



**YINGDE GASES GROUP COMPANY LIMITED**  
**盈德氣體集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code : 02168

# 2011 Interim Results

## Investor Presentation



# Disclaimer

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**1H2011 Financial review**

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# 1H2011 Financial Review



Achieve encouraging results leveraged on the commencement of new projects

(RMB '000)	1H2010	1H2011	Change YoY (%)
Turnover	1,316,087	2,060,206	56.5%
Cost of Sales	787,909	1,301,072	65.1%
Gross Profit	528,178	759,134	43.7%
Profit from operations	449,660	611,522	36.0%
Profit before taxation	402,629	567,400	40.9%
Profit & total comprehensive income for the period	325,709	494,148	51.7%
Profit Attributable to Equity Holders	325,597	491,903	51.1%



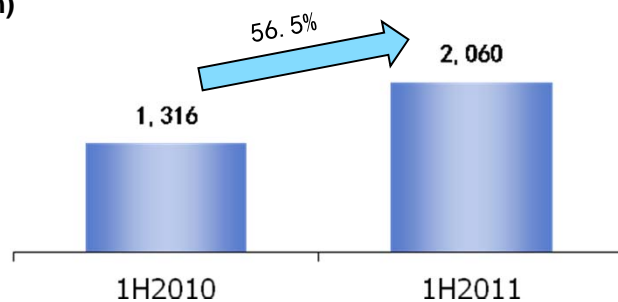
# Strong Profit Growth



Significant and steady increase attributable to strong management execution capability

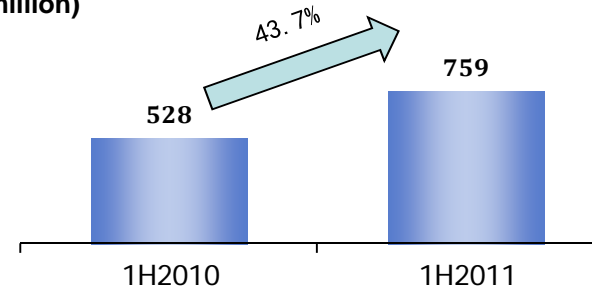
## Turnover

(RMB million)



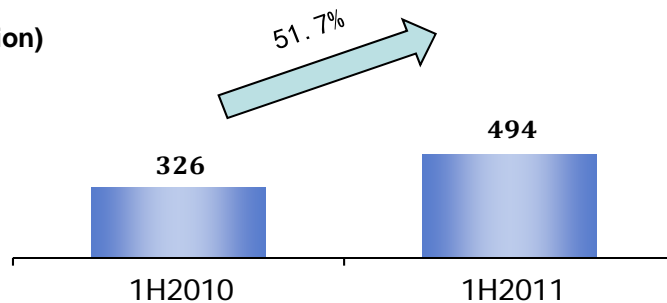
## Gross Profit

(RMB million)



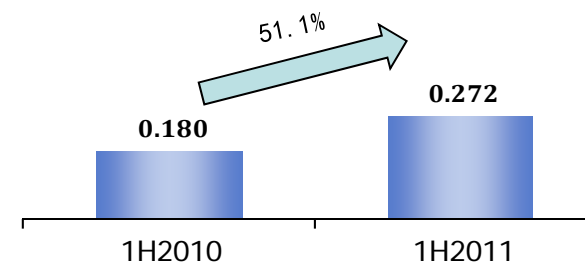
## Profit for the period

(RMB million)



## EPS

(RMB)

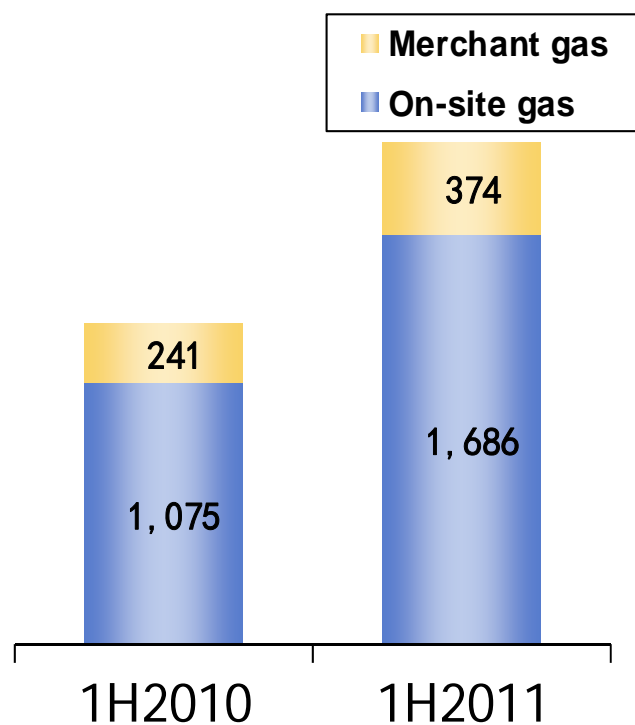


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# Turnover by Business



A leap in sales of merchant gas while on-site gases remains the core business  
Perfect business combination secures stable revenue



Main Business	1H2010		1H2011	
	RMB'000	%	RMB'000	%
On-site gas	1,074,965	81.7%	1,686,185	81.8%
Merchant gas	241,122	18.3%	374,021	18.2%
<b>Total</b>	<b>1,316,087</b>	<b>100%</b>	<b>2,060,206</b>	<b>100%</b>



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# Strong Balance Sheet and Cash Flow



	1H2010	1H2011
Net cash generated from operating activities	291.3	420.5
	FY2010	1H2011
Net Debt/Total Capitalization	8.1%	20.5%
A/R Turnover Days (Days)	40	43
Cash & Cash Equivalent (RMB Million)	971	1,550
Payables For Equipment (RMB Million)	671	799
Net asset per share (RMB)	2.4	2.6







1H2011 Financial review

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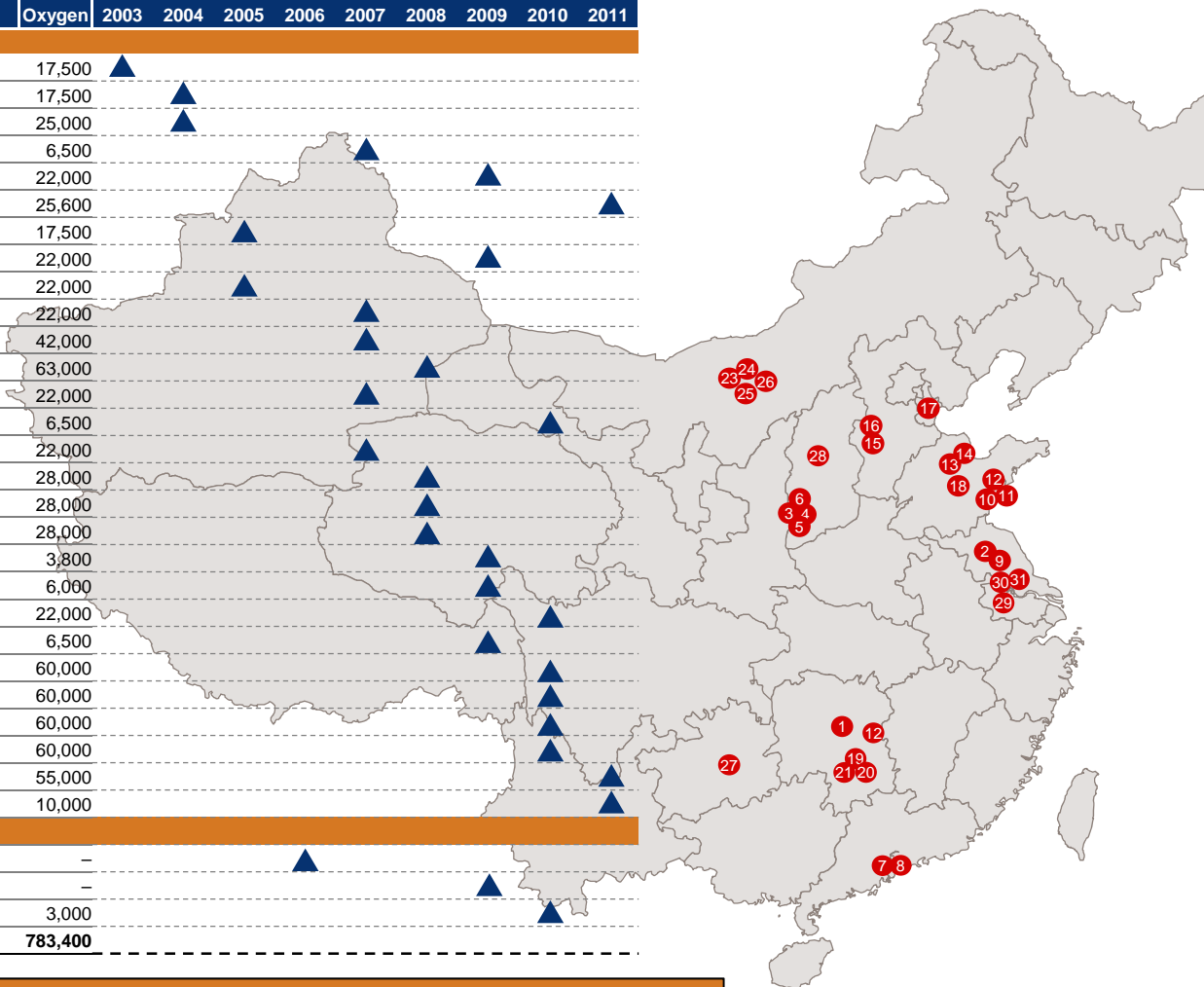
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# Facilities in operation



Location / Facility	Facility No.	Industry	Contract Term	Capacity	Supply commencement								
				Oxygen	2003	2004	2005	2006	2007	2008	2009	2010	2011
On-site													
Loudi, Hunan	1	Steel	20	17,500	▲								
Huai'an, Jiangsu	2	Steel	20	17,500		▲							
Hancheng, Shaanxi - Phase I	3	Steel	20	25,000		▲							
Hancheng, Shaanxi - Phase II	4	Steel	20	6,500				▲					
Hancheng, Shaanxi - Phase III	5	Steel	20	22,000						▲			
Hancheng, Shaanxi - Phase IV	6	Steel	20	25,600									▲
Zhuhai, Guangdong - Phase I	7	Steel	25	17,500			▲						
Zhuhai, Guangdong - Phase II	8	Steel	25	22,000							▲		
Tianjin	9	Steel	25	22,000			▲						
Rizhao, Shandong - Phase I	10	Steel	20	22,000					▲				
Rizhao, Shandong - Phase II	11	Steel	20	42,000					▲				
Rizhao, Shandong - Phase III	12	Steel	20	63,000						▲			
Zibo, Shandong - Phase I	13	Steel	20	22,000									
Zibo, Shandong - Phase II	14	Steel	20	6,500									
Shijiazhuang, Hebei - Phase I	15	Steel	20	22,000									
Shijiazhuang, Hebei - Phase II	16	Steel	20	28,000									
Huai'an, Jiangsu	17	Steel	20	28,000									
Laiwu, Shandong	18	Steel	20	28,000									
Hengyang, Hunan - Phase I	19	Steel	20	3,800									
Hengyang, Hunan - Phase I	20	Steel	20	6,000									
Hengyang, Hunan - Phase II	21	Steel	20	22,000									
Zhuzhou, Hunan	22	Non-ferrous	15	6,500									
Shenhua Project	23	Chemical	15	60,000									
Shenhua Project	24	Chemical	15	60,000									
Shenhua Project	25	Chemical	15	60,000									
Shenhua Project	26	Chemical	15	60,000									
Fuquan, Guizhou	27	Chemical	25	55,000									
Meijin, Shanxi	28	Steel	20	10,000									
Merchant													
Nanjing, Jiangsu	29			—					▲				
Yangzhou, Jiangsu - Phase I	30			—									
Yangzhou, Jiangsu - Phase II	31			3,000									
Total / Average			19.8	783,400									



Already in production, minimal new capex needed



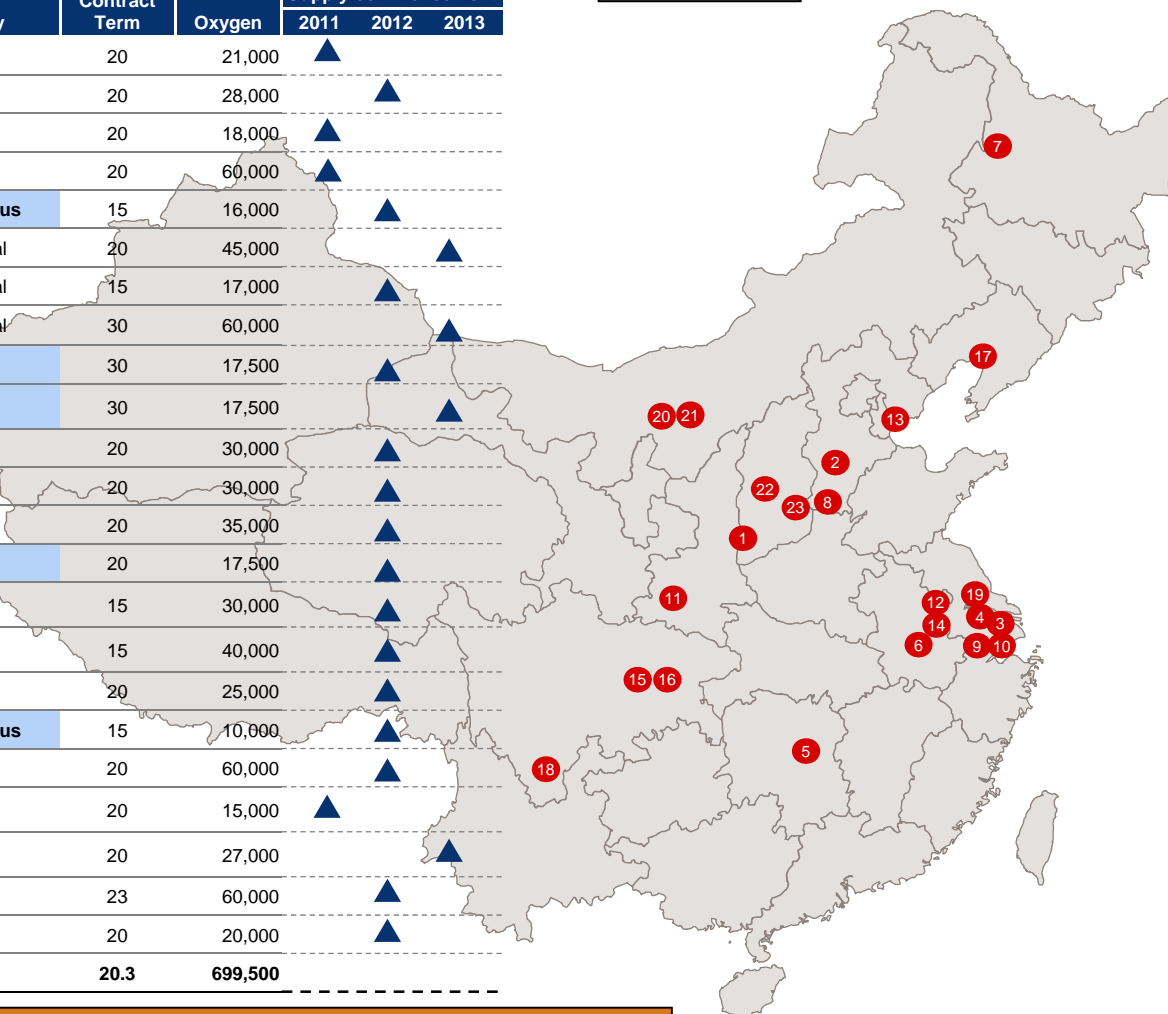
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# Facilities under development



Location/Facility	Facility No.	Industry	Contract Term	Capacity	Supply commencement		
				Oxygen	2011	2012	2013
Hancheng, Shaanxi	1	Steel	20	21,000	▲		
Shijiazhuang, Hebei	2	Steel	20	28,000		▲	
Changshu, Jiangsu	3	Steel	20	18,000	▲		
Zhangjiagang, Jiangsu	4	Steel	20	60,000	▲		
Zhuzhou, Hunan	5	Non-ferrous	15	16,000		▲	
Tongling, Anhui	6	Chemical	20	45,000			▲
Qiqihar, Heilongjiang	7	Chemical	15	17,000		▲	
Anyang, Henan	8	Chemical	30	60,000			▲
Pinghu, Zhejiang - Phase I	9	Glass	30	17,500		▲	
Pinghu, Zhejiang - Phase II	10	Glass	30	17,500			▲
Hanzhong, Shaanxi	11	Steel	20	30,000		▲	
Changzhou, Jiangsu	12	Steel	20	30,000		▲	
Tianjin	13	Steel	20	35,000		▲	
Wuhu, Anhui	14	Glass	20	17,500		▲	
Neijiang, Sichuan - Phase I	15	Steel	15	30,000		▲	
Neijiang, Sichuan - Phase II	16	Steel	15	40,000		▲	
Jiexiu, Shanxi	17	Steel	20	25,000		▲	
Huili, Yunnan	18	Non-ferrous	15	10,000		▲	
Yinkou, Liaoning	19	Steel	20	60,000		▲	
Wuhai, Inner Mongolia - Phase I	20	Steel	20	15,000	▲		
Wuhai, Inner Mongolia - Phase II	21	Steel	20	27,000		▲	
Zhangjiagang, Jiangsu	22	Steel	23	60,000		▲	
Lucheng, Shanxi	23	Steel	20	20,000		▲	
<b>Total / Average</b>			<b>20.3</b>	<b>699,500</b>			

Further industry diversification

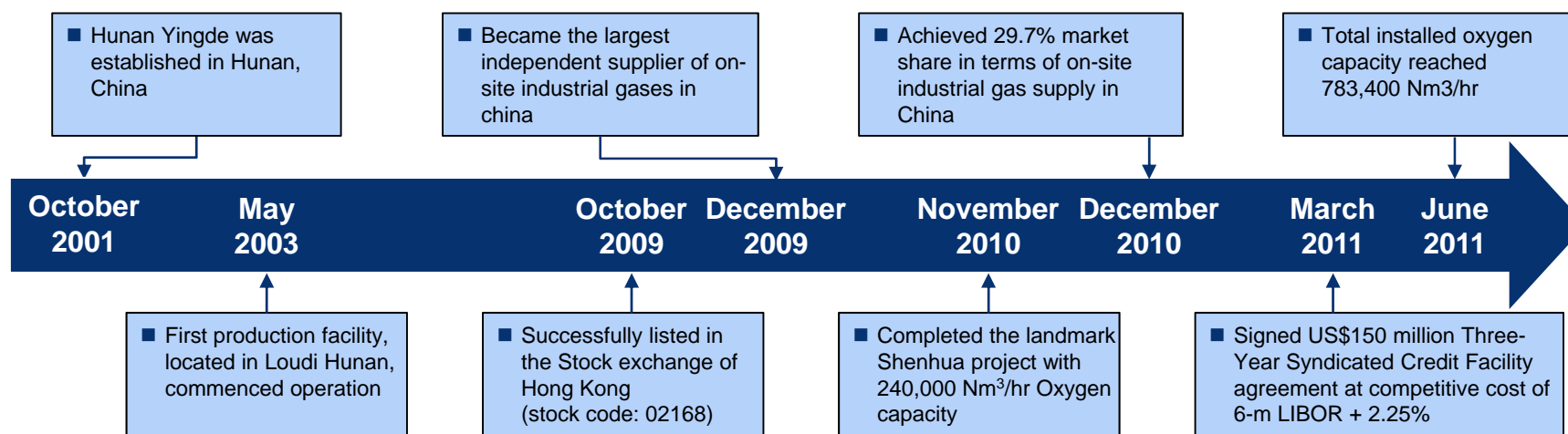


2H2011 – 2013 will add-in approximately 700,000Nm<sup>3</sup>/hr new oxygen capacity

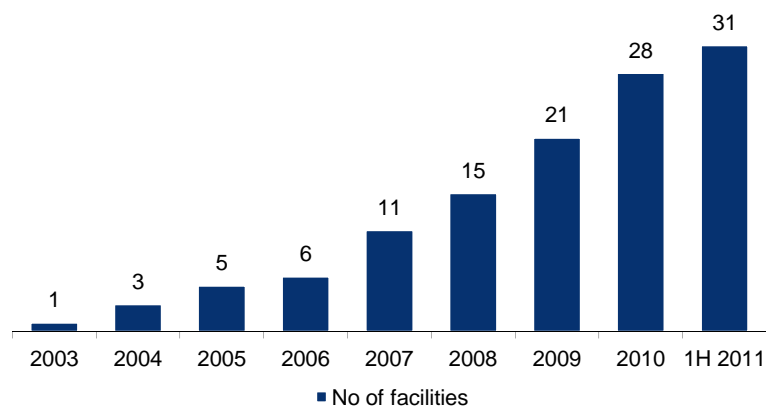


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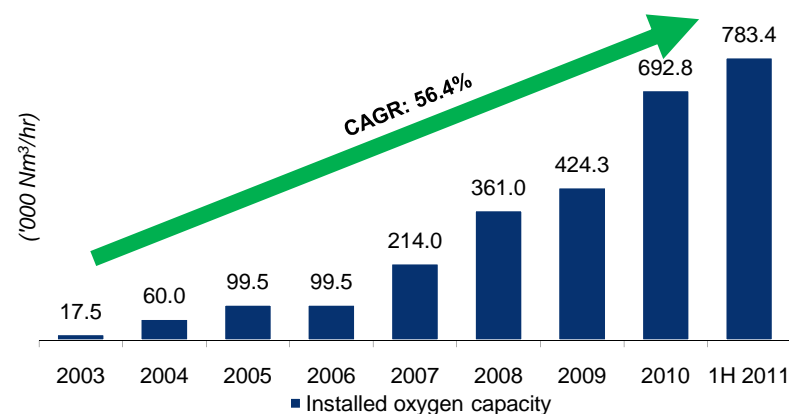
# Strong Track Record



## Facility development



## Capacity expansion



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# On-site gas operation



	1H2010	1H2011
No. of Plants in operation	23	31
No. of contract signed and plants under development	16	23
Production capacity - Oxygen (Nm <sup>3</sup> / hr)	452,800	783,400
Production capacity - Nitrogen (Nm <sup>3</sup> / hr)	708,500	1,098,500
Production capacity - Argon (Nm <sup>3</sup> / hr)	16,440	21,040

1

**Protected by long-term 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 non-ferrous metals industries and will identify more quality customers

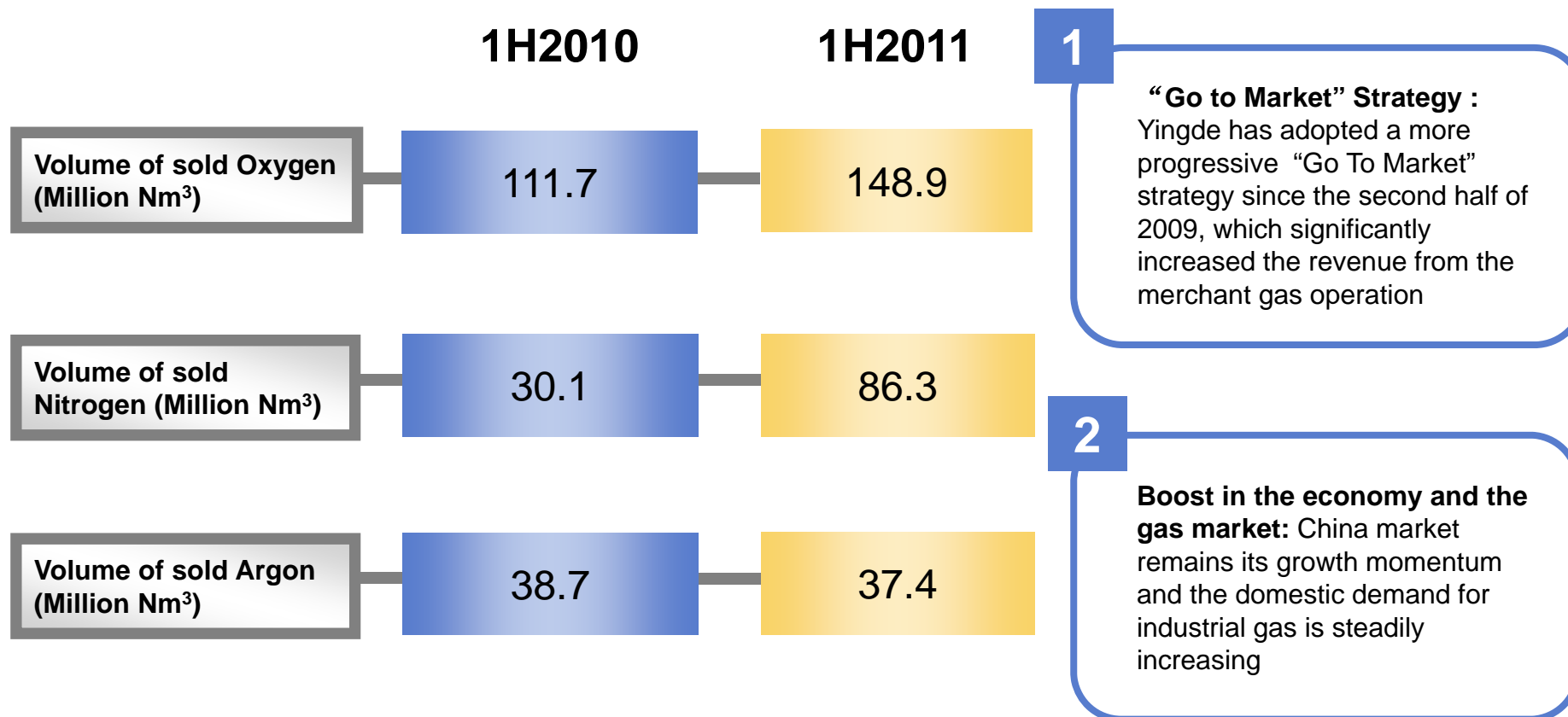
3

**Boost in the economy and the gas market:** China market remains its growth momentum and the domestic demand for industrial gas is steadily increasing



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# Merchant gas operation





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# Q & A Session



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# Appendix



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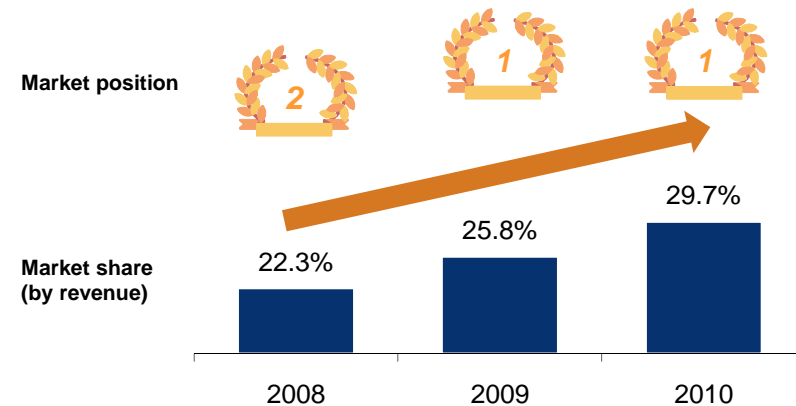
# A leading independent industrial gas supplier in China



## Yingde Gases overview

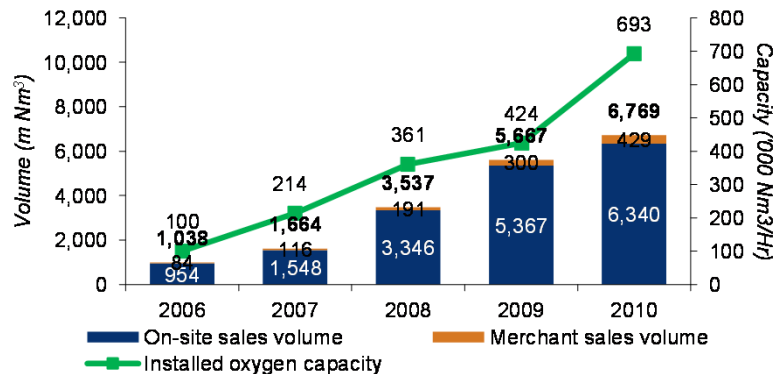
- Yingde Gases Group Co. Ltd. ("Yingde Gases" or the "Company") produces and distributes a variety of industrial gas products (mainly oxygen, nitrogen and argon) to on-site and merchant customers in China, with 31 production facilities in operation as of 30 June 2011
- The Company is the largest domestic independent industrial gas supplier in China in terms of total revenue in 2010. The Company specializes in on-site gas supply and was the largest on-site gas supplier in China among both local and international peers with a market share of 29.7% in 2010
- The Company commenced operations in Hunan Province, China in 2001 and were listed on the Hong Kong Stock Exchange on 8 October 2009. The Company's market capitalization as of 8 Jul 2011 was US\$1.9 billion

## Leader in the on-site outsourcing gas supply market

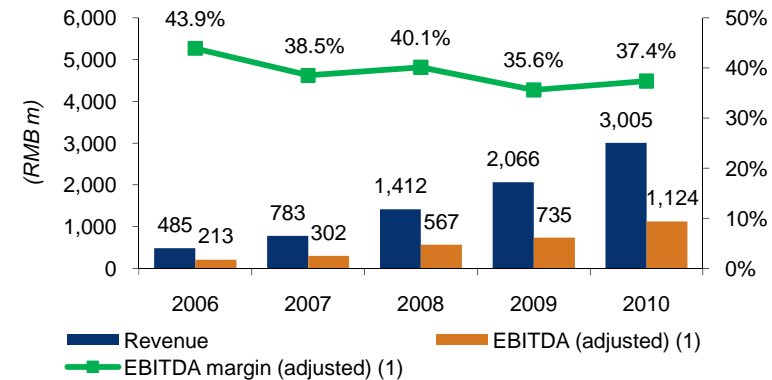


Source: SAI Report

## Strong operational track record



## Steady and robust financial performance



(1) Adjusted EBITDA is calculated as EBITDA adjusted for impairment losses on non-current assets including property, plant and equipment, construction in progress and intangible assets. Such impairment losses were nil, nil, nil, nil and RMB 179.0 million for 2006, 2007, 2008, 2009 and 2010 respectively



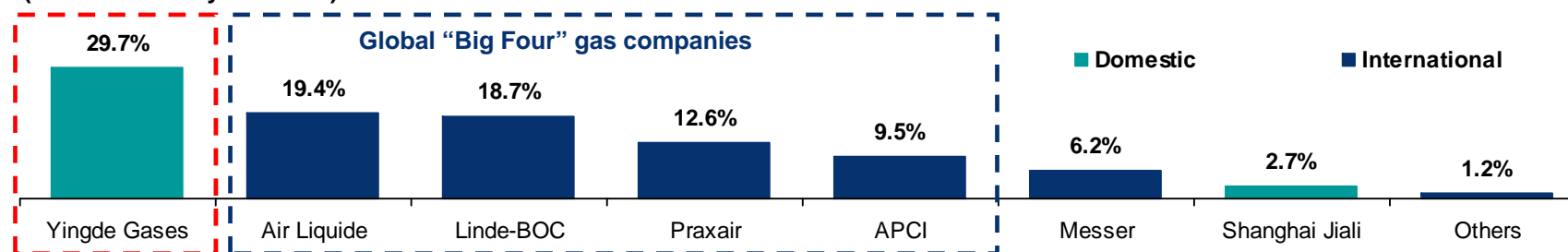
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# Market leader in the outsourcing on-site industrial gas market in China with a proven track record



## Leading on-site outsourcing industrial gas suppliers in China (2010)

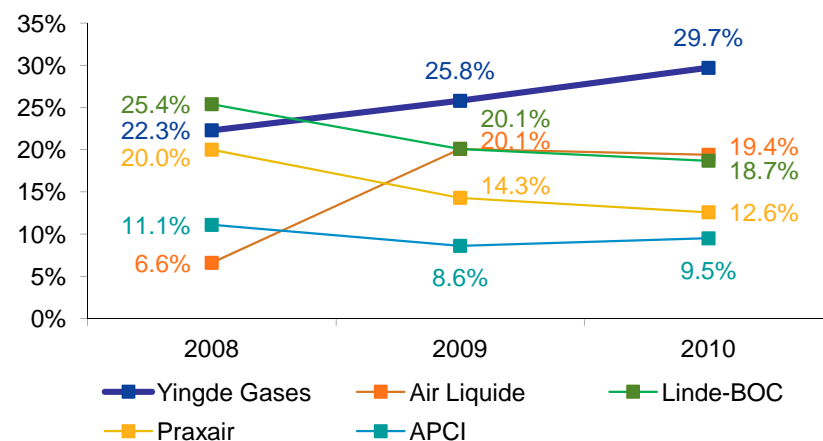
(Market Share by Revenue)



Source: SAI Report as of March 2011

## Strong momentum in on-site market

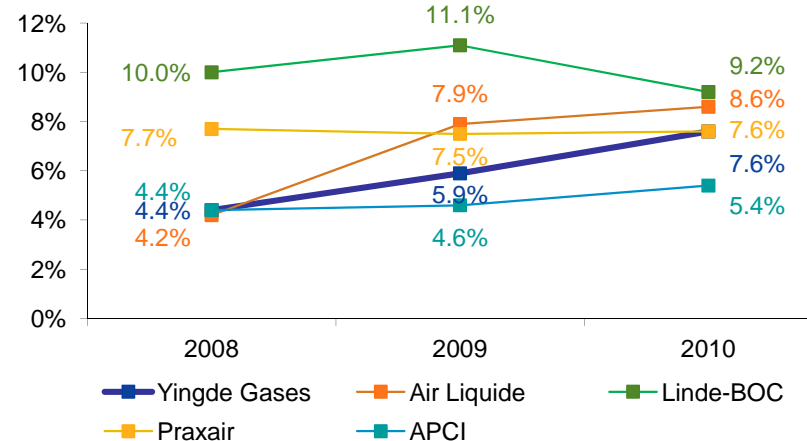
(Market Share by Revenue)



Source: SAI Report as of March 2011

## Domestic leader in overall industrial gas market

(Market Share by Revenue)



Source: SAI Report as of March 2011



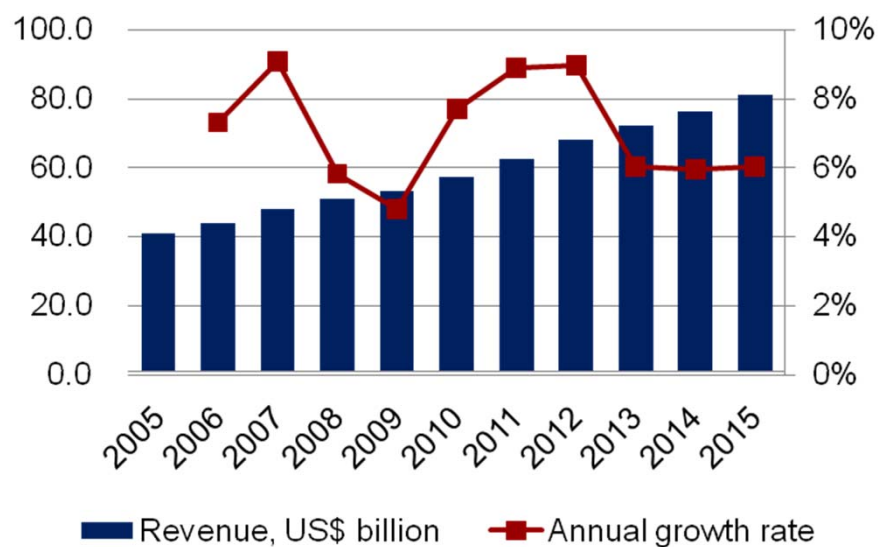
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# Market Overview

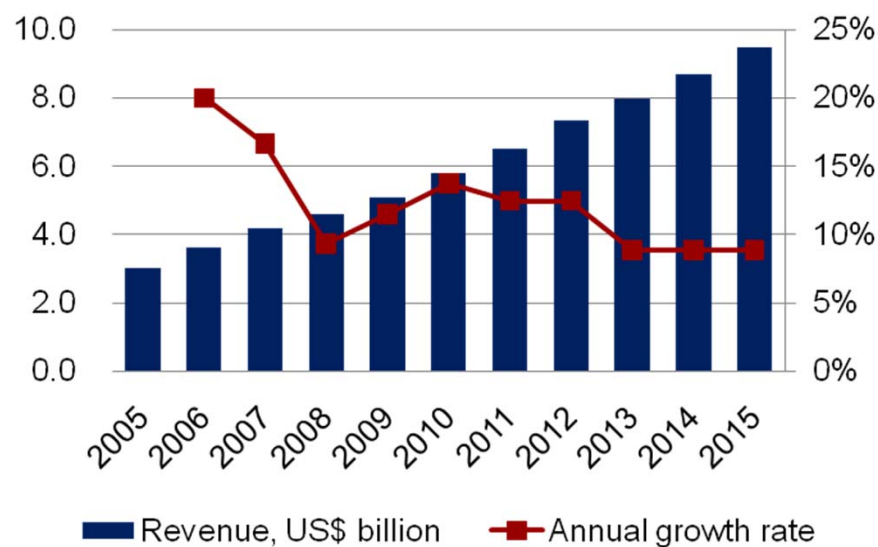


**China industrial gas market projected to continue rapid growth trajectory at 10.3% from 2010 to 2015, compared with 7.2% of global market**

World industrial gas market, Billion US\$



China Industrial gas market, Billion US\$



Source: SAI Report as issued on March 1, 2011



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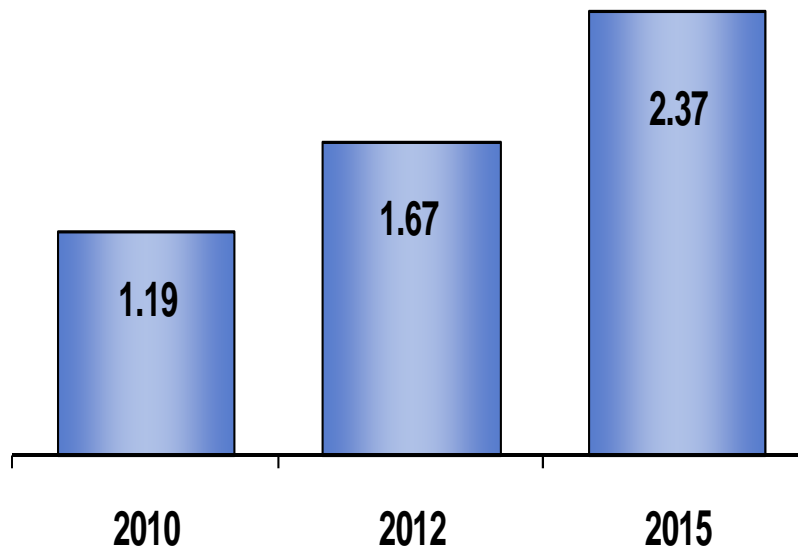
# China Industrial Gas Market Overview (Con't)



**Steadfast outsource trend underpinned by high quality professional gas services**

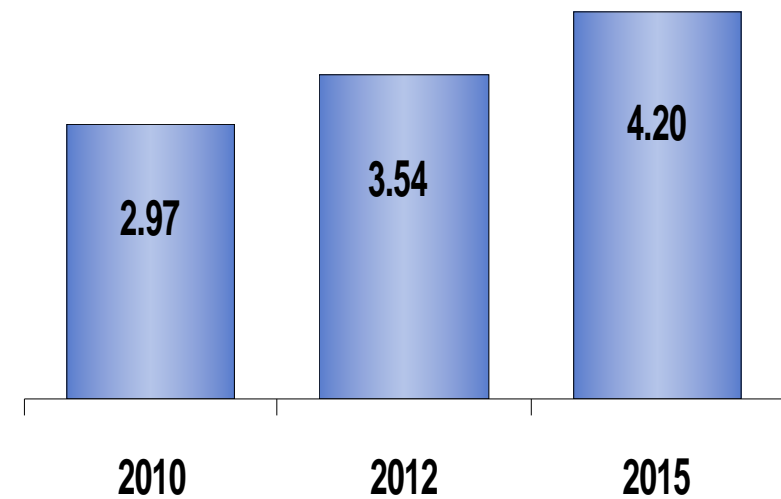
## Outsourced Industrial Gas Production in China

(US billion)



## Captive Industrial Gas Production in China

(US billion)

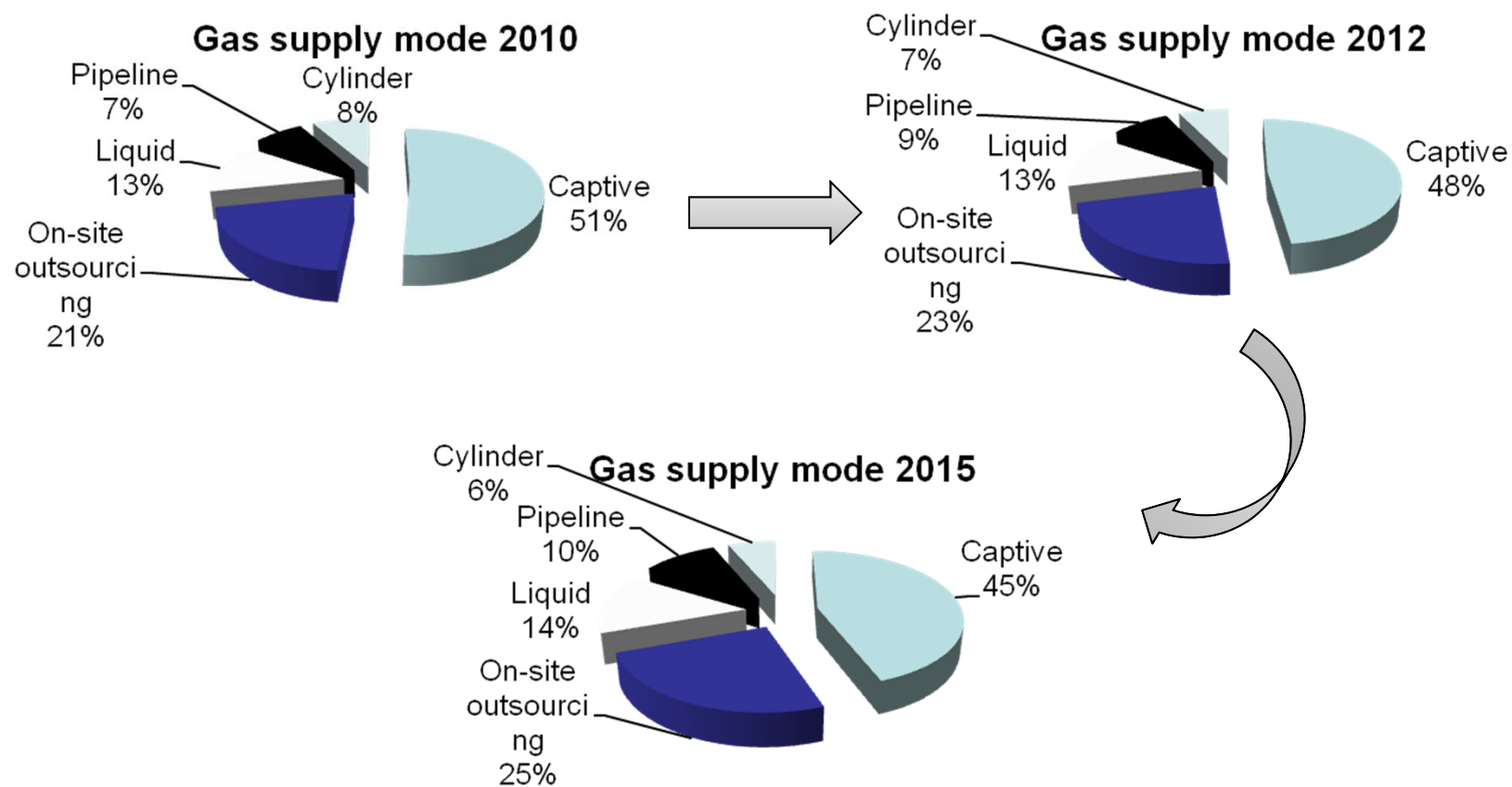


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# China Industrial Gas Market Overview (Con't)

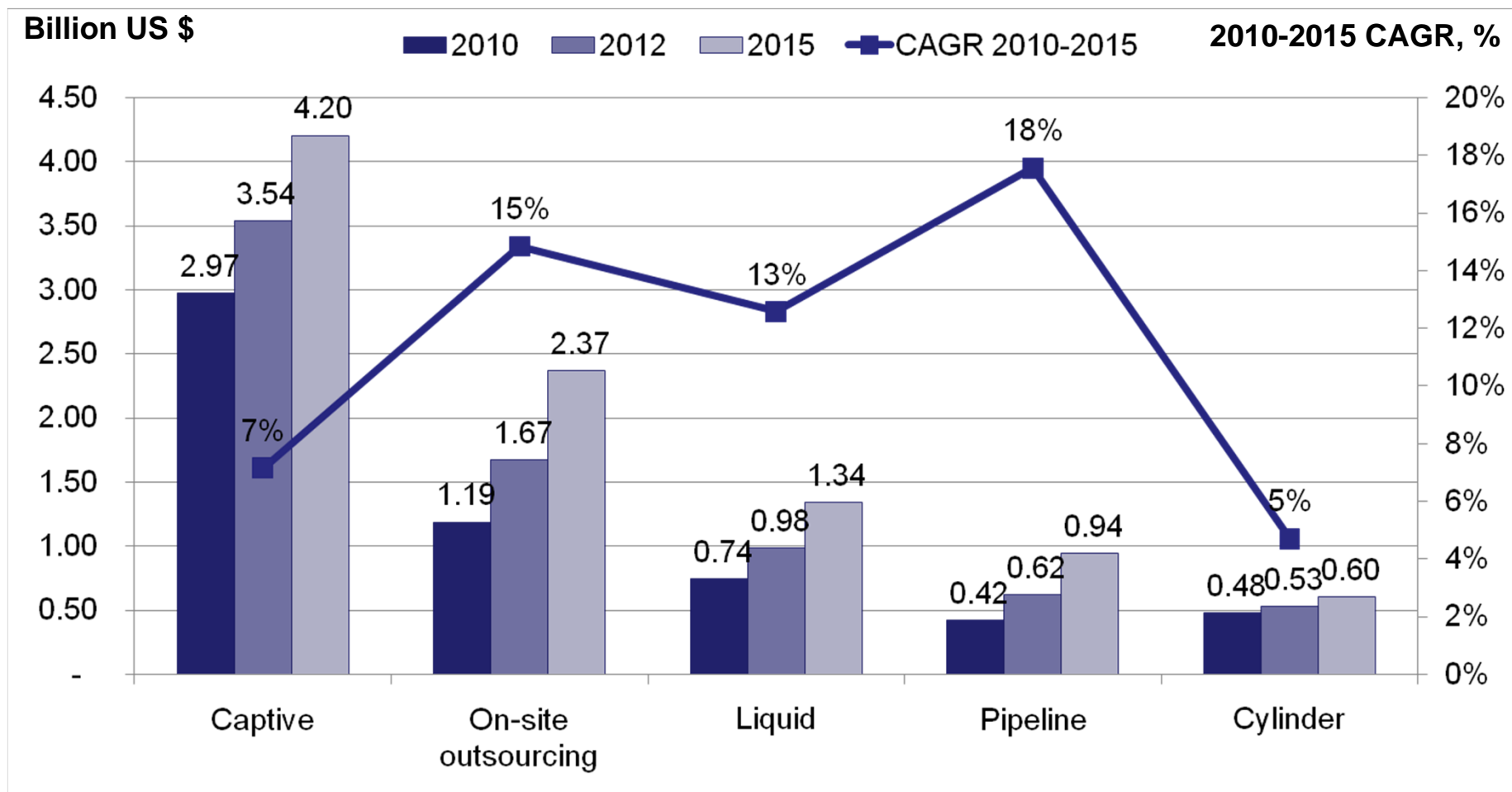


## Outsourcing Supply Mode Gaining Share



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# China Industrial Gas Market Overview (Con't)



Source: SAI Report as issued on March 1, 2011



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