December 31, 2012. The profit improvement was primarily a result of increased production.

Net Income. Our net income for the period grew to \$136 million or \$.88 per share from \$126 million or \$.82 per share for the prior-year period.

Yasheng Group

Yasheng Group, founded over 30 years ago, is a US holding company that conducts primarily agricultural operations in the Northwest of China. Today it is one of China's leading producers and marketers with six major product segments including field crops, vegetables,

fruit, specialty crops, seeds and poultry. Yasheng is a supplier of high-quality agricultural products to world-famous conglomerates such as McDonald's, KFC, Tsingtao Beer, and Pepsi. The company is led by a highly qualified management team and has total assets of over \$2 billion, over 15,000 employees, and a history of strong sales and earnings growth. Please visit our website www.yashenggroup.com and register to receive future press releases directly.

Safe Harbor Statement

Except for the historical information contained herein, certain matters discussed in this press release are forward-looking statements which involve risks and uncertainties. These forward-looking statements are based on expectations and assumptions as of the date of this press release and are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties are discussed in the company's various filings with the Securities and Exchange Commission. The company assumes no obligation to update these forward-looking statements.