



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

# 2013

Interim Results  
中期業績

Investor Presentation

*Hong Kong, August 8, 2013*



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**2013 Interim financial review**

**Industry and business overview**

**Q & A session**



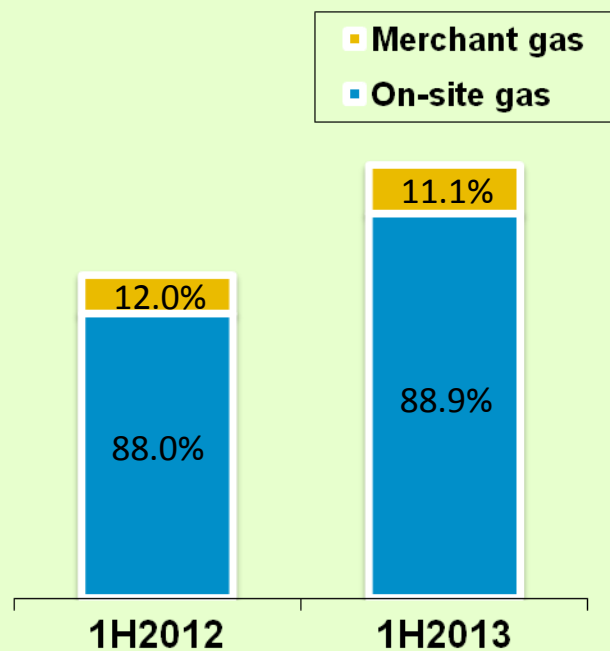
# 2013 Interim Financial Review

**Strong On-site revenue growth in tough macro environment**

(RMB '000)	1H2012	1H2013	Change YoY	%
Turnover	2,380,088	3,185,385	805,297	33.8
Cost of sales	1,636,208	2,121,559	485,351	29.7
Gross profit	743,880	1,063,799	319,919	43.0
Profit from operations	487,464	714,734	227,270	46.6
Profit before taxation	429,558	546,408	116,850	27.2
Profit & total comprehensive income for the period	393,578	433,369	39,791	10.1
Profit attributable to equity holders	391,528	432,038	40,510	10.3

# Turnover by Business

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



	1H2012		1H2013		Change	
Main Business	RMB'000	%	RMB'000	%	RMB'000	%
On-site gas	2,094,272	88.0	2,833,354	88.9	739,082	35.3
Merchant gas	285,816	12.0	352,004	11.1	66,188	23.2
Total	2,380,088	100.0	3,185,358	100.0	805,270	33.8

# Key Performance Indicators

## Gross Profit Margin

(RMB million, % of Turnover)

31.3%

33.4%

744

1,064

1H2012

1H2013

## SG&A as % of Turnover

(RMB million, % of Turnover)

11.2%

11.4%

267

364

1H2012

1H2013

## Profit attributable to equity holders

(RMB million)

10.2%

392

432

1H2012

1H2013

## Net Operating Cash Flow

(RMB million)

2.9%

441

454

1H2012

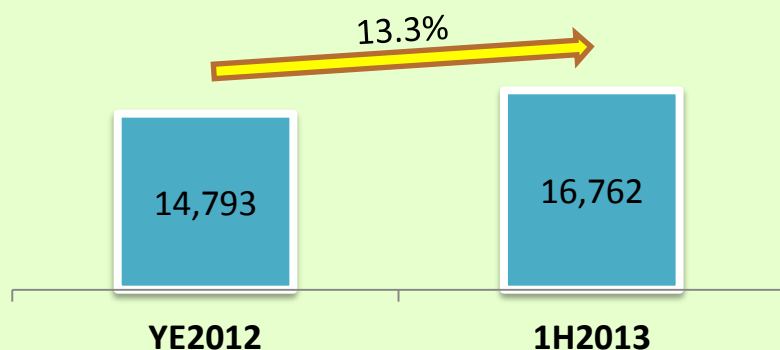
1H2013



# More Optimal Finance Structure

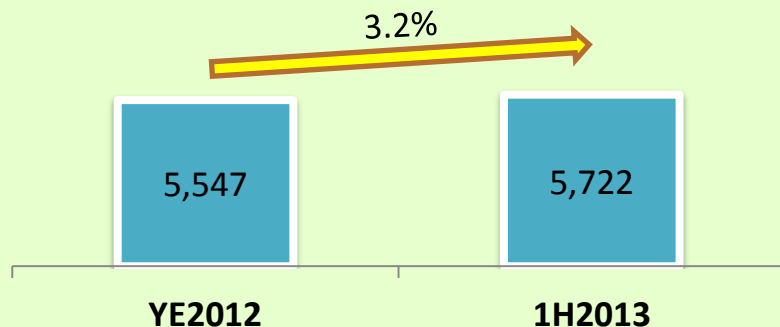
## Total Assets

(RMB million,)



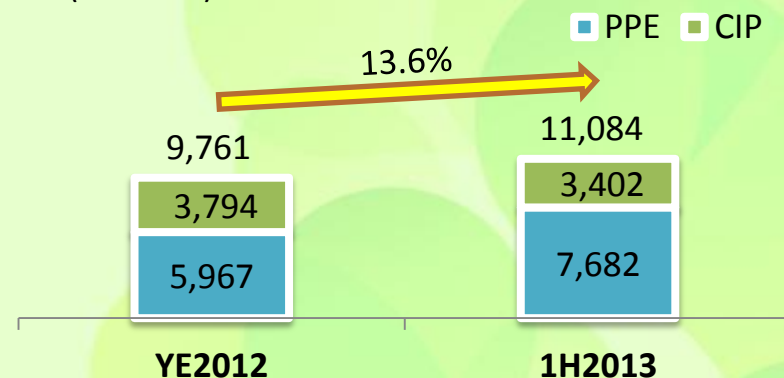
## Total Equity

(RMB million)



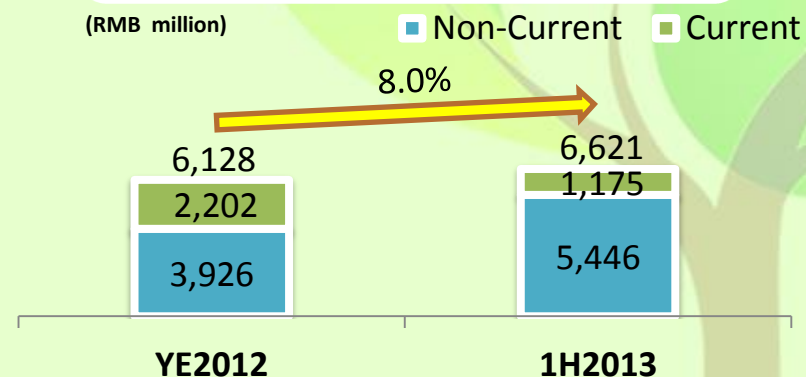
## Fixed Assets

(RMB million)



## Total Debt

(RMB million)



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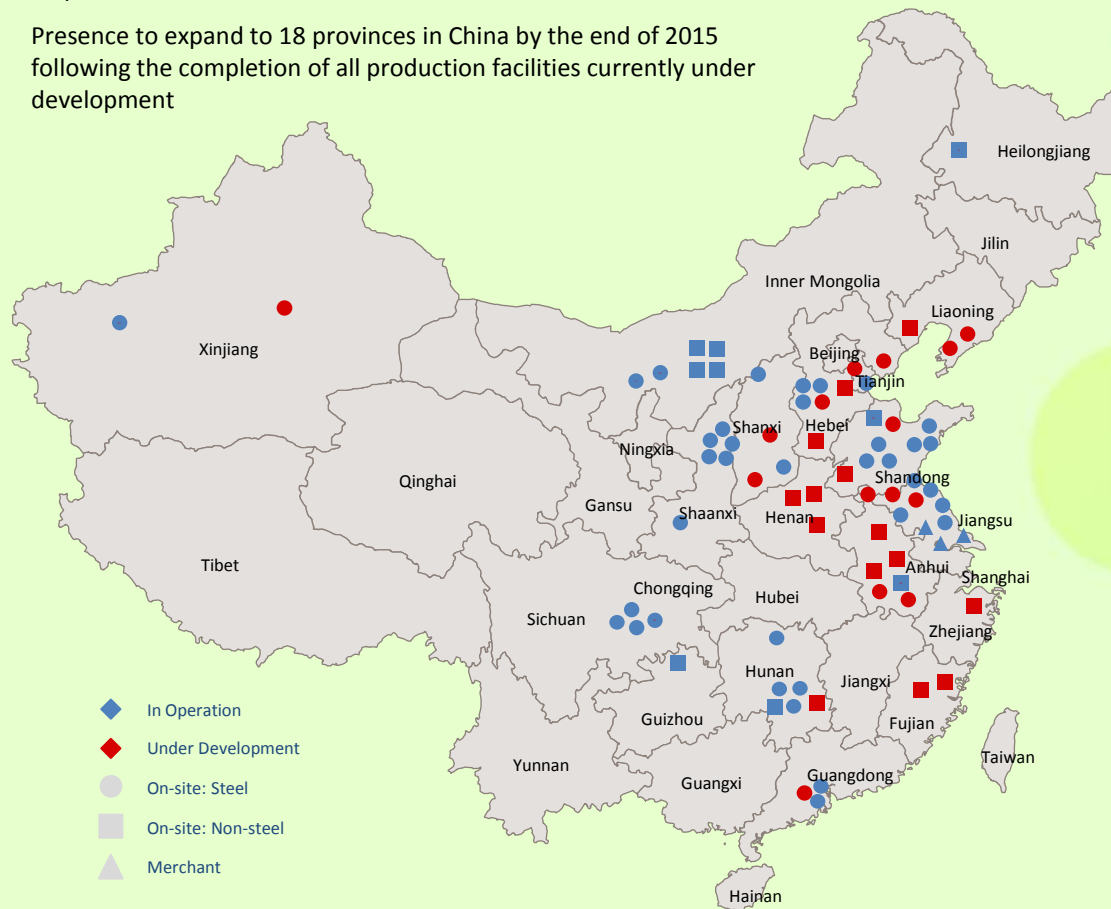




# Diversified and optimized geographic coverage and self-supporting network

50 gas production facilities in operation were well diversified across 11 provinces in China as of June 30, 2013

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 (Nm3/hr)
<b>In operation</b>		
<u>On-site</u>		
38	Steel	955,900 (71.4%)
9	Non-steel	379,500 (28.4%)
<u>Merchant</u>		
3	n/a	3,000 (0.2%)
<b>Total</b>		<b>1,338,400</b>
<b>Under development</b>		
<u>On-site</u>		
13	Steel	473,000 (62.5%)
14	Non-steel	283,400 (37.5%)
<b>Total</b>		<b>756,400</b>

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

# On-site operating facilities

	YE2012	1H2013
No. of on-site facilities	38	47
No. of New Contracts	11	6
Production capacity - Oxygen (Nm <sup>3</sup> / hr)	1,042,400	1,338,400
Production capacity - Nitrogen (Nm <sup>3</sup> / hr)	1,458,500	1,881,600
Production capacity - Argon (Nm <sup>3</sup> / hr)	28,140	36,560

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

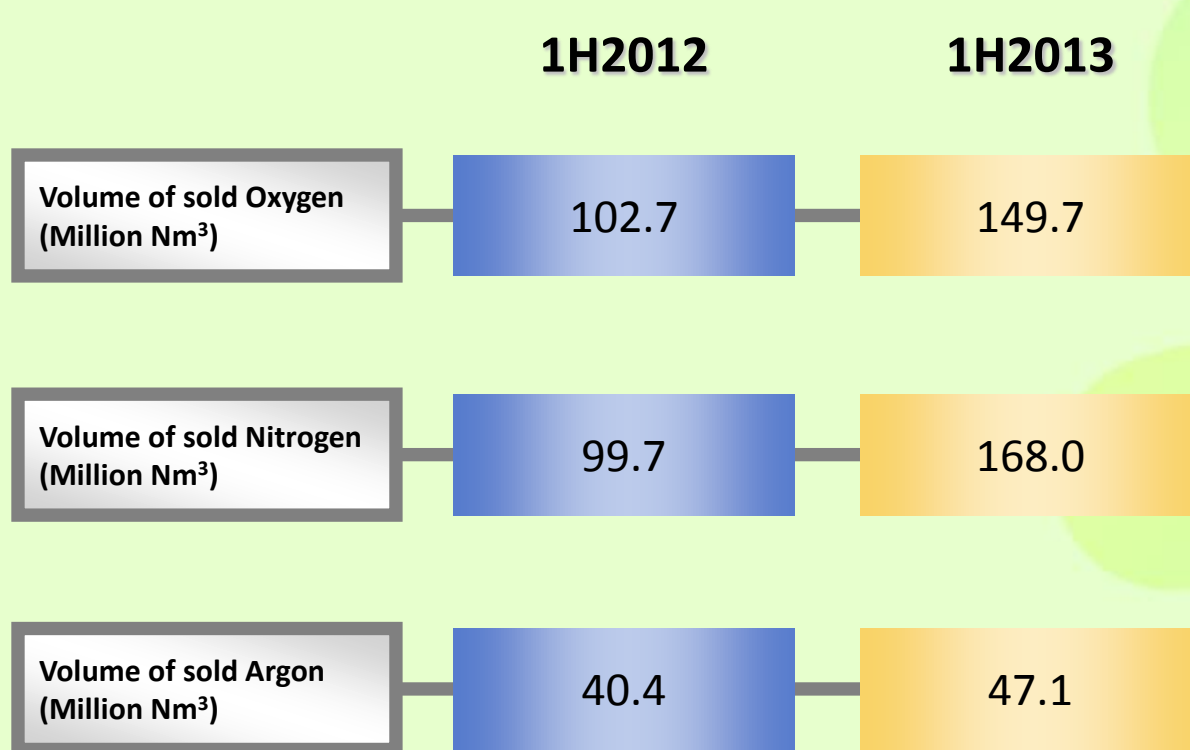
**Customer diversification :** Yingde expands its target customers to companies in the iron and steel, chemicals and nonferrous metals industries and will identify more quality customers

3

**Strong Project Pipe-line to secure future growth:** Yingde has secured 6 new contracts in 1H2013, adding in 241,000 Nm<sup>3</sup>/hr oxygen capacity to the project pipe-line.



# 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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# Q & A Session

