



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

2010 Interim Results

Investor Roadshow



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20101H Financial review

Industry and business overview

Q & A session



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20101H Financial Review

Achieve encouraging results leveraged on the improving global economy

(RMB '000)	20091H	20101H	Change YoY (%)
Turnover	917,163	1,316,087	43.5%
Cost of Sales	586,072	787,909	34.4%
Gross Profit	331,091	528,178	59.5%
Profit from operations	278,017	449,660	61.7%
Profit before taxation	236,758	402,629	70.1%
Profit & total comprehensive income for the period	232,524	325,709	40.1%
Profit Attributable to Equity Holders	232,487	325,597	40.0%



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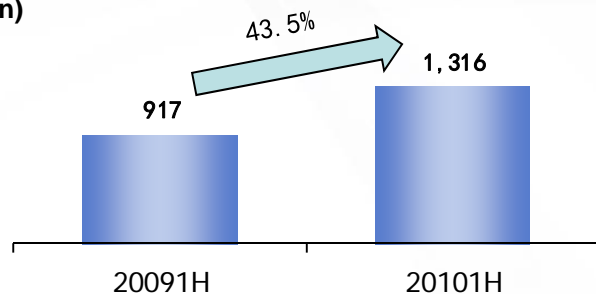
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Strong Profit Growth

Significant and steady increase attributable to strong management execution capability

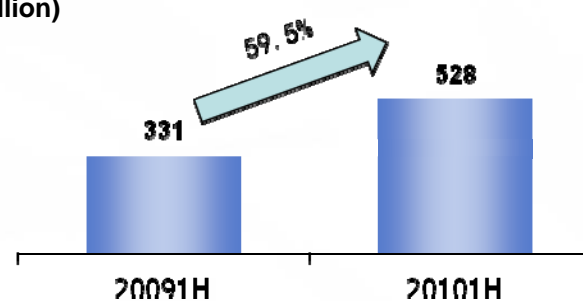
Turnover

(RMB million)



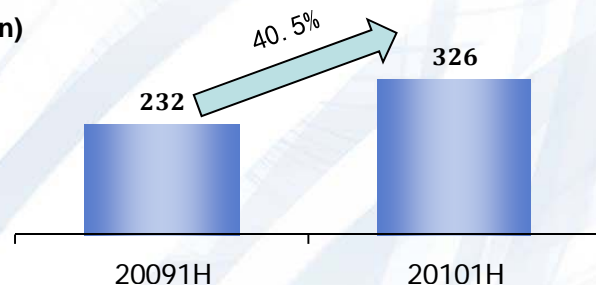
Gross Profit

(RMB million)



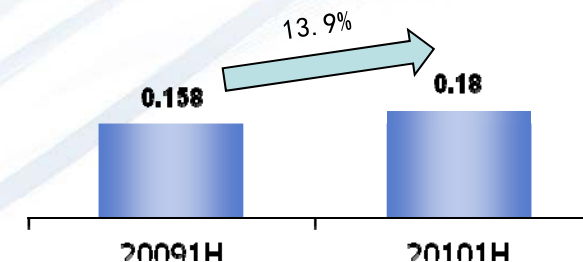
Profit Attributable to Equity Holders

(RMB million)



EPS

(RMB)





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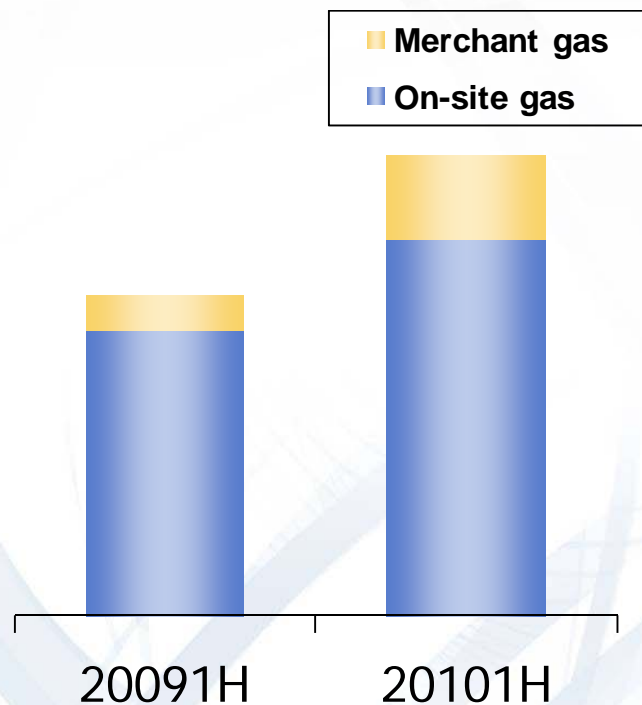
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Turnover by Business

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



	20091H		20101H	
Main Business	RMB'000	%	RMB'000	%
On-site gas	818,969	89.3%	1,074,965	81.7%
Merchant gas	98,194	10.7%	241,122	18.3%
Total	917,163	100%	1,316,087	100%



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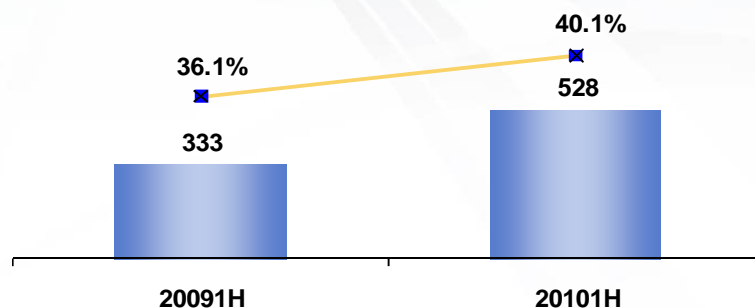
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Profitability Ratios

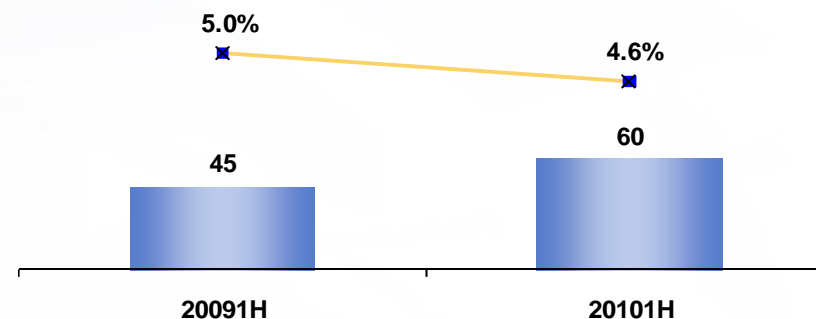
Gross Profit Margin

(RMB million, % of Turnover)



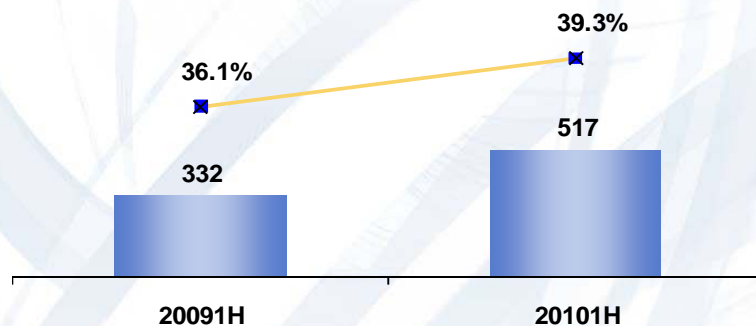
G&A as % of Turnover

(RMB million, % of Turnover)



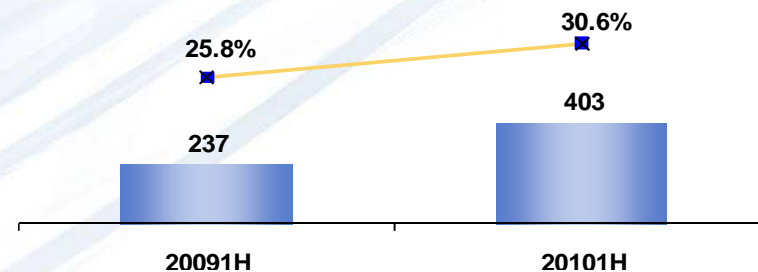
EBITDA Margin

(RMB million, % of Turnover)



Profit before tax Margin

(RMB million, % of Turnover)





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Strong Balance Sheet and Cash Flow

	20091H	20101H
Net Debt/Total Capitalization	35.5%	Net Cash
A/R Turnover Days (Days)	27	40
Year End Cash & Cash Equivalent (RMB Million)	2,102.5	1,688.8
Payables For Equipment (RMB Million)	254.8	268.1
Capital Commitment (RMB Million)	2,518.9	2,810.9
Net cash generated from operating activities	185.8	291.3
Net asset per share (RMB)	1.1	2.3



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Key Drivers

I

Robust GDP and Industrial Output Growth

II

Improvement in end-product technology to enhance end-product quality and environmental performance

III

Competitiveness over global industrial gas suppliers and continuous outsourcing trend





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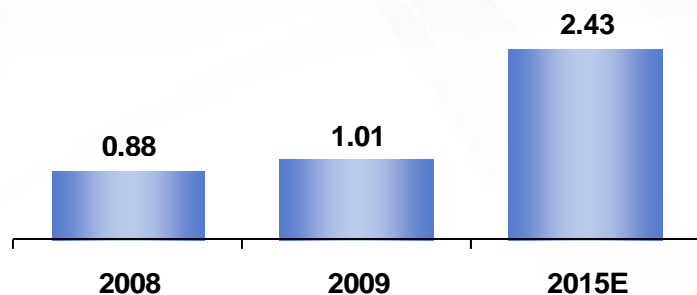
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Market Overview

Steadfast outsource trend underpinned by high quality professional gas services

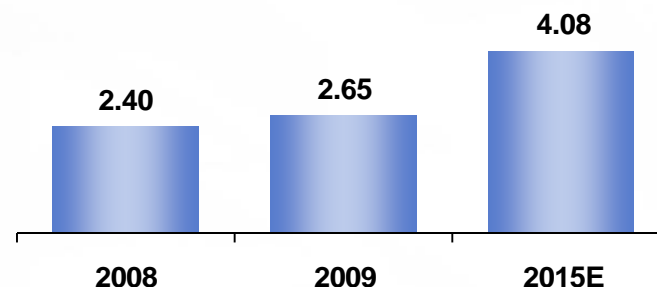
Outsourced Industrial Gas Production in China

(US billion)



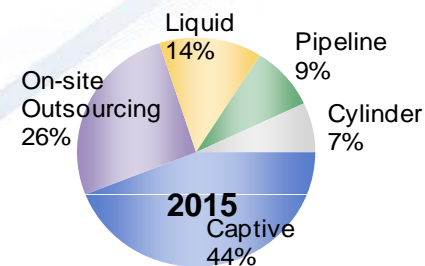
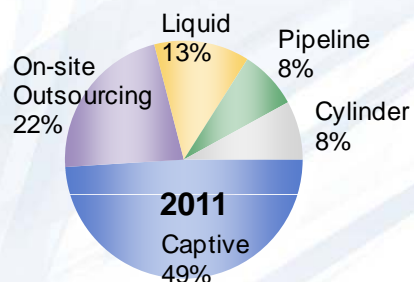
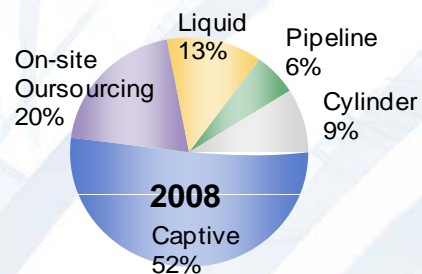
Captive Industrial Gas Production in China

(US billion)



Outsourcing Supply Mode Gaining Share

(% of Total China Industrial Gas Market)



Source: SAI Report issued on March 22, 2010



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Market Overview

We are the leader of China's on-site industrial gas suppliers

Name of companies	Ownership	Revenue of on-site	Market share in on-site
		industrial gases in 2009 (US \$ million)	
Yingde Gases	Local	262	25.8%
Air Liquide	International	204	20.1%
Linde	International	204	20.1%
Praxair	International	145	14.3%
APCI	International	87	8.6%
Messer	International	64	6.3%
Shanghai Jiali	Local	30	3.0%
Nippon Sanso	International	11	1.1%
Subtotal		1,007	99.3%
Other		7	0.7%
Total		1,014	100.0%

Source: SAI Report as of 31 December 2009



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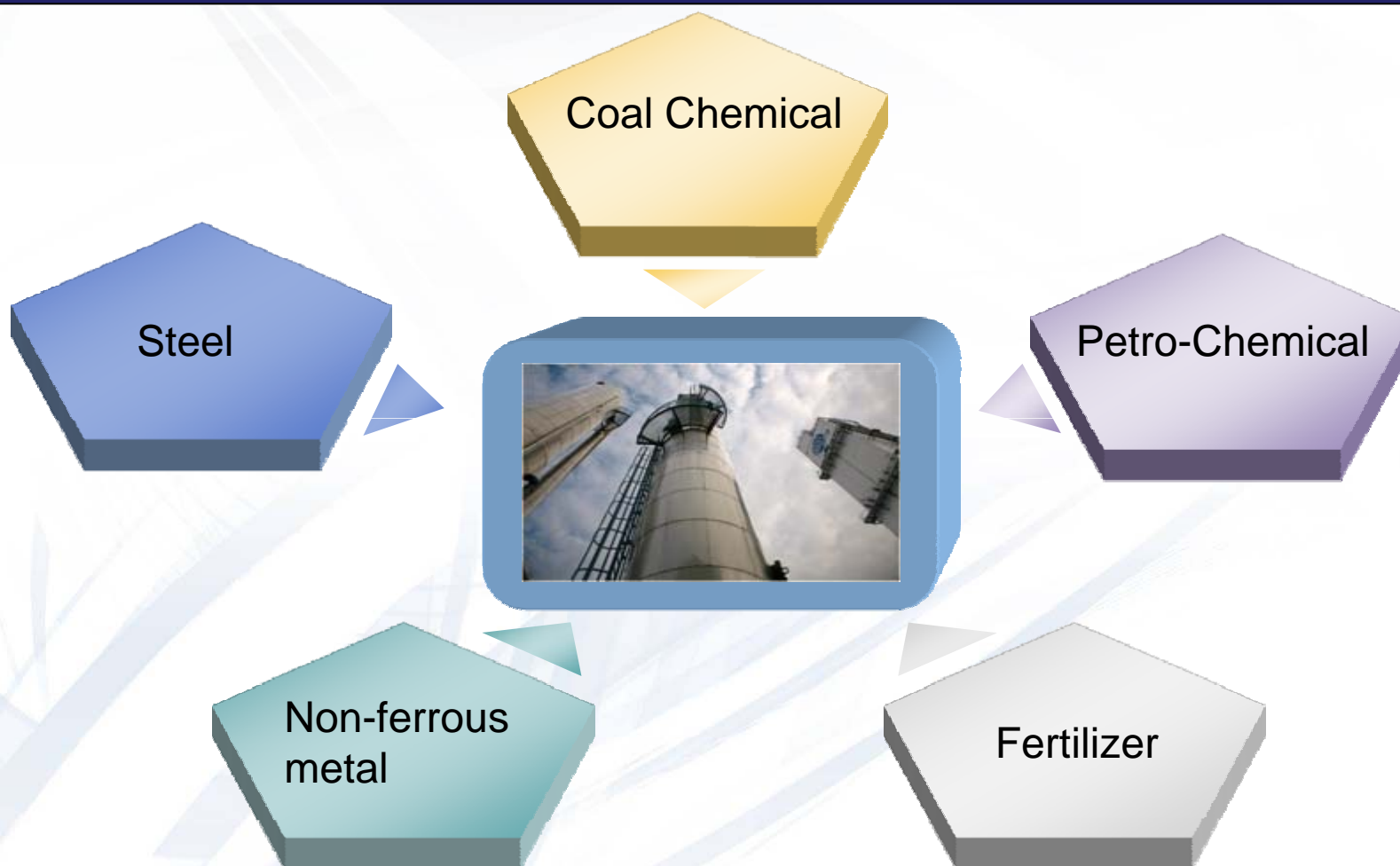
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Market Overview

Five fast growing users drive the consumption of industrial gases





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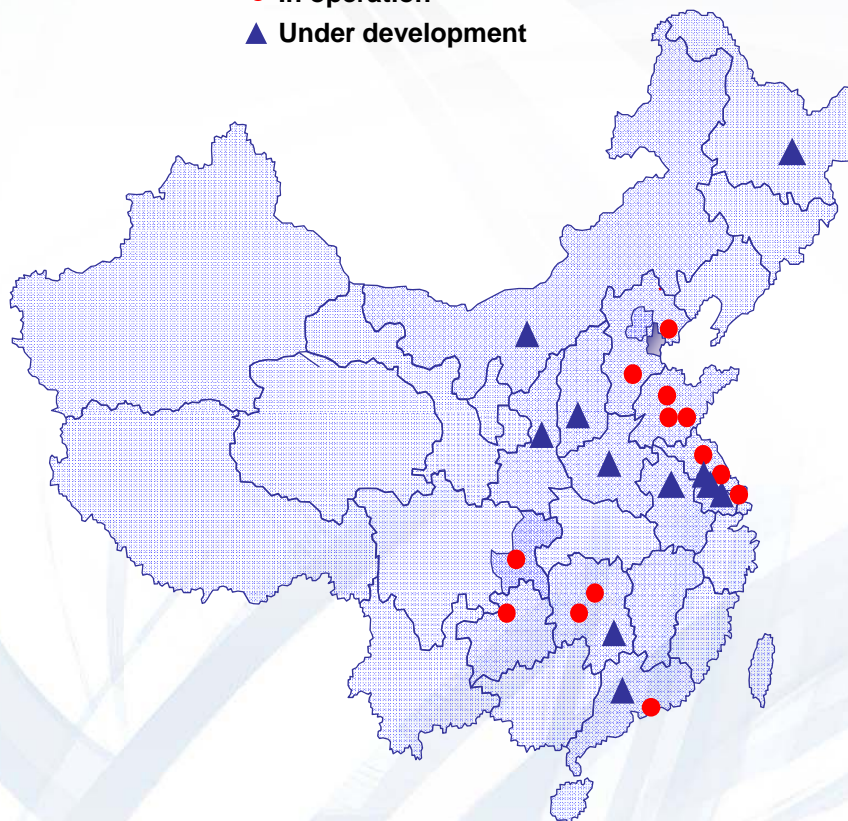
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Diversifying Customer-base

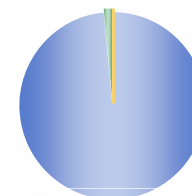
Installed Oxygen Capacity Breakdown by On-site Customer Industry

Six months ended June 30, 2010

- In operation
- ▲ Under development



Non-ferrous
1.4%

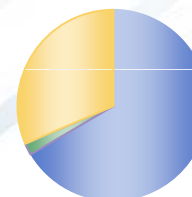


Steel
98.6%

Total Capacity 452,800 Nm³/h

Completion of all signed contracts and
projects currently under development

Chemical
36.2%



Steel
62.0%

Non-ferrous
1.8%

Total Capacity: 1,008,800 Nm³/h



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On-site gas operation

	20091H	20101H	
No. of Plants in operation	19	23	1 Protected by long-term contracts: Yingde enters into long-term contracts with onsite customers which generate stable and lasting earnings
No. of contract signed and plants under development	14	16	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
Production capacity - Oxygen (Nm ³ / hr)	399,300	452,800	
Production capacity - Argon (Nm ³ / hr)	14,760	16,440	
Production capacity - Nitrogen (Nm ³ / hr)	609,500	708,500	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

20091H

20101H

Volume of sold Oxygen
(Million Nm³)

66.7

111.7

Volume of sold Argon
(Million Nm³)

19.7

30.1

Volume of sold Nitrogen
(Million Nm³)

24.2

38.7

1

“Go to Market” Strategy :

Yingde has adopted a more progressive “Go To Market” strategy since the second half of 2009, which significantly increased the revenue from the merchant gas operation

2

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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Recent Development

Oct 2009

- Successful Listing in Hong Kong
- RMB 1,951.3 Mn Net proceeds
- Use of Proceeds:
 - * 65% for existing projects
 - * 25% for new projects
 - * 10% for working capital and general corporate purpose

Nov 2009

- Signing 1 new gas supply contract and constructing a production facility for a steel company

Mar 2010

- Signing 2 new gas supply contracts and constructing two production facilities for steel and non-ferrous metal companies

Apr - Aug 2010

- Signing 3 new gas supply contracts and constructing four production facilities for chemical and fertilizer companies

620

917

1,316

20081H

20091H

20101H

Revenue (RMB million)



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Investment Highlights





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