



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 Annual Results Announcement

全年業績發報會

Investor Presentation/ Press Conference

Hong Kong, March 16, 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*





2011 Financial review

Industry and business overview

Q & A Session



2011 Financial Review



Maintain stable growth in tough global economic environment

(RMB '000)	2010	2011	Change YoY (%)
Turnover	3,004,933	4,240,275	41.1
Cost of Sales	(1,840,790)	(2,789,384)	51.5
Gross Profit	1,164,143	1,450,891	24.6
Profit from operations	786,244	1,091,320	38.8
Profit before taxation	668,379	981,447	46.8
Profit Attributable to Equity Holders	577,281	830,819	43.9
Dividend per share	0.10	0.13	30.0

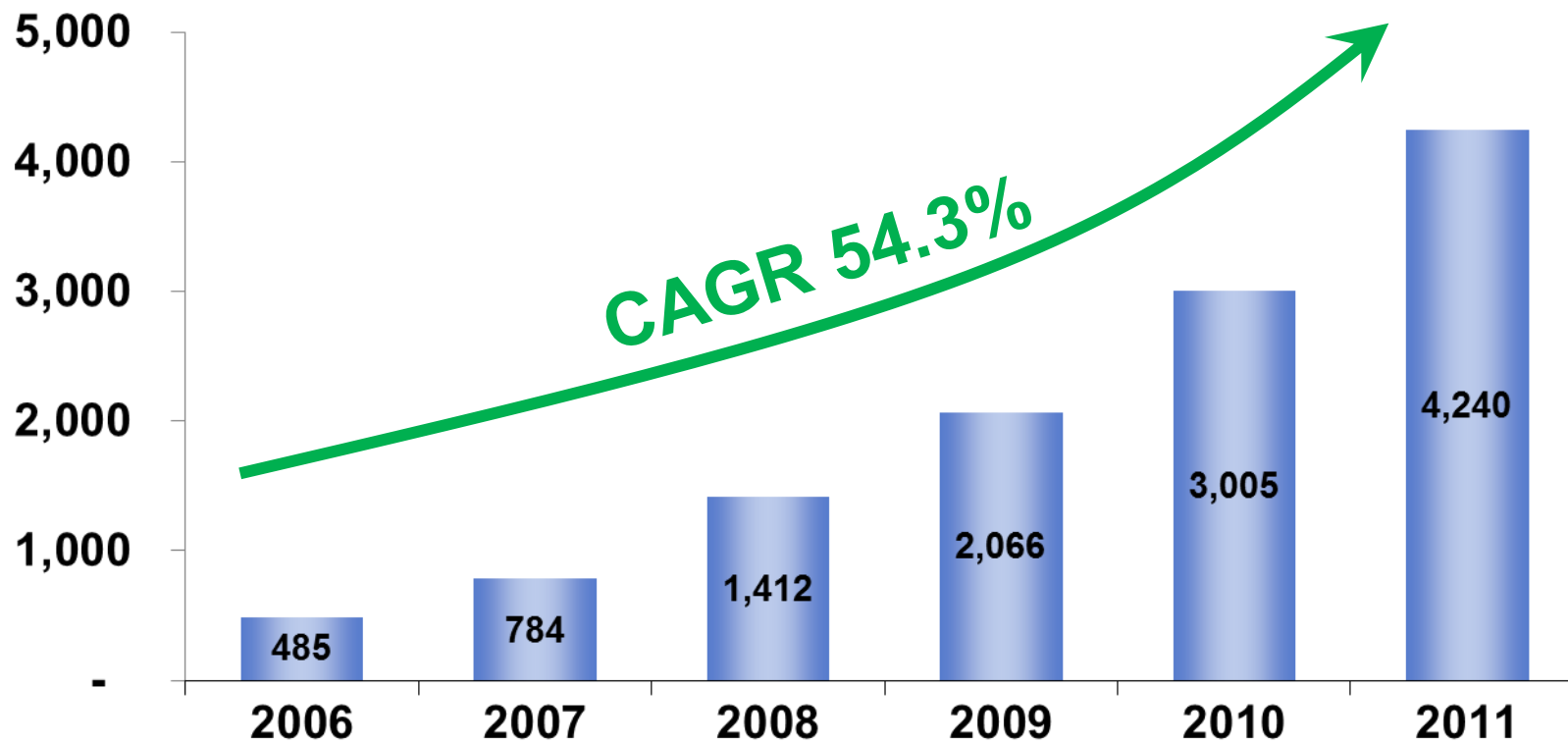


Turnover



Strong and stable growth in turnover

(RMB million)



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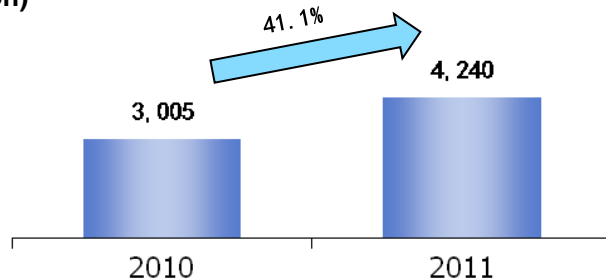
Strong Revenue Growth



Significant and steady increase attributable to strong management execution capability

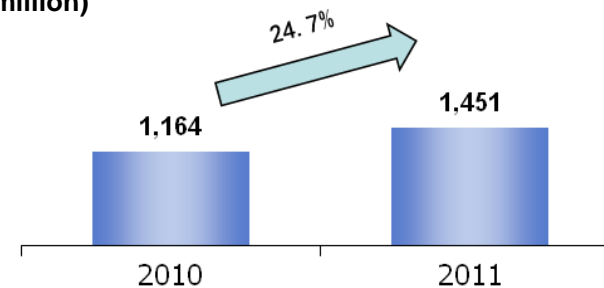
Turnover

(RMB million)



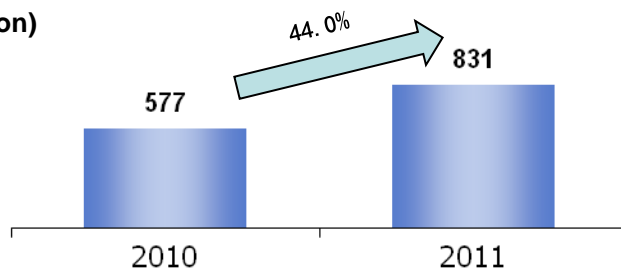
Gross Profit

(RMB million)



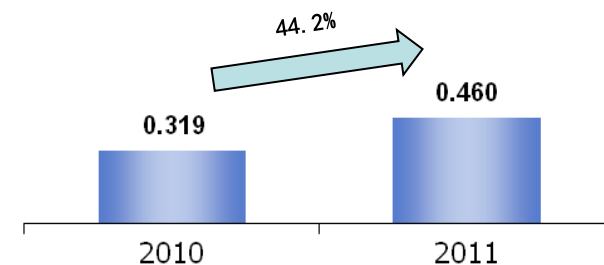
Profit Attributable to Equity Holders

(RMB million)



EPS

(RMB)

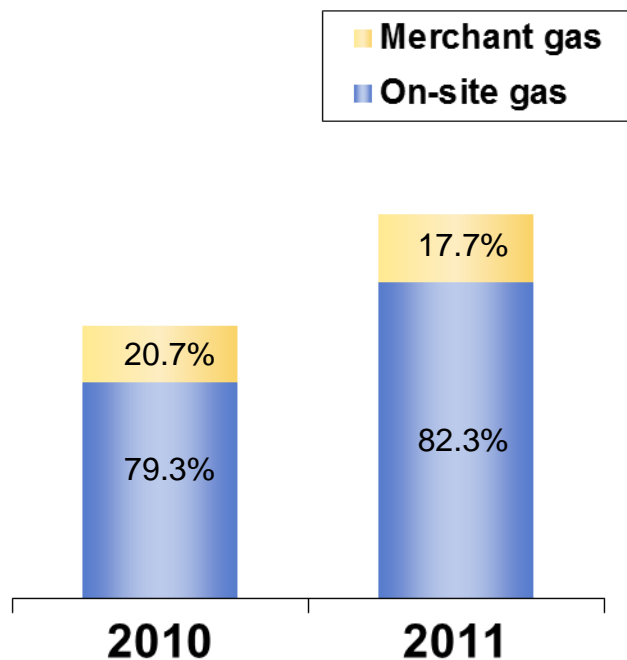


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Turnover by Business



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



	2010		2011		Change	
Main Business	RMB'000	%	RMB'000	%	RMB'000	%
On-site gas	2,384,091	79.3	3,487,923	82.3	1,103,832	46.3
Merchant gas	620,842	20.7	752,352	17.7	131,510	21.2
Total	3,004,933	100.0	4,240,275	100.0	1,235,342	41.1

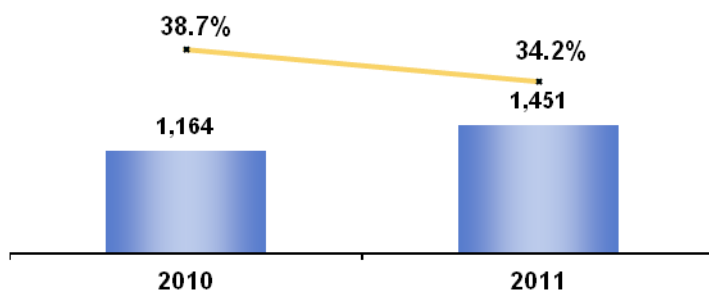


Profitability Ratios



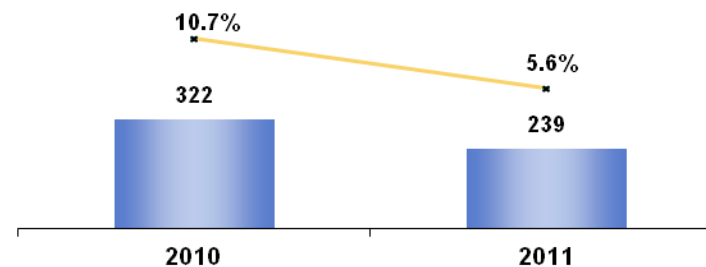
Gross Profit Margin

(RMB million, % of Turnover)



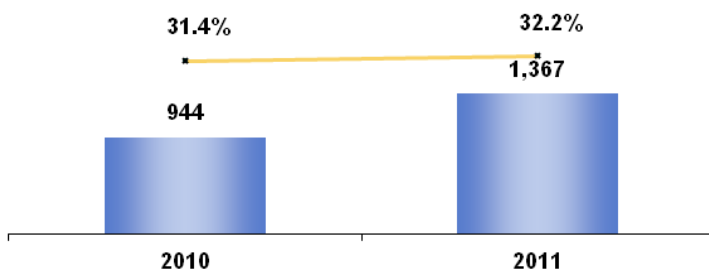
G&A as % of Turnover

(RMB million, % of Turnover)



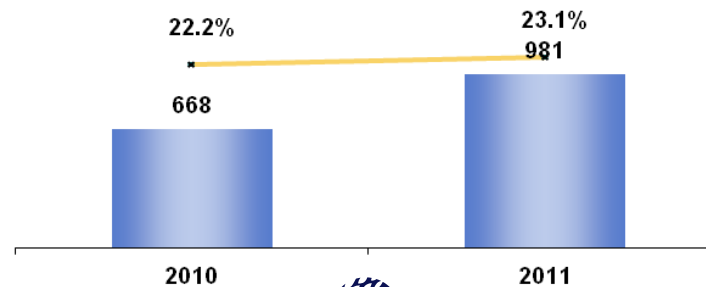
EBITDA Margin

(RMB million, % of Turnover)



Profit before tax Margin

(RMB million, % of Turnover)



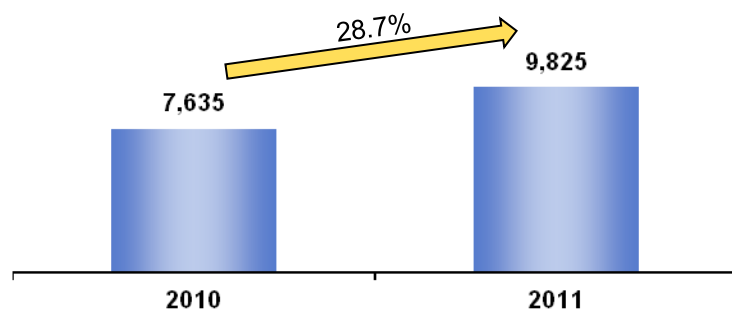
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More Optimal Finance Structure



Total assets

(RMB million)

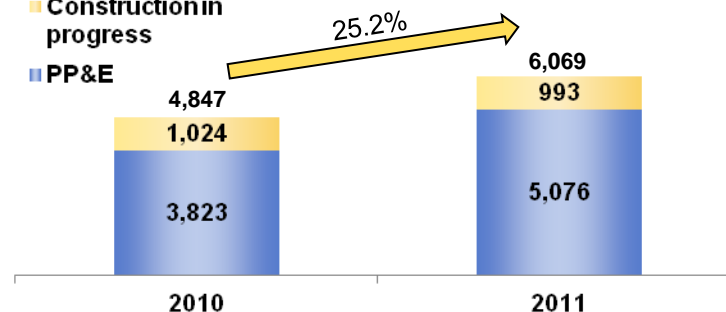


Fixed assets

(RMB million)

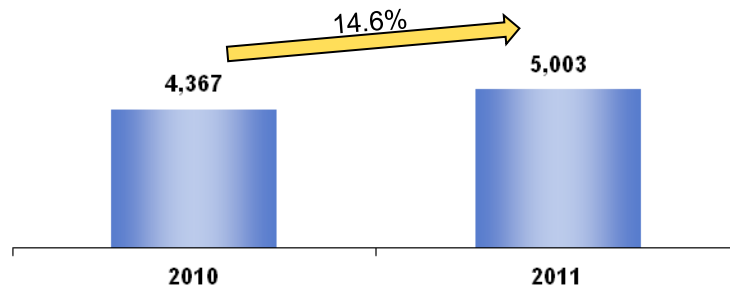
■ Construction in progress

■ PP&E



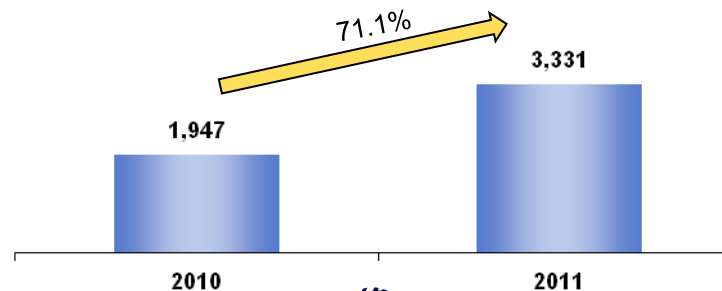
Total equity

(RMB million)



Total debt ⁽¹⁾

(RMB million)



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



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Strong Balance Sheet and Cash Flow



(RMB '000)	2010	2011
Net cash generated from operating activities	732,426	974,646
Debt/Total Capitalization (%)	30.8%	40.0%
A/R Turnover Days (Days)	34	33
Cash & Cash Equivalent	970,458	958,280
Payable for Property, Plant and Equipment	671,208	911,209
Net asset per share (RMB)	2.41	2.77





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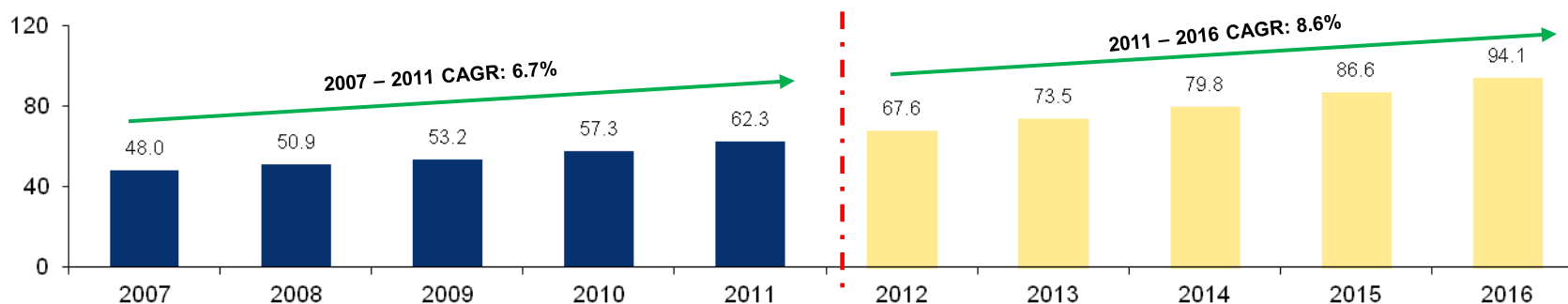


Global and China industrial gas market size



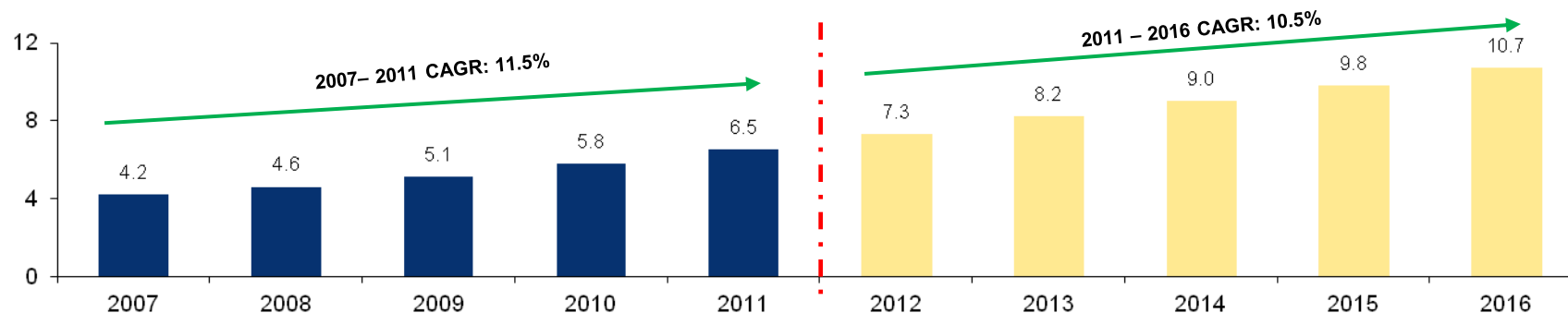
World industrial gas market size

(US\$ in billion)



China industrial gas market size

(US\$ in billion)



Source: SAI Report as issued on March 9, 2012

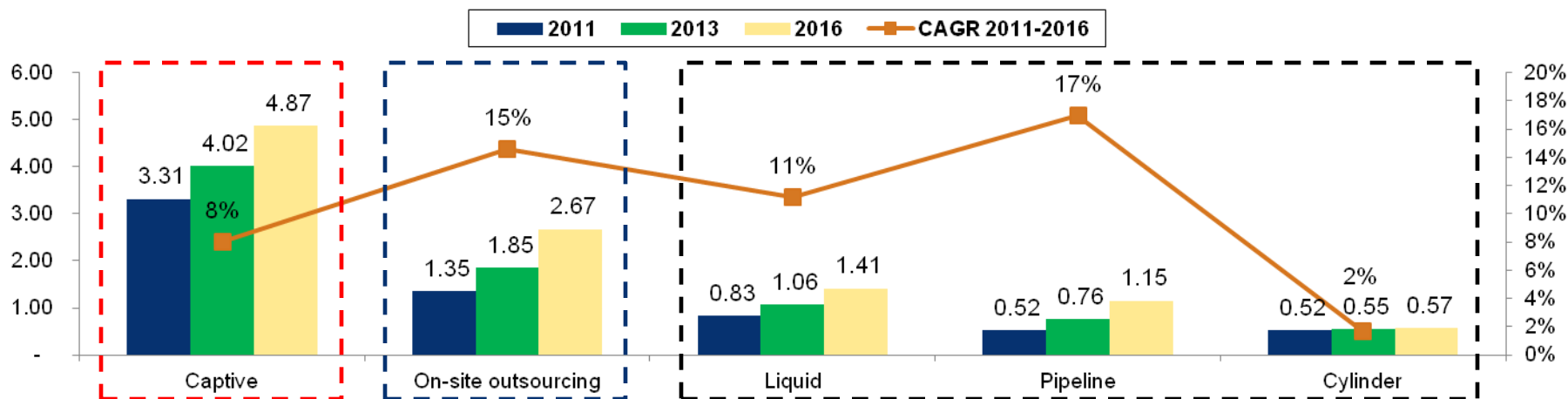


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China industrial gas market by supply mode



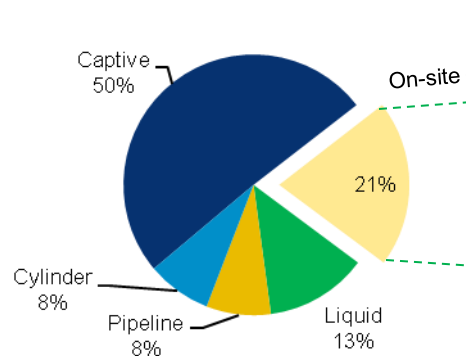
Revenue growth 2011 – 2016 by supply mode



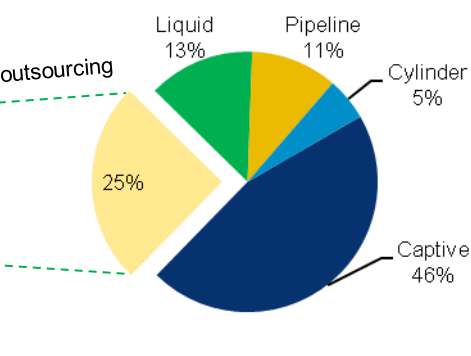
Evolution of market mix by supply mode

Supply mode	Market share 2011	Market share 2016	2011 – 2016 change	Yingde participation
Captive	50%	45%	↓ (5)%	×
On-site outsourcing	21%	25%	↑ 4%	✓
Liquid	13%	13%	↔	✓
Pipeline	8%	11%	↑ 3%	✓
Cylinder	8%	5%	↓ (3)%	×

Gas supplymode breakdown in 2011



Gas supplymode breakdown in 2016



Source: SAI Report as issued on March 9, 2012



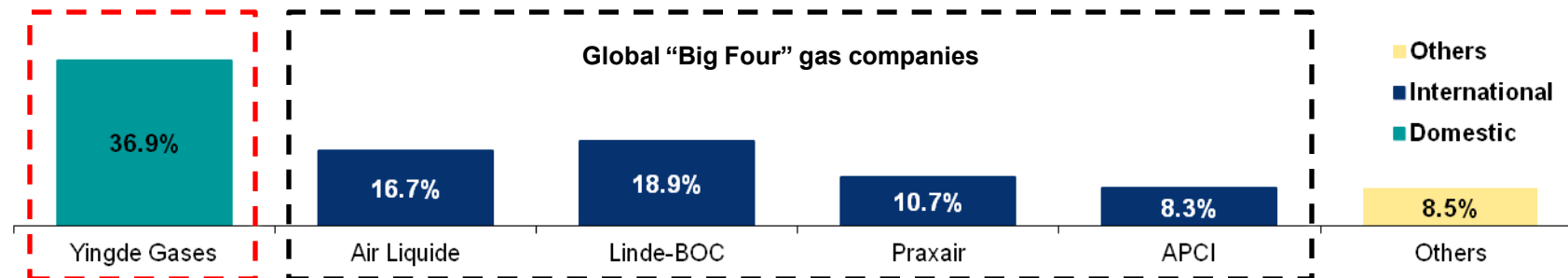
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Strong momentum in on-site market



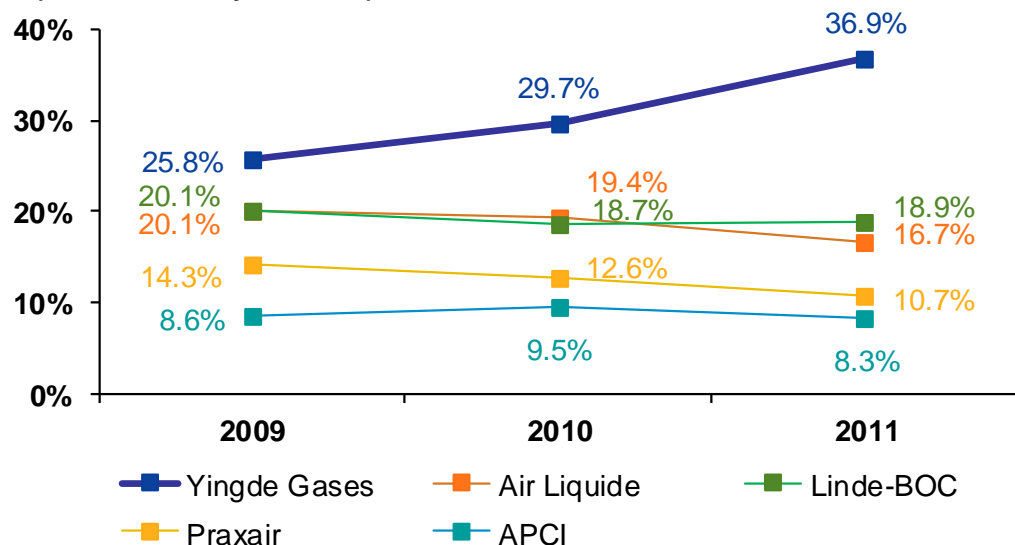
Leading on-site outsourcing industrial gas suppliers in China (2011)

(Market Share by Revenue)



Source: SAI Report as issued on March 9, 2012

(Market Share by Revenue)



We ranked No.1 in terms of market share since 2009 and keep gaining market shares from our competitors.

As the largest domestic independent on-site gas supplier in China, with in-depth local knowledge and customer experience, Yingde Gases is well position to capture future growth.

Source: SAI Report as issued on March 9, 2012



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On-site gas operation



	2010	2011
No. of Plants in operation	25	33
No. of New Contracts	16	18
Production capacity - Oxygen (Nm ³ / hr)	692,800	937,400
Production capacity - Nitrogen (Nm ³ / hr)	948,500	1,338,500
Production capacity - Argon (Nm ³ / hr)	18,540	26,240

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 non-ferrous metals industries and will identify more quality customers

3

Strong Project Pipe-line to secure future growth: Yingde has secured 18 new contracts in 2011, adding in 571,500 Nm³/hr oxygen capacity to the project pipe-line.

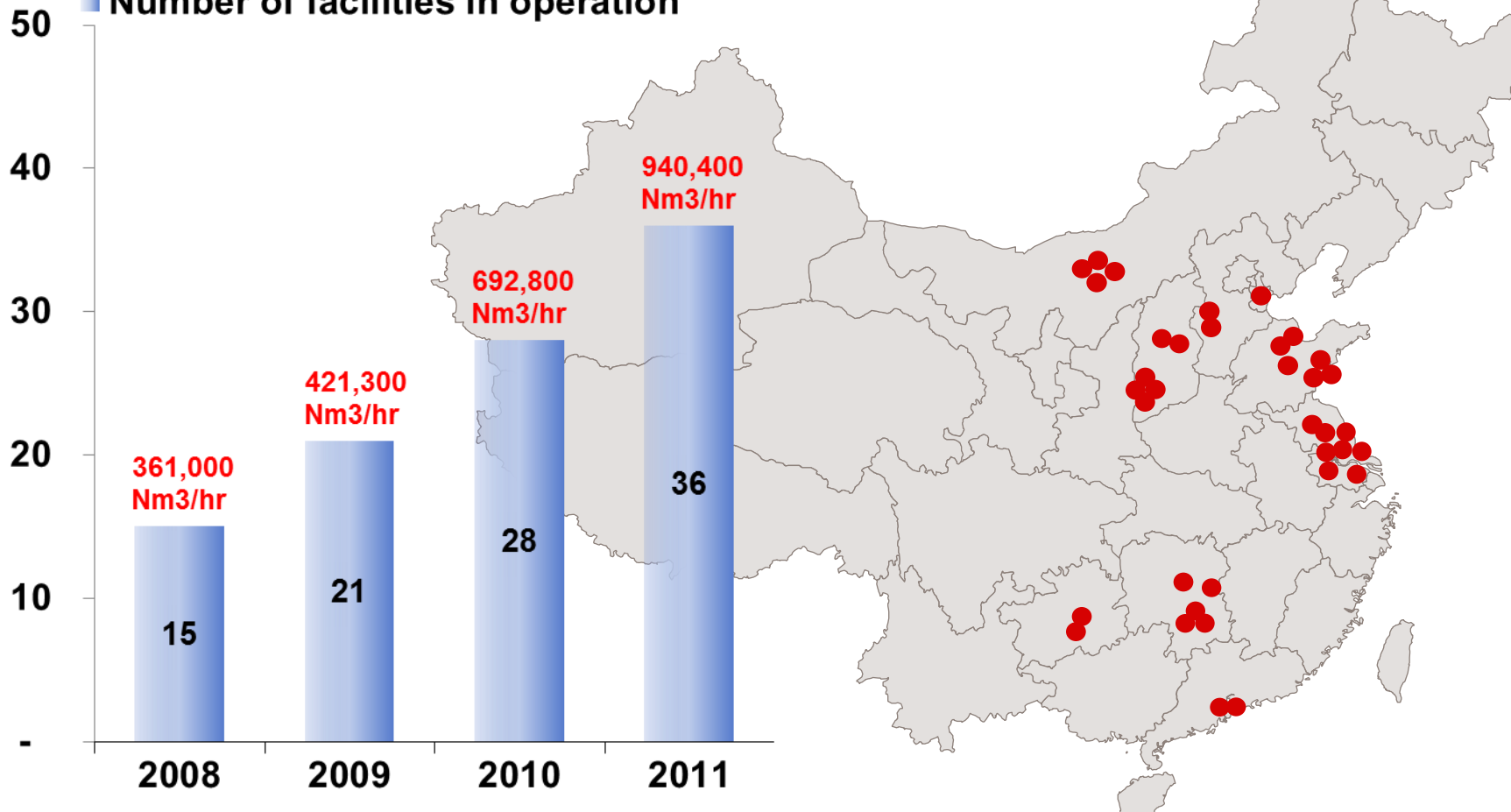


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Facilities in operation

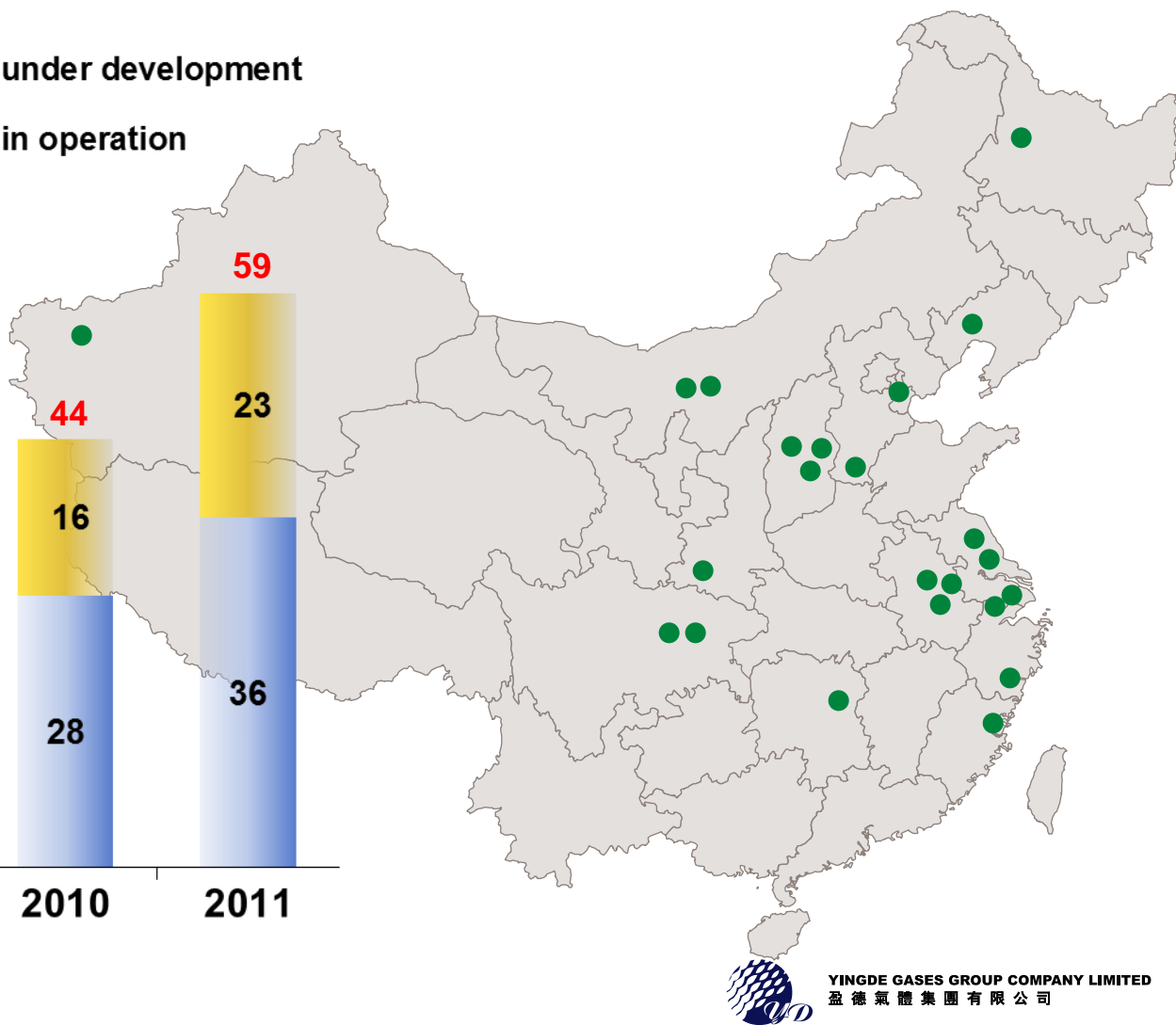
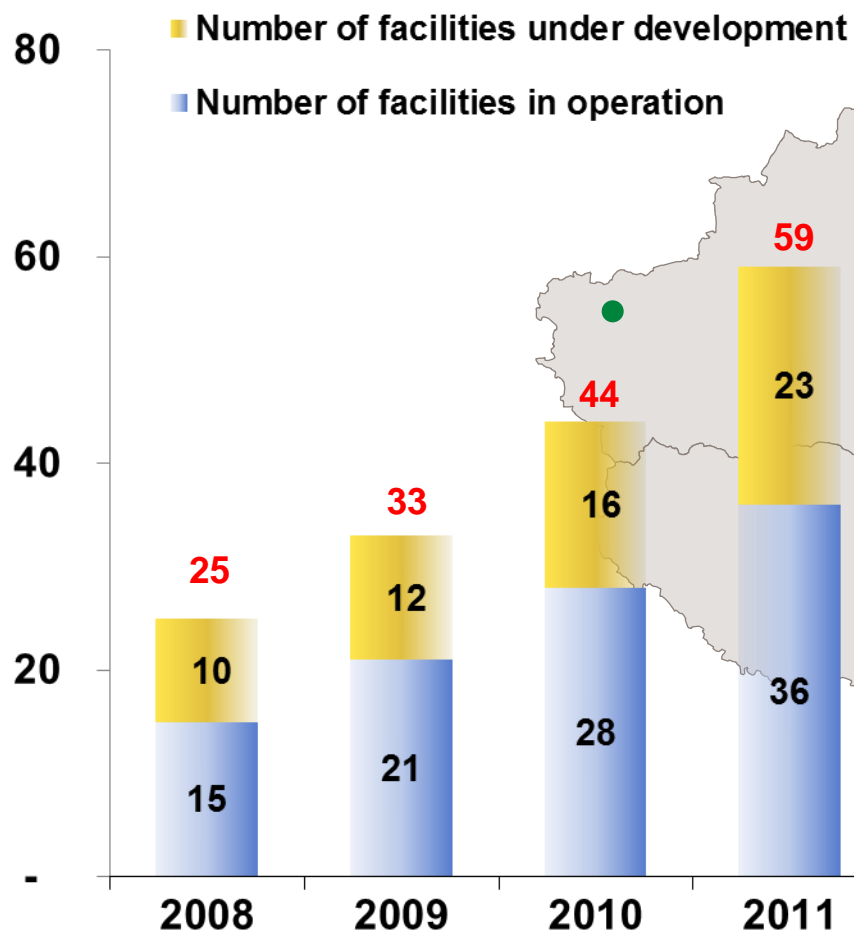


■ Number of facilities in operation



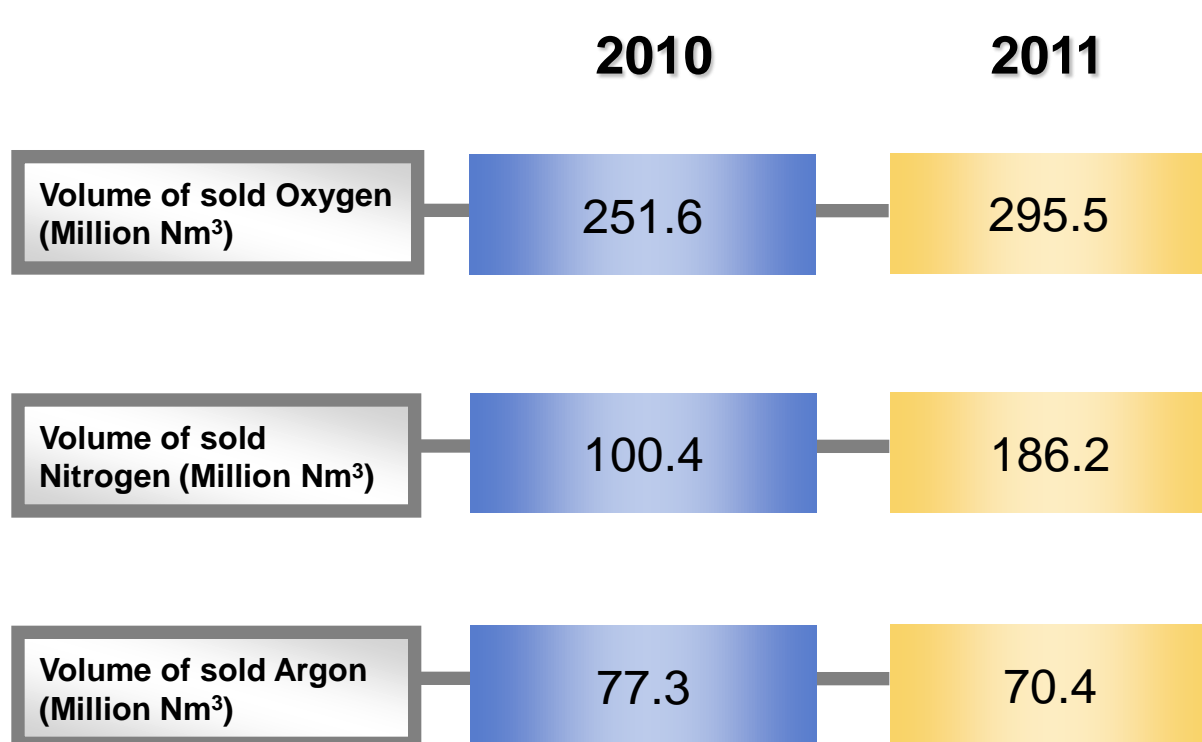
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Facilities under development



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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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