



YINGDE GASES GROUP COMPANY LIMITED

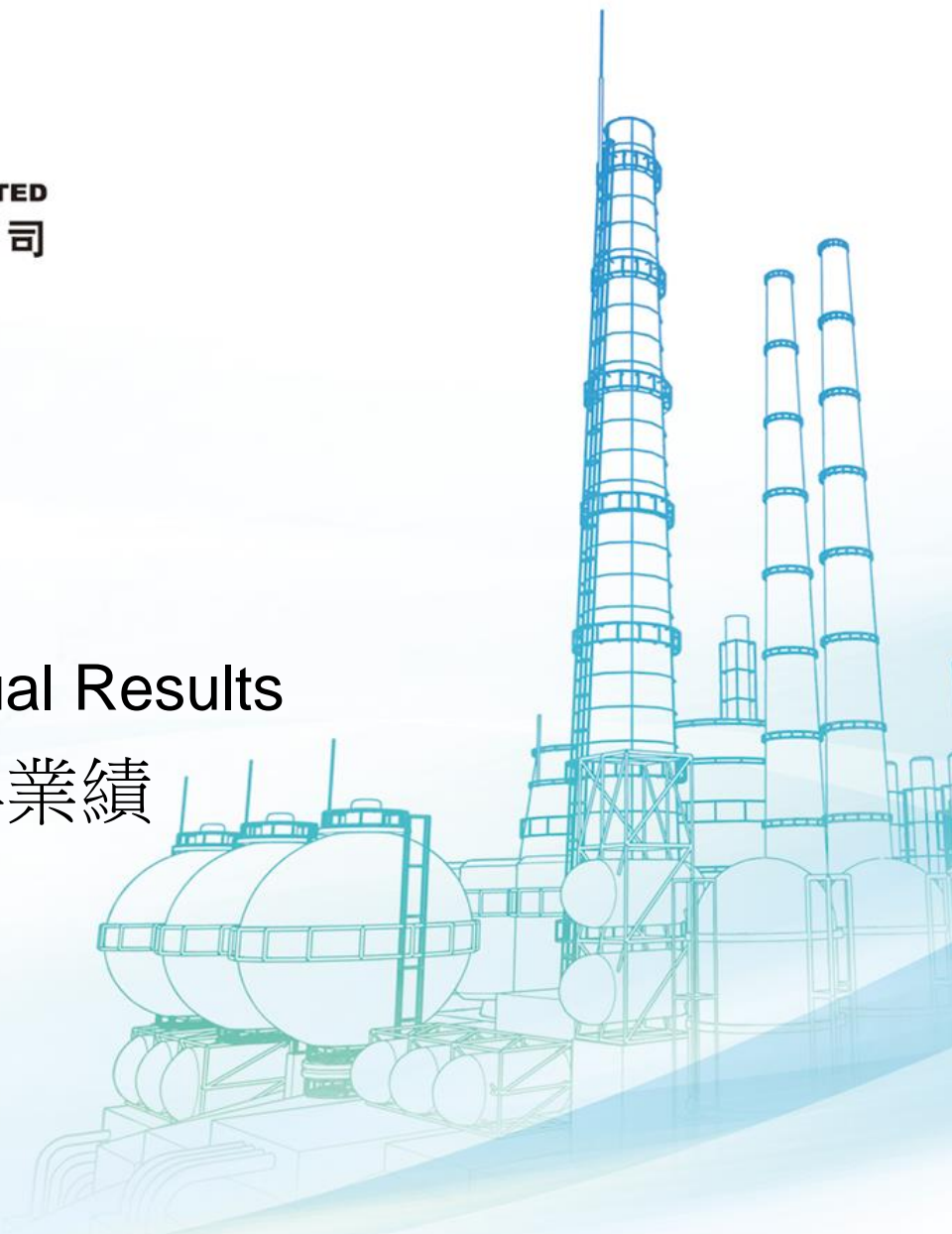
盈德氣體集團有限公司

2012 Annual Results

全年業績

Investor Presentation

Hong Kong, March 28, 2013



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Presenters



Mr. Mark Zhongguo Sun
*Chairman and
Chief Executive Officer*



Mr. Trevor Raymond Strutt
*Executive Director and
Chief Operating Officer*



Ms. Samantha Sze Wing Wong
*Chief Financial Officer and
Company Secretary*





2012 Financial review

Industry and business overview

Q & A Session



2012 Financial Review



Maintain stable on-site revenue growth in tough global economic environment

(RMB '000)	2011	2012	Change YoY (%)
Turnover	4,240,275	4,955,933	16.9%
Cost of sales	(2,789,384)	(3,382,812)	21.3%
Gross profit	1,450,891	1,573,121	8.4%
Profit from operations	1,091,320	1,101,717	1.0%
Profit before taxation	981,447	907,129	(7.6%)
Profit attributable to equity holders	830,819	770,117	(7.3%)
Dividend per share (RMB)	0.13	0.15	15.4%

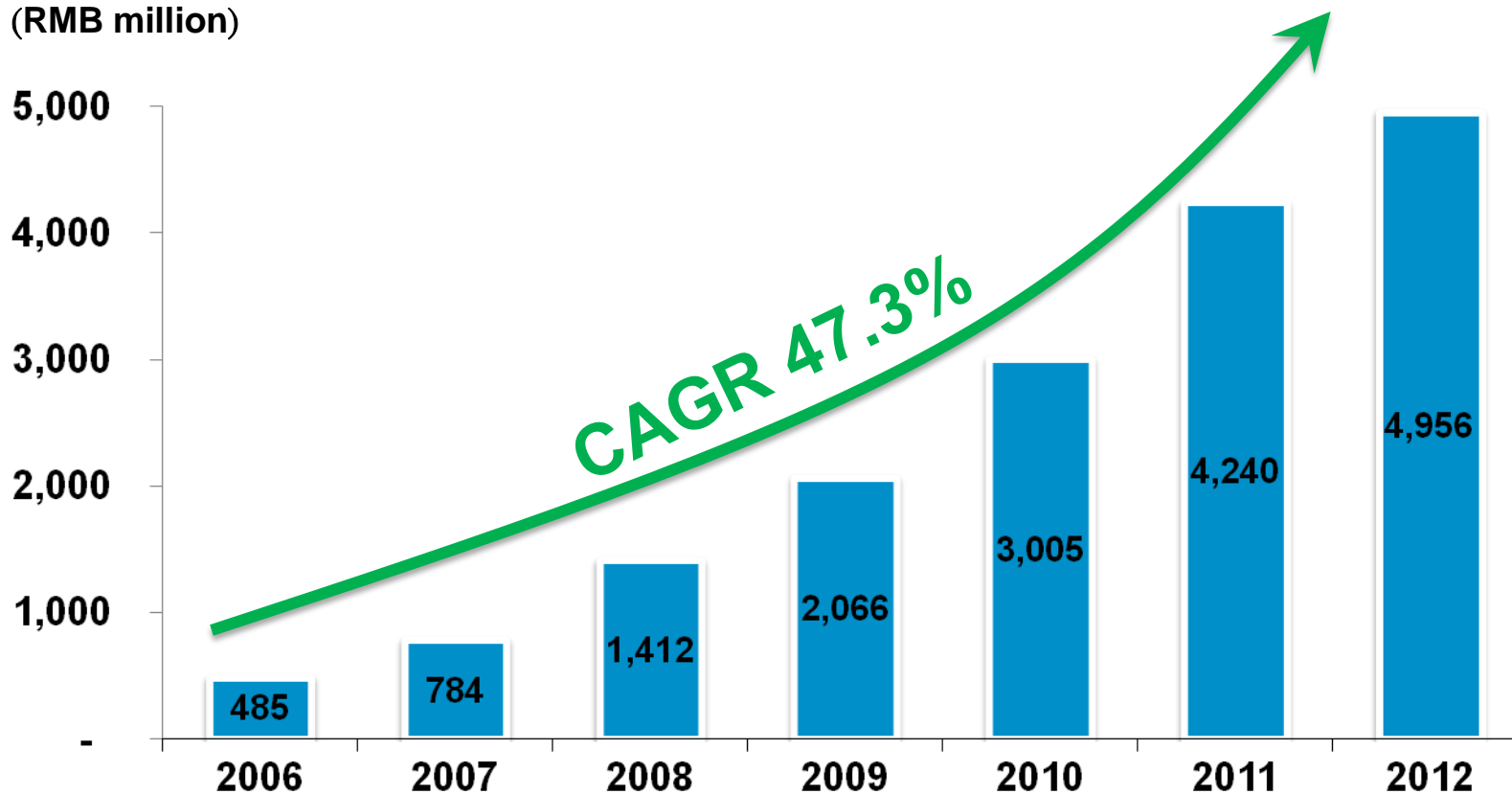


Turnover



Strong and stable growth track record in turnover

(RMB million)



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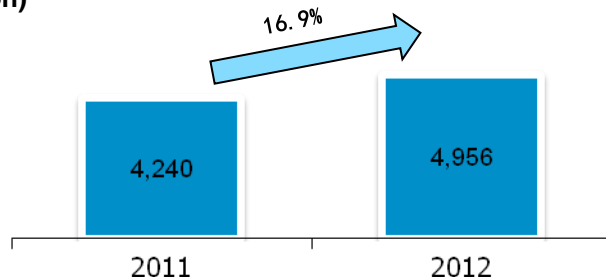
Strong on-site Revenue Growth



Steady increase in revenue from new on-site projects
and strong management execution capability

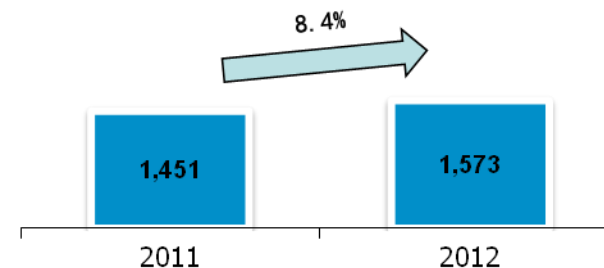
Turnover

(RMB million)



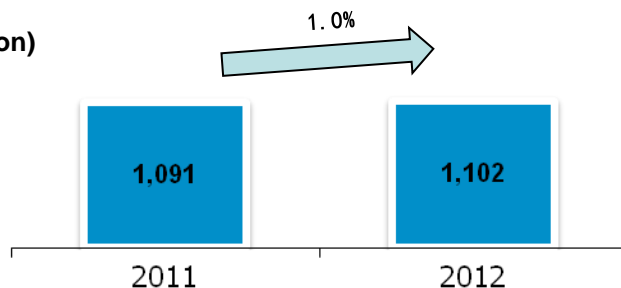
Gross Profit

(RMB million)



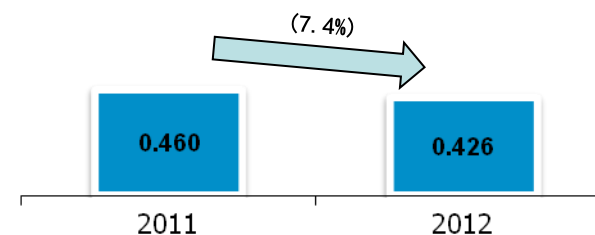
Profit from operation

(RMB million)



EPS

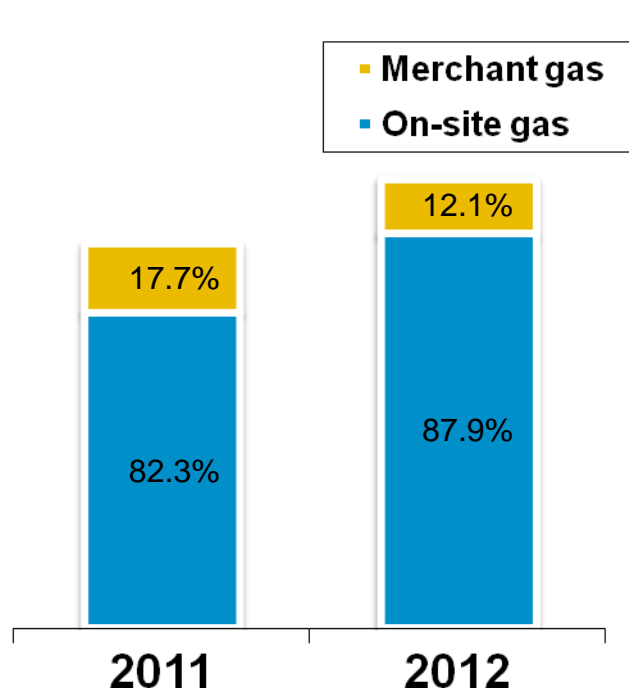
(RMB)



Turnover by Business



Stable income from On-site business in the tough economic environment gives investors the best demonstration of our defensive business model



	2011		2012		Change	
Main Business	RMB'000	%	RMB'000	%	RMB'000	%
On-site gas	3,487,923	82.3	4,356,677	87.9	868,754	24.9
Merchant gas	752,352	17.7	599,256	12.1	(153,096)	(20.3)
Total	4,240,275	100.0	4,955,933	100.0	715,658	16.9

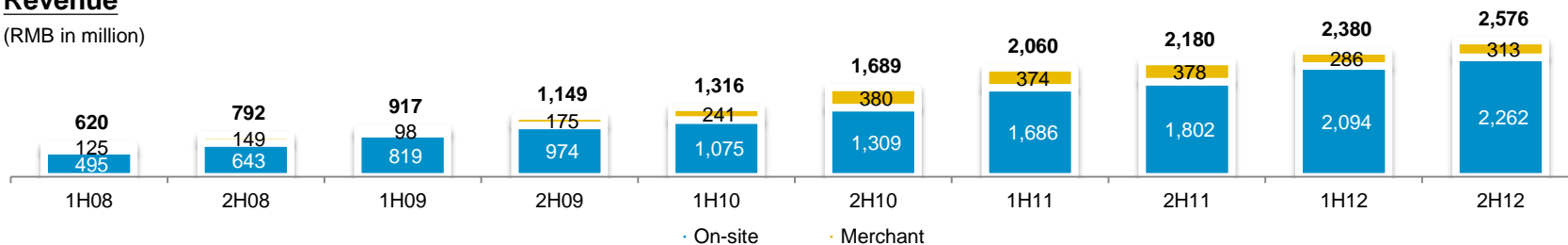


Stable cash flow



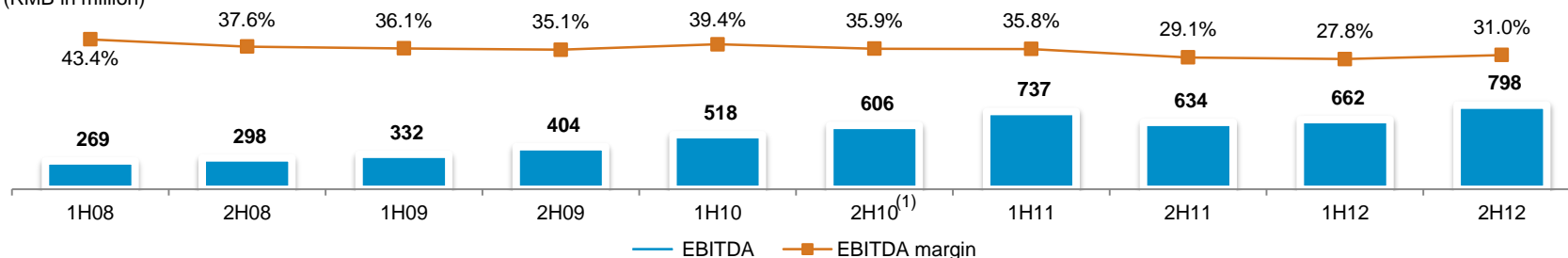
Revenue

(RMB in million)



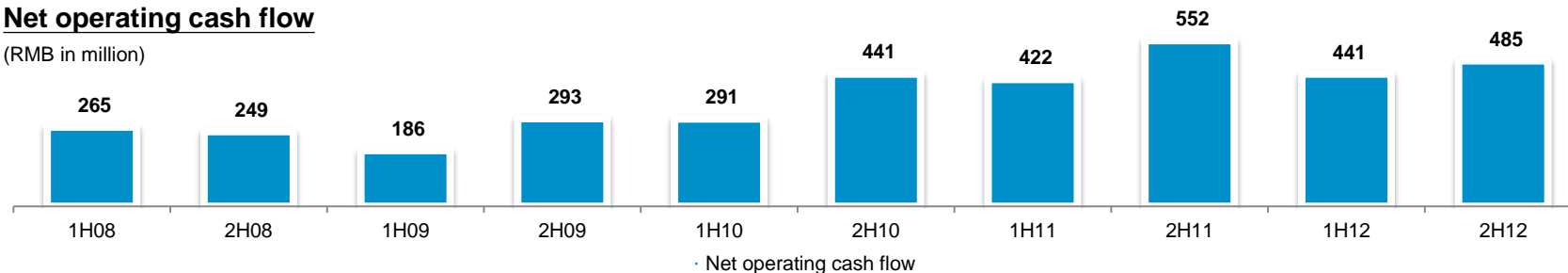
EBITDA and margin

(RMB in million)



Net operating cash flow

(RMB in million)



(1) EBITDA for 1H10 was adjusted for impairment losses on property, plant and equipments of RMB 179 million, no other period has such impairment losses



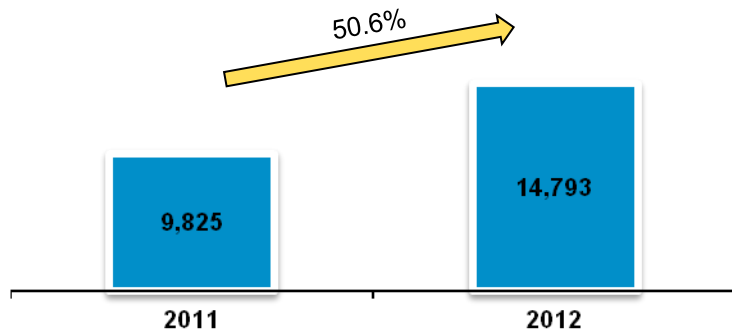
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More Optimal Finance Structure



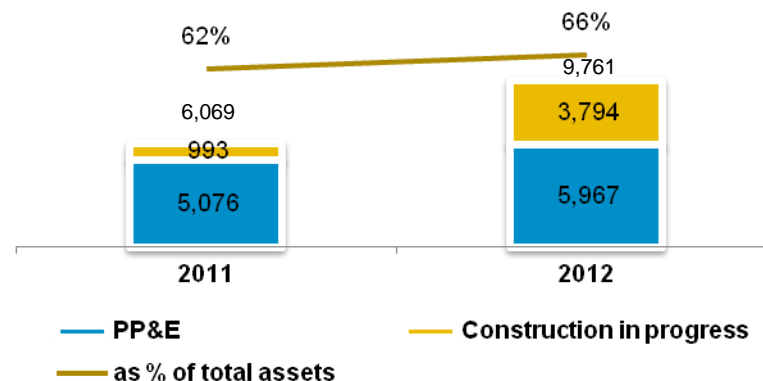
Total assets

(RMB million)



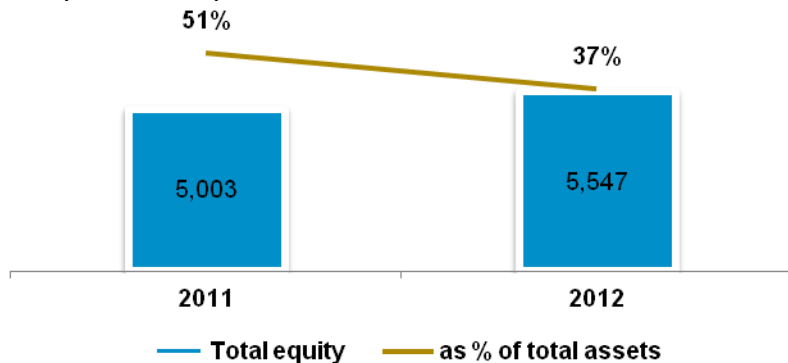
Fixed assets

(RMB million)



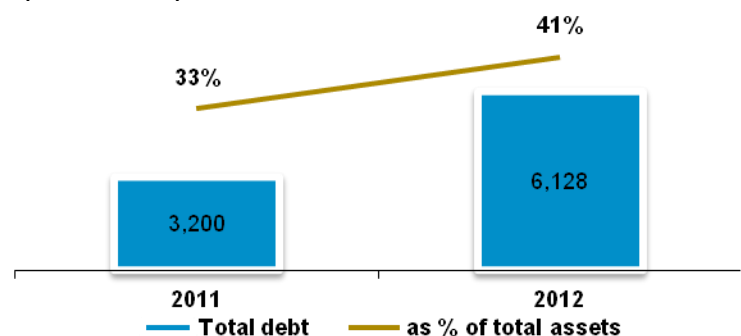
Total equity

(RMB million)



Total borrowing

(RMB million)



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Industry and business overview

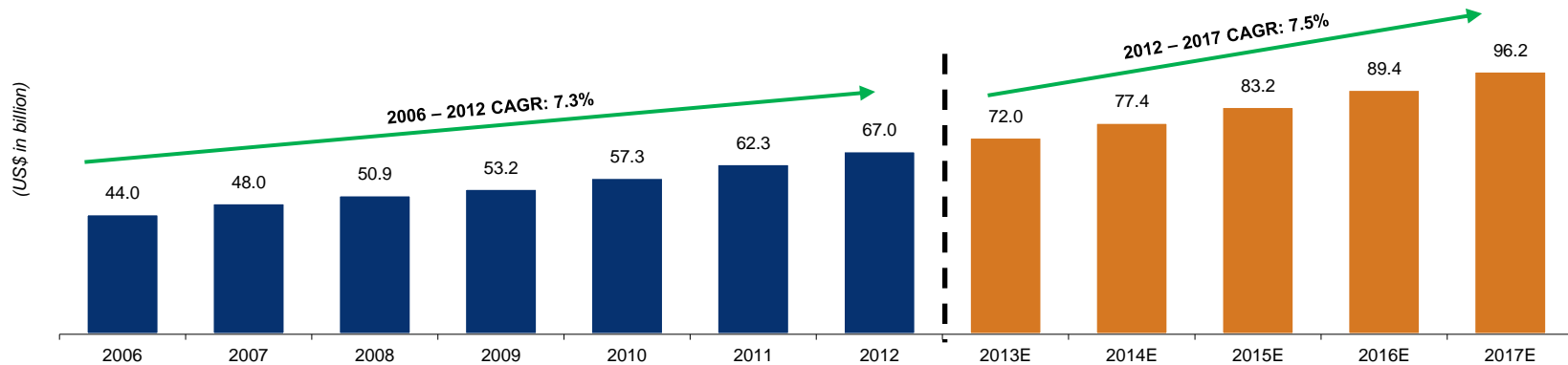
Q & A Session



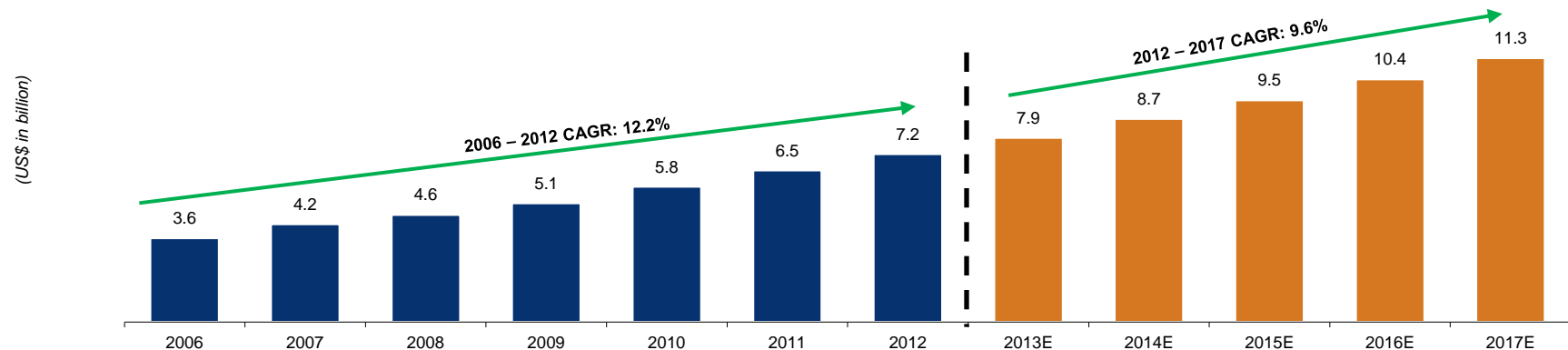
Global and China industrial gas market



World industrial gas market size



China industrial gas market size



Source: SAI Report as of March 2013

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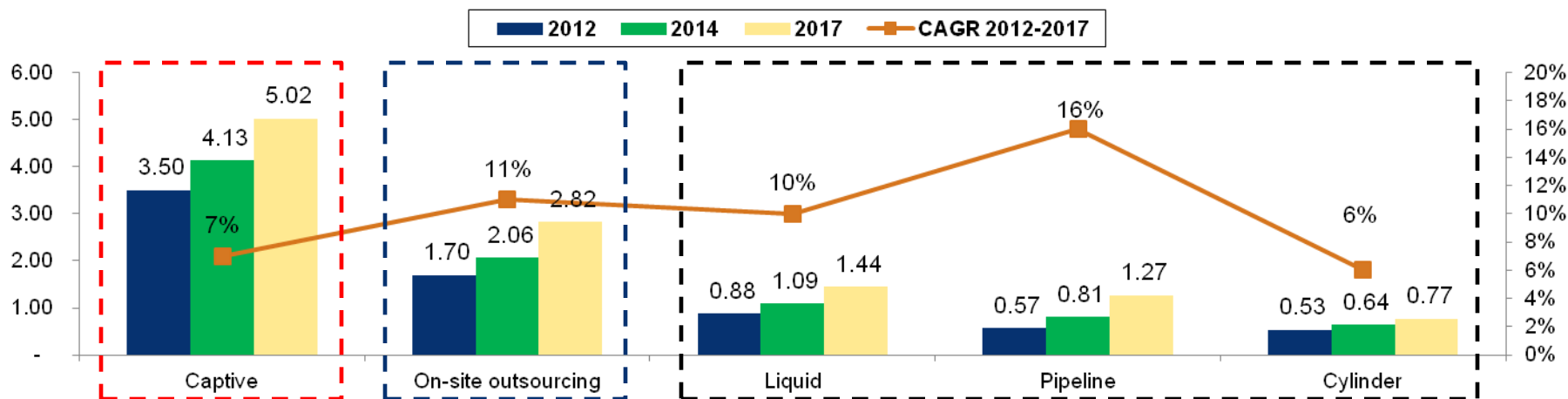


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China industrial gas market by supply mode



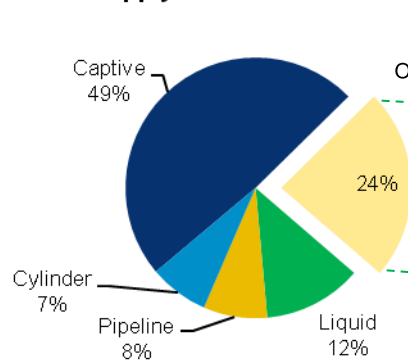
Revenue growth 2012 – 2017 by supply mode



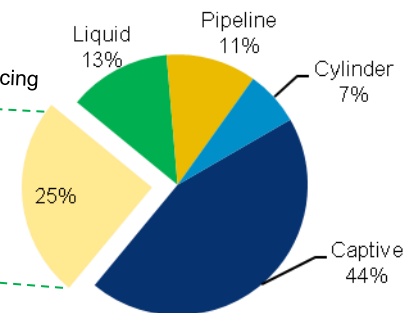
Evolution of market mix by supply mode

Supply mode	Market share 2012	Market share 2017	2012 – 2017 change	Yingde participation
Captive	49%	44%	↓ 5%	×
On-site outsourcing	24%	25%	↑ 1%	✓
Liquid	12%	13%	↑ 1%	✓
Pipeline	8%	11%	↑ 3%	✓
Cylinder	7%	7%	↔	×

Gas supply mode breakdown in 2012



Gas supply mode breakdown in 2017



Source: SAI Report as of March 2013



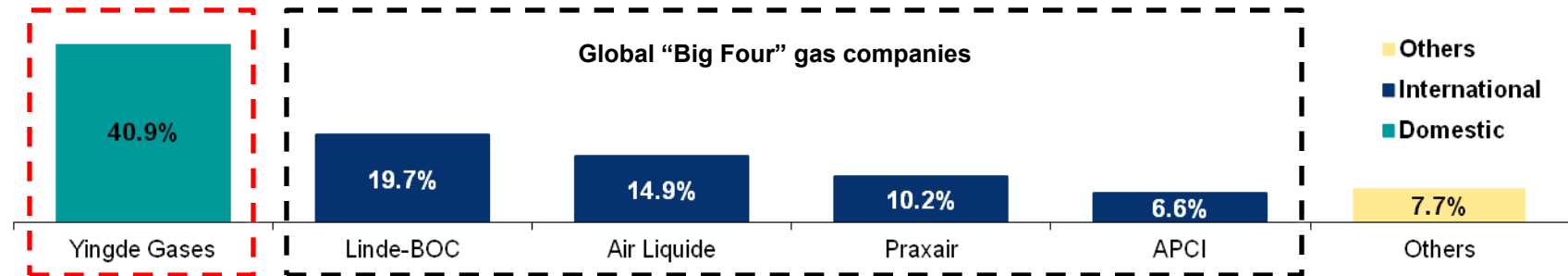
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Strong momentum in on-site market



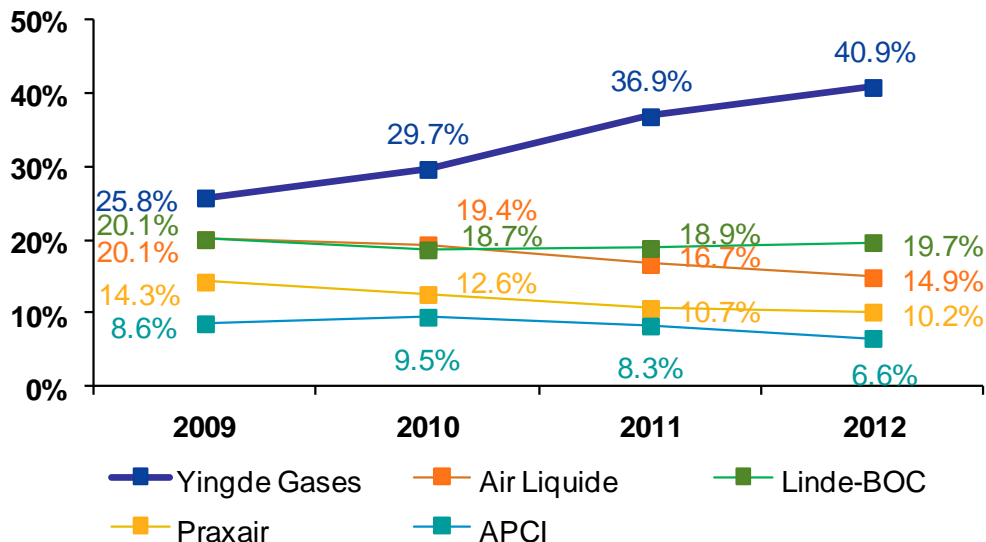
Leading on-site outsourcing industrial gas suppliers in China (2012)

(Market Share by Revenue)



Source: SAI Report as issued on March 9, 2012

(Market Share by Revenue)



Source: SAI Report as of March 2013

We are in the leading position since 2009 and further strengthen our position in the past years.

As the largest domestic independent on-site gas supplier in China, we have advantage in customer base, production cost and procurement bargaining power, Yingde Gases is in the best position to capture any future opportunities.



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Operating facilities



	2011	2012
No. of on-site facilities	33	38
No. of New Contracts	18	11
Production capacity - Oxygen (Nm ³ / hr)	940,400	1,042,400
Production capacity - Nitrogen (Nm ³ / hr)	1,338,500	1,458,500
Production capacity - Argon (Nm ³ / hr)	26,240	28,140

1

Protected by long-term take-or-pay contracts: Yingde enters into long-term contracts with onsite customers which generate stable and lasting earnings

2

Customer diversification : Yingde expands its target customers to companies in the iron and steel, chemicals and nonferrous metals industries and will identify more quality customers

3

Strong Project Pipe-line to secure future growth: Yingde has secured 11 new contracts in 2012, adding in 236,400 Nm³/hr oxygen capacity to the project pipe-line.



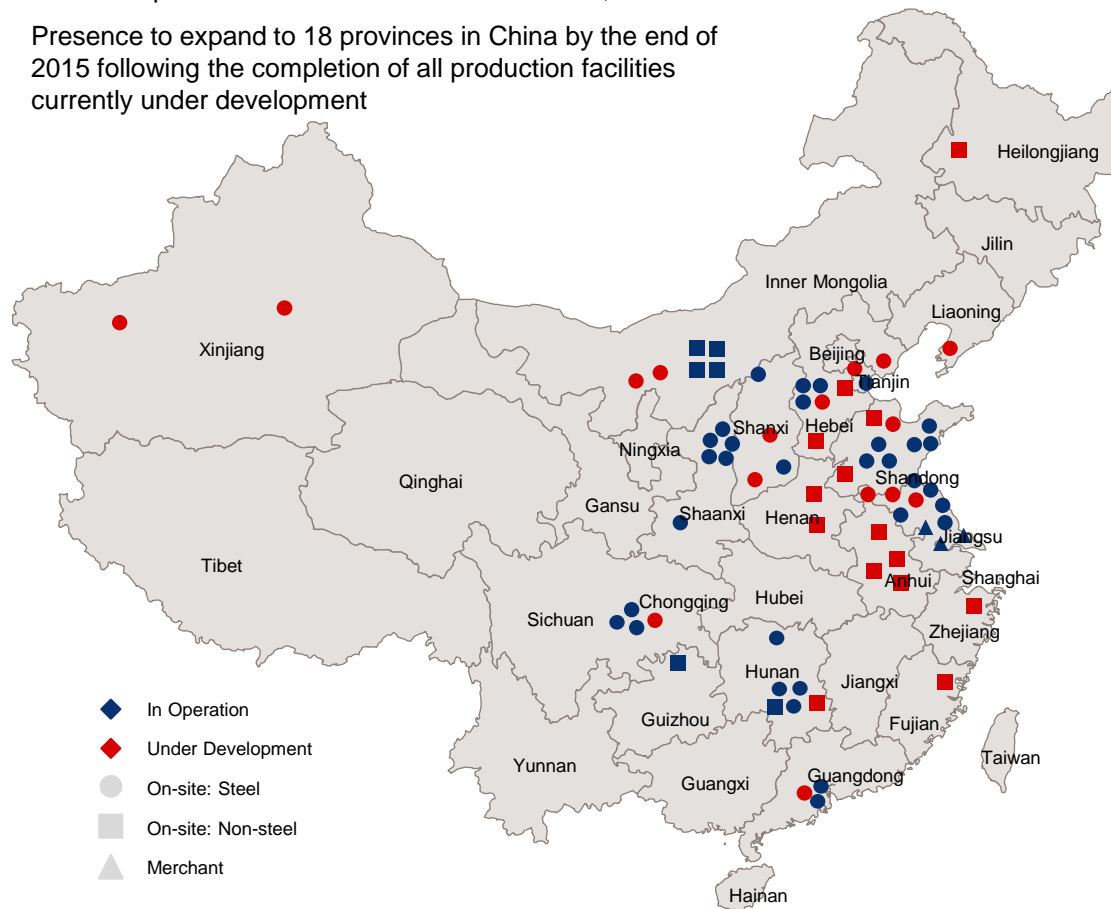
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Diversified and optimized geographic coverage and self-supporting network



41 gas production facilities in operation were well diversified across 11 provinces in China as of December 31, 2012

Presence to expand to 18 provinces in China by the end of 2015 following the completion of all production facilities currently under development



Production facilities

Number of facilities	Customer industry	Oxygen capacity (Nm ³ /hr)
In operation		
<u>On-site</u>		
32	Steel	737,900 (71%)
6	Non-steel	301,500 (29%)
<u>Merchant</u>		
3	n/a	3,000 (0%)
Total		1,042,400
Under development		
<u>On-site</u>		
16	Steel	555,000 (68%)
14	Non-steel	261,400 (32%)
Total		816,400

Self-supporting network

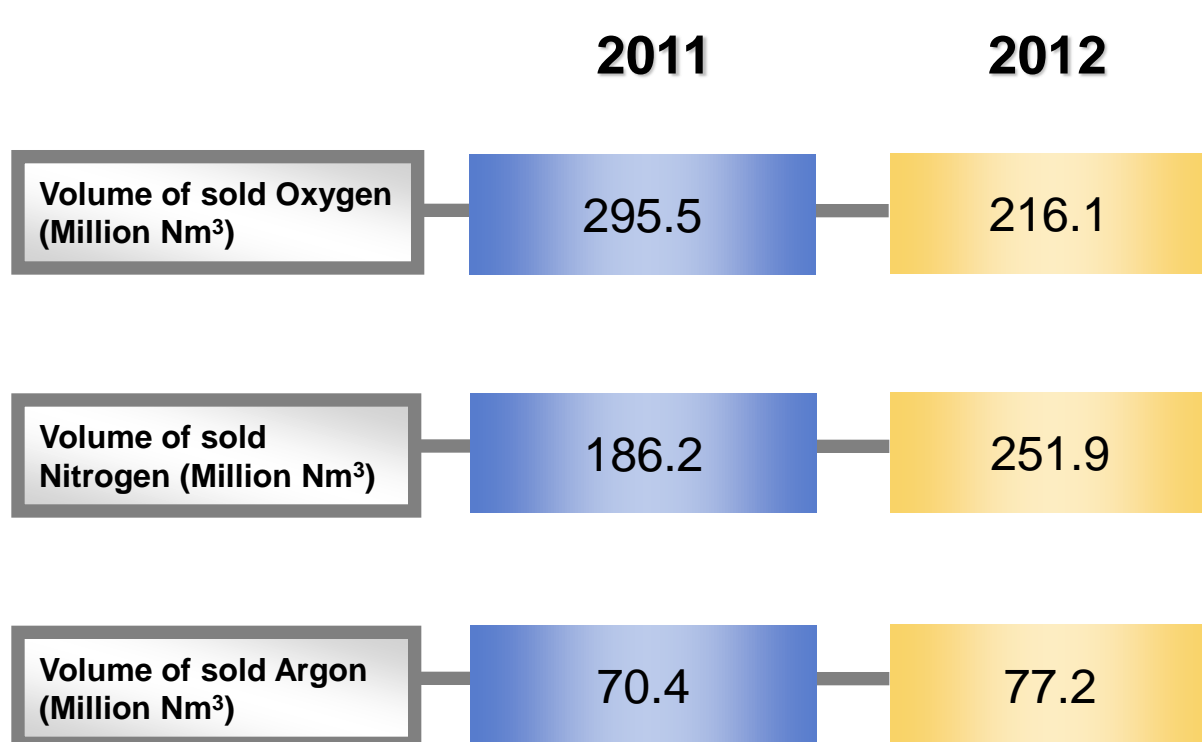
- Engaged in a selective expansion of facility network
- Taking into account the strategic value to overall expansion strategy
- Targeted locations that are highly industrial or resource rich
- Leverage existing production plants to complement new production facilities in order to
 - Support each other during the ramp-up period of new production plant
 - Minimize disruptions to customers and business

Note: As of 31 December 2012



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Merchant gas operation



1

Pro-active sales strategy: focus on direct sales and fixed term contract sales to decrease the volatility of merchant sales

2

Capitalize on our leading position in on-site market: with the best self supporting network in China, we are able to secure merchant customers over the nation.





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