



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

2012 Interim Results Announcement

***Investor Presentation
& Press Conference***

14 August, 2012



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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 Interim Financial Review

Industry and Business Overview

Q&A Session



2012 Interim Financial Review



**Stable revenue increase from on-site
but our merchant revenue affected by economic slowdown in China**

(RMB '000)	1H2011	1H2012	Change YoY
Turnover	2,060,206	2,380,088	319,882
Cost of Sales	1,301,072	1,636,208	335,136
Gross Profit	759,134	743,880	(15,254)
Profit from operations	611,522	487,464	(124,058)
Profit before taxation	567,400	429,558	(137,842)
Profit & total comprehensive income for the period	494,148	393,578	(100,570)
Profit Attributable to Equity Holders	491,903	391,528	(100,375)

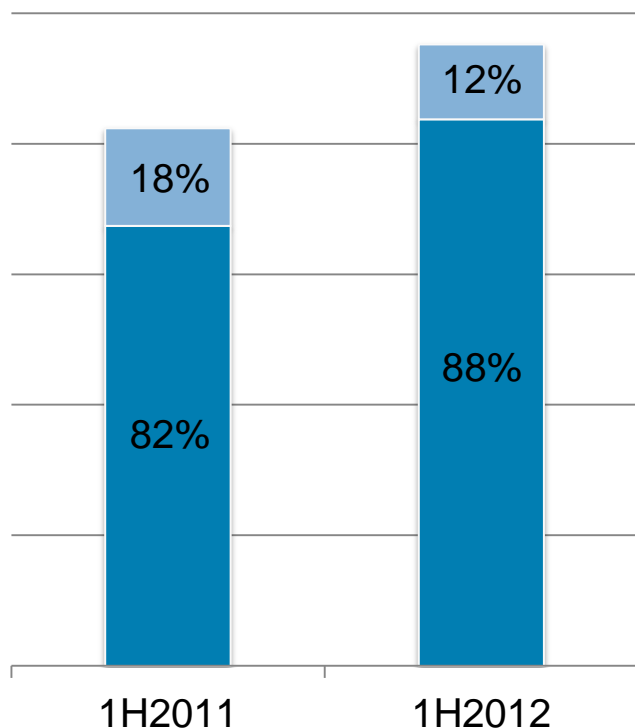


Turnover by Business



**A drop in sales of merchant gas while on-site gases remains our core business
Perfect business combination secures stable revenue growth
even during economic downturn**

■ On-site ■ Merchant



	1H2011	1H2012	
Main Business	RMB'000	RMB'000	Change YoY (%)
On-site gas	1,686,185	2,094,272	24.2%
Merchant gas	374,021	285,816	(23.6%)
Total	2,060,206	2,380,088	15.5%

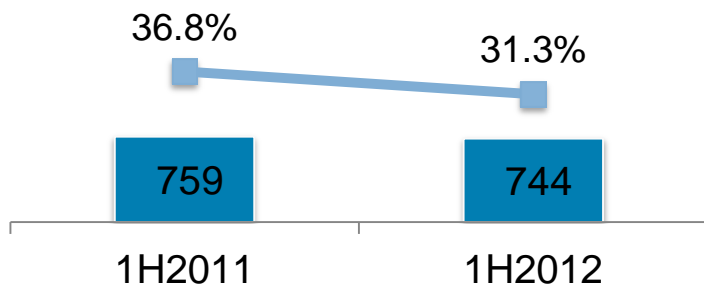


Key Performance Indicators



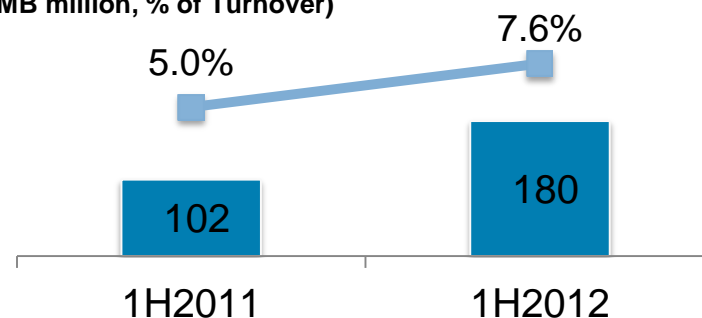
Gross Profit Margin

(RMB million, % of Turnover)



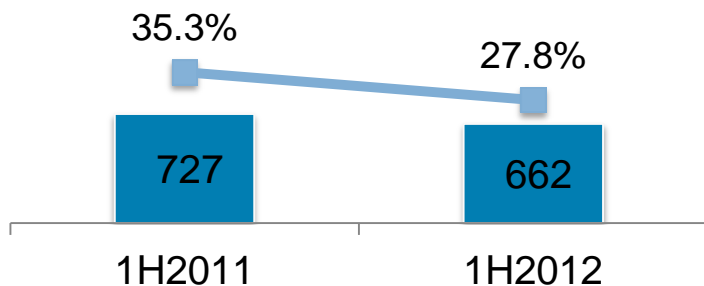
G&A as % of Turnover

(RMB million, % of Turnover)



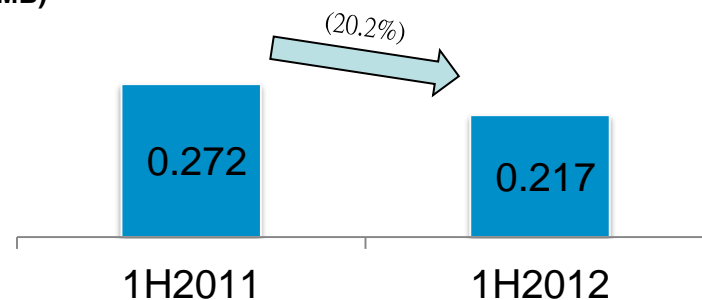
EBITDA Margin

(RMB million, % of Turnover)



EPS

(RMB)



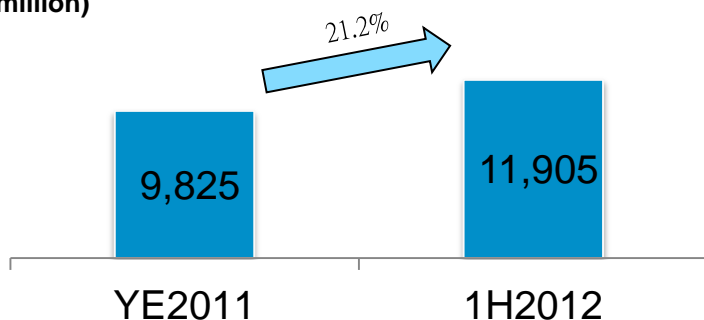
Finance Structure



Invest for future

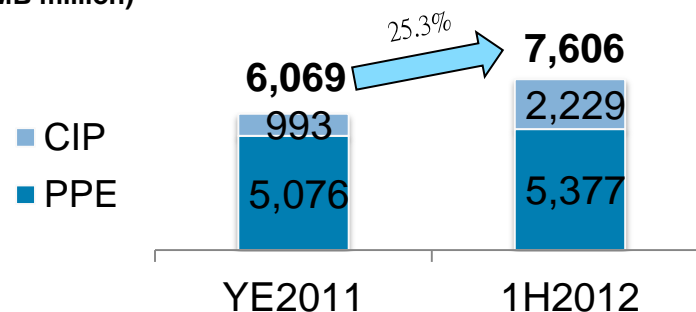
Total assets

(RMB million)



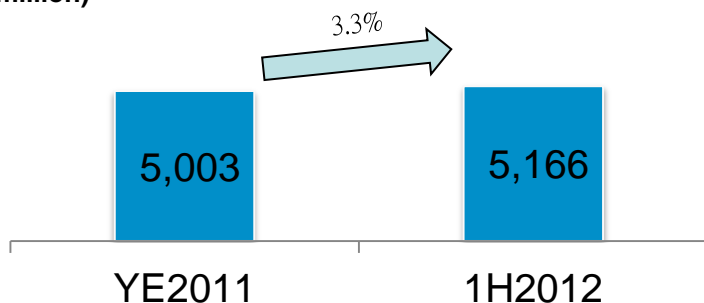
Fixed assets

(RMB million)



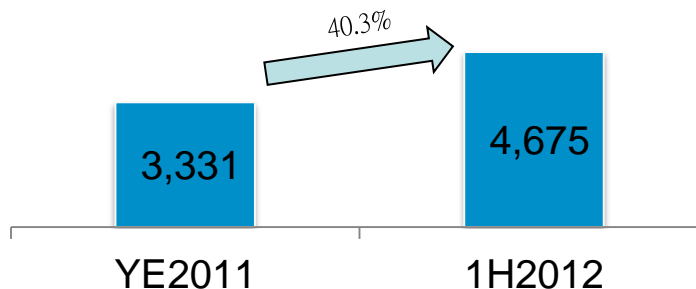
Total equity

(RMB million)



Total debt ⁽¹⁾

(RMB million, % of Turnover)



(1) Total debt consists of bank and other loans (both current and non-current), and obligation under finance lease (both current and non-current)



Balance Sheet and Cash Flow



Defensive business model generates stable operating cash flow

(RMB'000)	1H2011	1H2012
Net cash generated from operating activities	422,360	440,557
Impairment (write-back) losses on A/R	(3,306)	26,347
A/R Turnover Days (Days)	43	39
	FY2011	1H2012
Debt ratio ⁽¹⁾	33.9%	39.3%
Cash & Cash Equivalent	958,280	994,091
Net asset per share (RMB)	2.77	2.86

(1) Debt ratio is total debt over total assets





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On-site Gas Operation



YE2011

1H2012

No. of Plants in operation

33

36

No. of New Contracts

18

6

Production capacity - Oxygen (Nm³/ hr)

937,400

987,400

Production capacity - Nitrogen (Nm³/ hr)

1,338,500

1,388,500

Production capacity - Argon (Nm³/ hr)

26,240

26,540

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

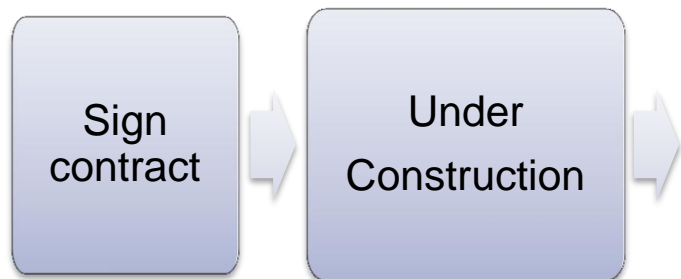
3

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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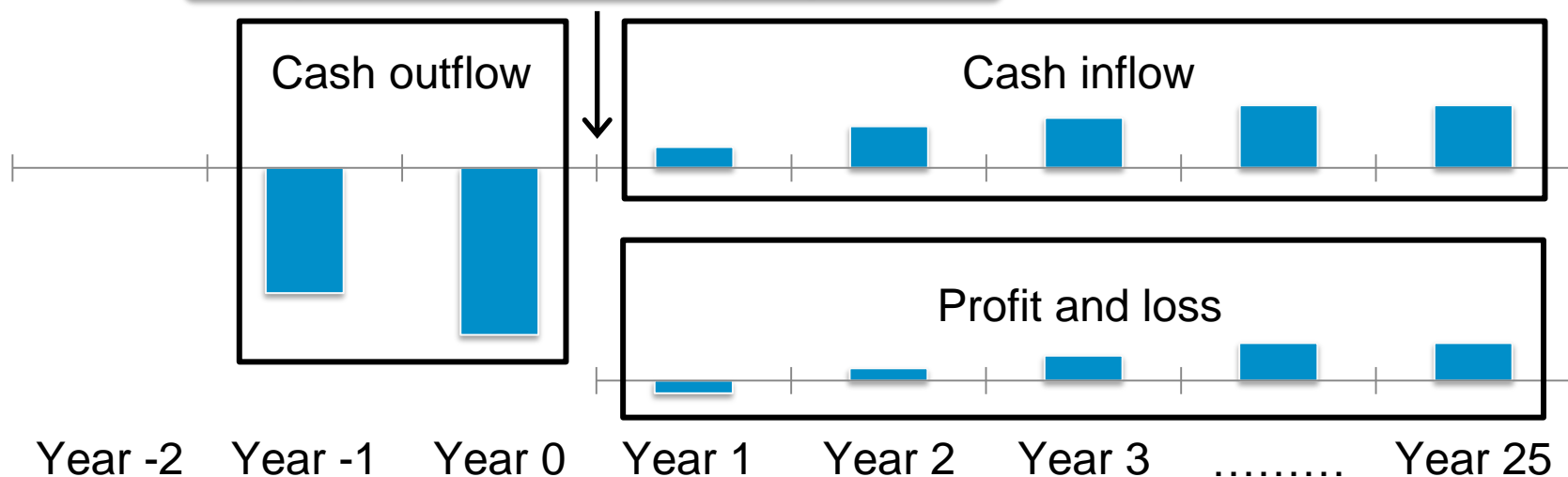
Sample On-site Project Development Time Frame



Contract Duration: 15 - 25 years

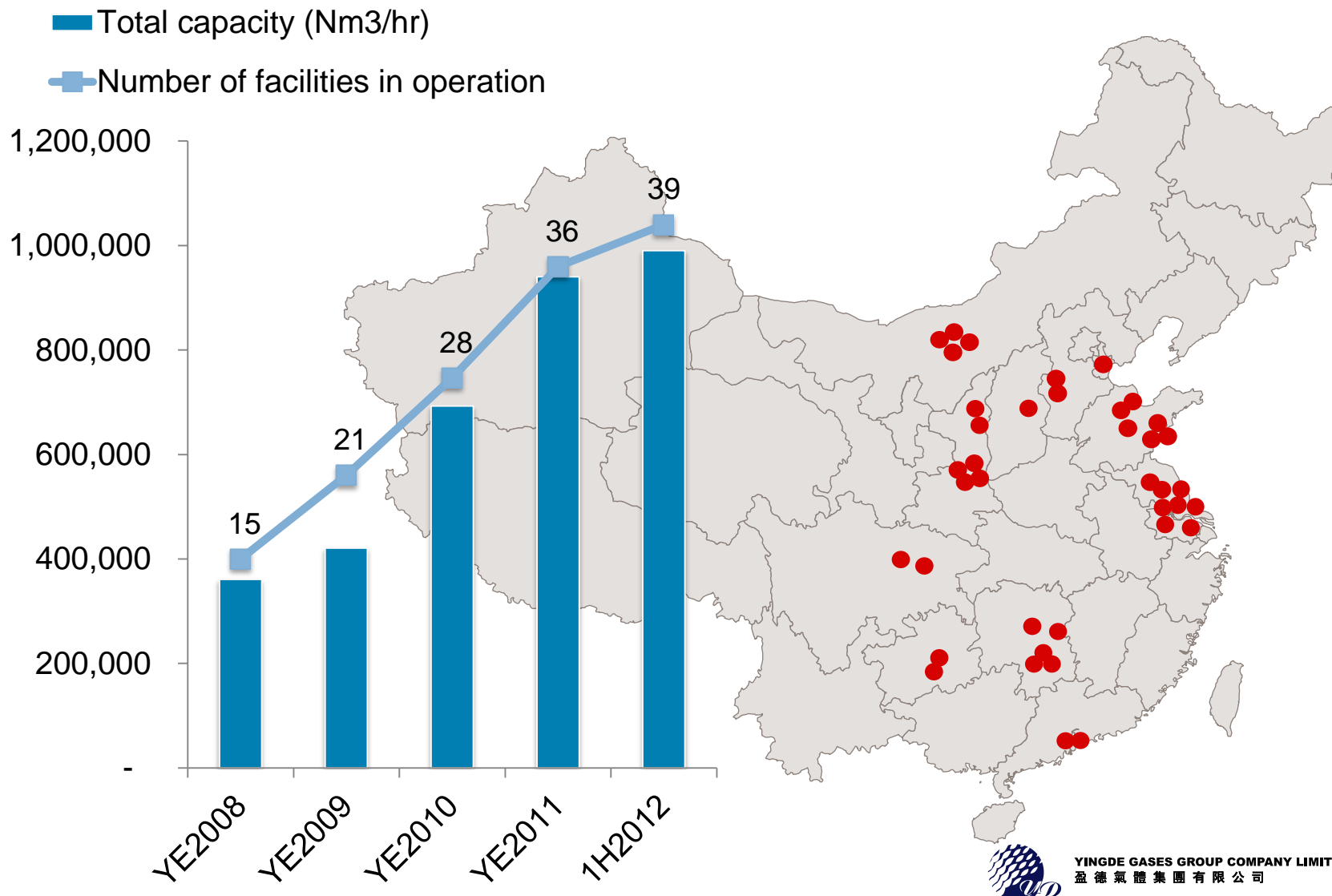
- Capacity increase fully reflect at year 1
- Partial on-site revenue reflect after 1st year of operation and will be stabilized at above MTOP from 2nd year onward
- Merchant revenue need at least 2 – 3 years to catch up the on-site revenue, achieving existing revenue mix from on-site and merchant
- As a result, stabilized profit and cash flow will only appear after year 3

Project commencement, capacity kick-in



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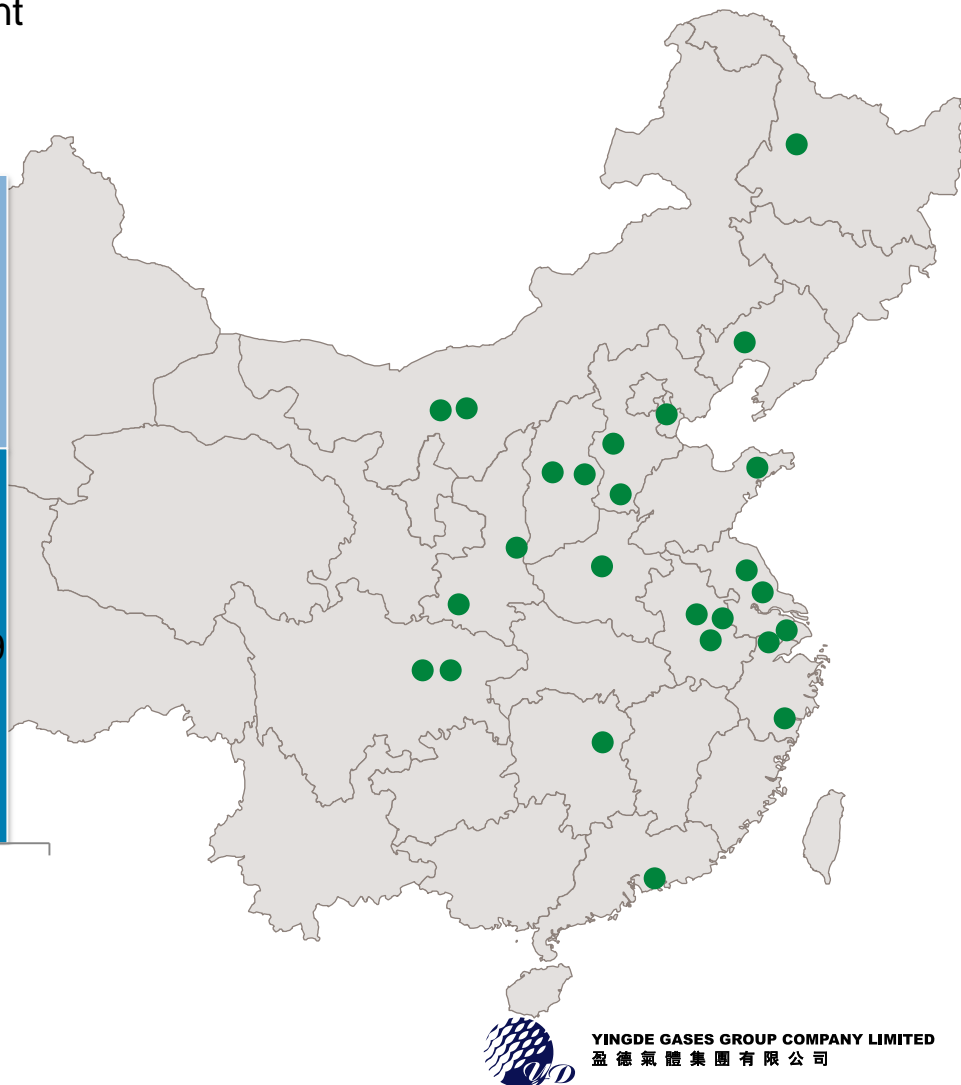
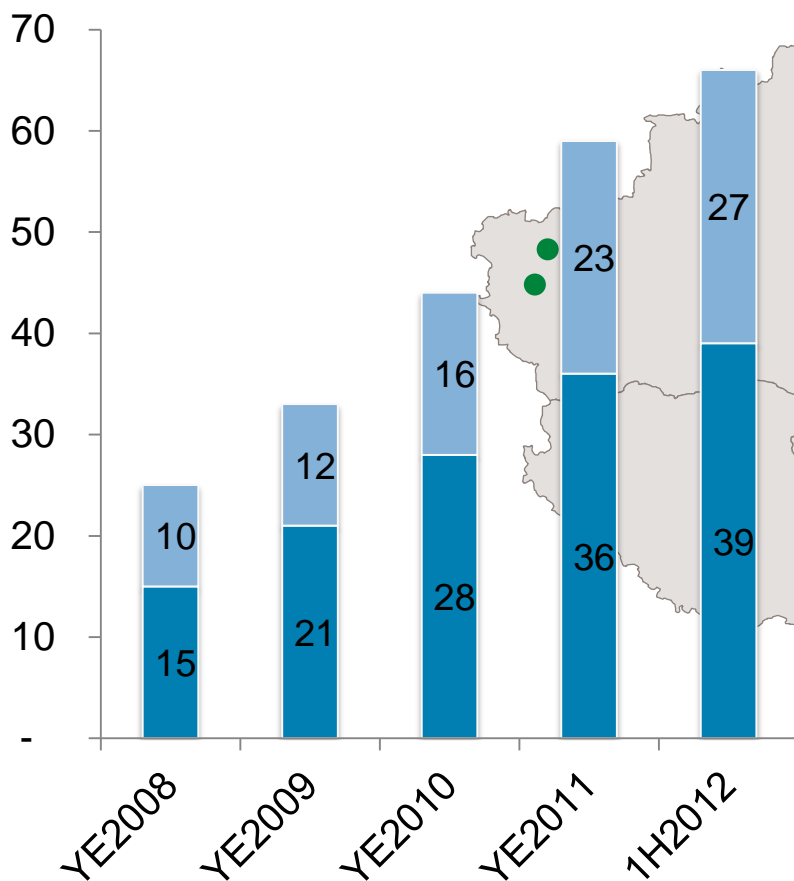
Facilities In Operation



Facilities Under Development



- Number of facilities under development
- Number of facilities in operation



Merchant Gas Operation



	1H2011	1H2012
Volume of sold Oxygen (Million Nm ³)	148.9	102.7
Volume of sold Nitrogen (Million Nm ³)	86.3	99.7
Volume of sold Argon (Million Nm ³)	37.4	40.4

1

Price and volume drop of oxygen due to economic downturn

2

Volume increase of nitrogen due to manufacturing transition

3

Sharp price drop of argon due to polysilicon shakeout





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