



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 02168



INTERIM REPORT
中期報告
2011



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Corporate Profile

公司簡介

Our Company was established in the Cayman Islands on 25 September 2007. Our Group's history dates back to 2001 when Hunan Yingde was established in the PRC. Our Company's shares were listed on the Main Board of the Hong Kong Stock Exchange on 8 October 2009. Our Company wholly owns Yingde BVI which is incorporated in the British Virgin Islands and is an investment holding company of our Group.

Based on the research information in the SAI Reports, we were the largest domestic independent industrial gas supplier specializing in on-site gas supply in China in terms of total revenue since 2009.

We produce, supply and distribute a variety of industrial gas products to our on-site and merchant customers from a number of locations in the PRC, with oxygen, nitrogen and argon being our main gas products. Our on-site customers are those whose premises are located on or in close proximity to our gas production facilities and to whom we supply industrial gases directly. Our merchant customers generally include liquid gas distributors and other industrial companies who purchase industrial gases from us on a spot market basis from time to time.

We differentiate our on-site operation and merchant operation as well as the revenue generated from the respective operations in accordance with the type of customers to which we sell our gas products. In relation to the on-site operation, we generate revenue by selling our gas products to those customers with whom we have entered into long-term gas supply contracts. In relation to the merchant operation, we generally generate revenue by selling our gas products (which are produced from the remaining available capacity of our on-site production facilities as well as our dedicated merchant production facilities) to local distributors on the spot market. We also enter into gas supply contracts with a selected number of merchant customers who have a stable and regular demand for our gas products. Pursuant to such contracts, we supply gas products on a regular basis during the term of the relevant gas supply contracts. The on-site production facilities referred to in this report relate to those which we constructed after having entered into long-term gas supply contracts with industrial companies. The merchant production facilities referred to in this report relate to those which we generally operate without entering into long-term gas supply contracts with customers.

本公司於2007年9月25日在開曼群島註冊成立。本集團的歷史可追溯至2001年湖南盈德在中國成立。本公司股份於2009年10月8日在香港聯交所主板上市。本公司全資擁有於英屬處女群島註冊成立的盈德(英屬處女群島)，並為本集團的投資控股公司。

根據SAI報告的研究資料，按年度總收入計算，我們從2009年開始已經是中國境內最大的專門從事現場供氣的獨立工業氣體供應商。

我們向位於中國多個地區的現場供氣客戶及零售客戶，生產、供應及分銷多種工業氣體產品，我們的主要氣體產品為氧氣、氮氣及氬氣。我們的現場供氣客戶指我們氣體生產設施設置於其廠房內或毗鄰位置並由我們直接供應工業氣體的客戶。我們的零售客戶包括不時於現貨市場向我們購買工業氣體的液態氣體分銷商及其他的工業公司。

我們按銷售氣體產品的客戶類別，區分現場供氣業務及零售業務，以及來自其兩者的收益。就現場供氣業務而言，我們乃透過向該等與我們訂立長期供氣合約的客戶銷售氣體產品獲取收益。就零售業務而言，我們一般透過於現貨市場向當地分銷商銷售氣體產品(以我們於現場生產設施的剩餘可用產能及專門用作零售生產的生產設施生產)獲取收益。我們亦與選定對我們的氣體產品有穩定及定期的需求的零售客戶簽訂供氣合約。根據該等合約，我們於有關供氣合約年內定期供應氣體產品。本報告所指的現場生產設施指我們與工業公司訂立長期供氣合約後建設的現場供氣設施。本報告所指的零售生產設施指在沒有與客戶訂立長期供氣合約下，我們一般營運的生產設施。

BOARD OF DIRECTORS

Executive Director and Chairman

Mr. Zhongguo Sun

Executive Directors

Mr. Zhao Xiangti

Mr. Chen Yan

Mr. Trevor Raymond Strutt

Independent Non-executive Directors

Mr. Xu Zhao

Mr. Zheng Fuya

Dr. Wang Ching

AUDIT COMMITTEE

Mr. Xu Zhao (*Chairman*)

Mr. Zheng Fuya

Dr. Wang Ching

REMUNERATION COMMITTEE

Mr. Zhao Xiangti (*Chairman*)

Mr. Xu Zhao

Mr. Zheng Fuya

NOMINATION COMMITTEE

Mr. Zheng Fuya (*Chairman*)

Mr. Xu Zhao

Mr. Zhao Xiangti

COMPLIANCE COMMITTEE

Mr. Zhongguo Sun (*Chairman*)

Mr. Zhao Xiangti

Mr. Zheng Fuya

董事會

執行董事兼主席

Zhongguo Sun先生

執行董事

趙項題先生

陳岩先生

Trevor Raymond Strutt先生

獨立非執行董事

徐昭先生

鄭富亞先生

王京博士

審核委員會

徐昭先生 (*主席*)

鄭富亞先生

王京博士

薪酬委員會

趙項題先生 (*主席*)

徐昭先生

鄭富亞先生

提名委員會

鄭富亞先生 (*主席*)

徐昭先生

趙項題先生

合規委員會

Zhongguo Sun先生 (*主席*)

趙項題先生

鄭富亞先生

Corporate Information

公司資料

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17樓1712-1716號舖

LISTING DATE

8 October 2009

上市日期

2009年10月8日

AUTHORIZED REPRESENTATIVES

Mr. Zhongguo Sun
Ms. Wong Sze Wing

授權代表

Zhongguo Sun先生
黃斯穎女士

ALTERNATE AUTHORIZED REPRESENTATIVE

Mr. Trevor Raymond Strutt

替任授權代表

Trevor Raymond Strutt先生

STOCK CODE

02168

股份代號

02168

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Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Since the beginning of 2011, with a view to environmental protection, the steel plants in China have increased the usage of oxygen to reduce the dependence on coke and electricity for the purpose of energy conservation and emission reduction. The domestic demand for industrial gas has increased substantially due to the rising environmental standards and the trend of corporate outsourcing.

Taking advantage of the environmental and market factors, our Group, as a leading enterprise in the industrial gas industry in the PRC and the major gas supplier for several domestic steel enterprises, signed 11 new on-site gas supply contracts in the first half of 2011, which laid a solid foundation for this year's business. As for on-site gas supply, in early 2009, our Group signed an agreement with the parent company of the largest listed company of coal sales in China, Shenhua Group Corporation Limited ("Shenhua Group") to provide industrial gas of 240,000 Nm³/hr for its coal chemical project in Baotou, Inner Mongolia. The speed of ramping up of this project is better than our previous anticipation in the first half of 2011.

Review of On-site Gas Supply Operation

According to the SAI Reports, our Group is currently the largest independent on-site industrial gas supplier in the PRC since 2009 in terms of total revenue, and our major gas products are oxygen, nitrogen and argon. On-site gas supply accounted for 81.8% of our Group's income, mainly contributed by clients from the steel, chemical and non-ferrous metal industries. In order to increase and stabilize our Group's future income, we are actively expanding our operations to other client groups.

業務回顧

進入2011年，為了節能減排，越來越多國內的鋼廠增加使用氧氣以減少對焦炭和電力的依賴及對環境造成的污染。國內工業氣體的需求因環保標準不斷提高及企業外包成為趨勢而大量增加。

作為國內工業氣體行業的領航者及中國多間鋼鐵企業的主要氣體供應商，本集團於環境及市場因素推動下，2011年上半年共簽定11份現場供氣的新合約，為本集團今年的業務紮穩根基。現場供氣業務方面，本集團於2009年初與中國上市公司中最大的煤炭銷售商的母公司神華集團有限責任公司（「神華集團」）簽定協議，為其位於內蒙包頭的煤炭化工項目提供240,000標準立方米／小時的工業氣體。此項目的達產速度在2011年上半年好於預期。

現場供氣業務回顧

根據SAI報告研究指，按總收入計算本集團自2009年起為現時中國最大獨立現場工業氣體供應商，本集團的主要氣體產品為氧氣、氮氣及氬氣。現場氣體供應佔本集團業務收入約81.8%，主要是來自鋼鐵、化工及有色金屬行業的客戶群。為增加及穩定本集團未來的收入，本集團積極拓展其客戶層至其他行業。

As at 30 June 2011, 28 on-site gas supply facilities of our Group commenced production and our Group had a total of 31 facilities in operation and 23 new facilities under development. The total installed capacity amounted to 783,400 Nm³/hr in terms of installed oxygen capacity, representing a period-on-period increase of 73.0%. During the period under review, our Group sold 4,871 million Nm³ of industrial gas in aggregate, representing a period-on-period growth of 49.4%. The total sales volume of oxygen products, nitrogen products and argon products were 2,694 million Nm³, 1,916 million Nm³ and 54 million Nm³, respectively. It is expected that the total installed capacity will amount to 1,482,900 Nm³/hr in 2013 upon completion of all facilities under development.

Expansion by New Projects

During the six months ended 30 June 2011, we have entered into the following new long-term on-site gas supply contracts:

截至2011年6月30日止，本集團有28座現場供氣設施已投入生產，共持有31個營運項目及23項正在興建之新建設施。以裝機氧氣容量計算，總裝機容量達到783,400標準立方米/小時，同比上升73.0%。回顧期內，本集團共銷售4,871百萬標準立方米工業氣體，同比上升49.4%，氧氣產品、氮氣產品及氬氣產品的總銷量分別為2,694百萬標準立方米、1,916百萬標準立方米及54百萬標準立方米。預計在2013年所有在建項目完成後，以裝機氧氣容量計算，總裝機容量能達到1,482,900標準立方米/小時。

透過新項目拓展業務

截至2011年6月30日止6個月期間，本集團簽訂的新長期現場供氣合約的詳情如下：

Location	所屬地區	Industry of customer	客戶所屬行業	Expected installed Oxygen capacity (Nm ³ /hr) 預計氧氣裝機容量 (標準立方米/小時)
Shaanxi	陝西	Steel	鋼鐵	30,000
Jiangsu	江蘇	Steel	鋼鐵	30,000
Tianjin	天津	Steel	鋼鐵	35,000
Anhui	安徽	Glass	玻璃	17,500
Sichuan	四川	Steel	鋼鐵	30,000 (Phase I 一期) 40,000 (Phase II 二期)
Shanxi	山西	Steel	鋼鐵	25,000
Sichuan	四川	Non-ferrous metal	有色金屬	10,000
Liaoning	遼寧	Steel	鋼鐵	60,000
Inner Mongolia	內蒙	Steel	鋼鐵	15,000 (Phase I 一期) 27,000 (Phase II 二期)
Jiangsu	江蘇	Steel	鋼鐵	60,000
Shanxi	山西	Steel	鋼鐵	20,000

Management Discussion and Analysis

管理層討論及分析

Review of Merchant Gas Operation

As for merchant gas operation, our Group utilizes the remaining production capacity of on-site gas production facilities to produce gases for retailing to local distributors and merchant customers. In addition, our Group also has four dedicated merchant production facilities in operation, with two in Yangzhou, one in Nanjing and one in Chongqing. Merchant gas is mainly used by solar energy, electronics, glass, food, automobile and construction industries. For the period ended 30 June 2011, the total turnover of our Group's merchant gas operation amounted to RMB374 million, representing a period-on-period growth of 55.1%. This result is due to a substantial increase in quantity sold and price compared with the same period of last year.

FINANCIAL REVIEW

Our Group has achieved encouraging results in the first half of 2011. For the period ended 30 June in 2011, our Group's turnover amounted to RMB2,060 million, representing a 56.5% increase as compared with RMB1,316 million for the same period in 2010. The significant increase in turnover was mainly attributable to Shenhua project which commenced operation in the fourth quarter of 2010 and four new production facilities coming into operation compared with the same period of last year. For the period ended 30 June 2011, our Group recorded gross profit of RMB759 million, representing an increase of 43.7% as compared with the same period in 2010, thus driving the overall gross profit margin to 36.8%. In addition, our Group recorded profit attributable to equity shareholders of our Company of RMB492 million. The earnings per share were RMB0.272.

Turnover

Our turnover mainly consists of proceeds from the sale of industrial gas products. Our turnover is recognized when our gas products are delivered to the customers' premises and such customer has accepted the goods in which we have transferred the related risks and rewards of ownership. The turnover figures represent the aggregate of the invoiced value of goods sold, net of value-added tax.

零售氣體業務回顧

在零售氣體業務方面，本集團利用現場氣體生產設施剩餘產能，用作生產工業氣體零售予當地的分銷商零售及用戶。此外，本集團亦有四座專做零售的生產設施正在營運中，其中兩座位於揚州，一座位於南京，另外一座位於重慶。零售氣體主要應用於太陽能、電子、玻璃、食品、汽車及建造行業。截至2011年6月30日止期間，本集團零售氣體業務的營業總額達至人民幣374百萬元，同比增長55.1%，主要得益自對比去年同期銷售量及銷售價格都有可觀增長。

財務回顧

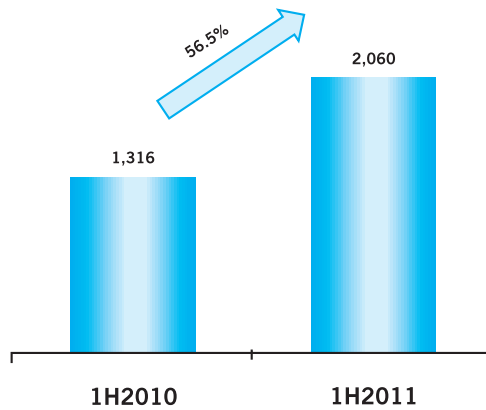
本集團於2011年上半年的業績十分可觀。截至2011年6月30日止期間，本集團錄得營業額為人民幣2,060百萬元，較2010年同期的人民幣1,316百萬元錄得56.5%增長。營業額大幅增長主要由於2010年第四季度神華項目的投產及較去年同期有四組新生產設施投入營運。本集團於截至2011年6月30日止期間錄得毛利人民幣759百萬元，比2010年同期上升43.7%，整體毛利率為36.8%。此外，本集團錄得本公司權益持有人應佔利潤為人民幣492百萬元，每股盈利為人民幣0.272元。

收入

我們的收入主要包括銷售工業氣體產品的所得款項。我們的收入於我們的氣體產品付運至客戶的物業而客戶確認接受貨品且我們已轉讓有關貨品有關風險及擁有權回報時確認。收入數字為扣減增值稅後的銷售貨品發票總值。

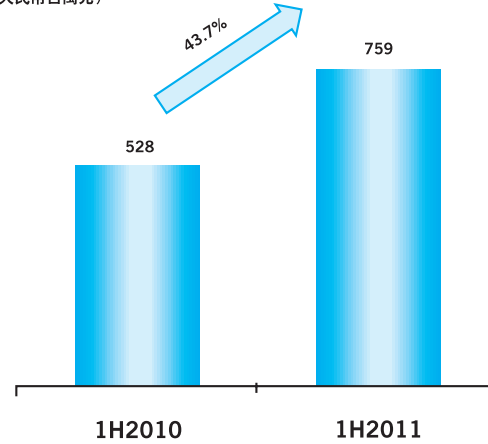
Turnover 收入

(RMB million)
(人民幣百萬元)



Gross Profit 毛利

(RMB million)
(人民幣百萬元)



The table below sets forth our turnover generated from our on-site and merchant customers for the periods indicated:

下表載列於所示期間自現場供氣及零售客戶所得的收入：

Six months ended 30 June

截至 6 月 30 日止 6 個月期間

		2011		2010	
		2011 年		2010 年	
		RMB'000	(%)	RMB'000	(%)
		人民幣千元	(%)	人民幣千元	(%)
Turnover	收入				
On-site	現場	1,686,185	81.8	1,074,965	81.7
Merchant	零售	374,021	18.2	241,122	18.3
Total	總計	2,060,206	100.0	1,316,087	100.0

Management Discussion and Analysis

管理層討論及分析

The table below sets out the weighted average unit price of gases sold to our merchant customers for the periods indicated:

		Six months ended 30 June 截至6月30日止6個月期間	
		2011 2011年	2010 2010年
		Unit price (RMB/Nm ³) 單位價格(人民幣/標準立方米)	
Oxygen	氧氣	0.99	0.90
Nitrogen	氮氣	0.78	0.73
Argon	氬氣	3.66	2.93
Weighted average unit price	加權平均單位價格	1.37	1.31

The main factors affecting the prices of the gases sold to our merchant customers include the local market spot prices, local supply and demand and local economic conditions. The pricing of our products sold to our on-site customers is determined on a case-by-case basis in accordance with the pricing arrangements in the gas supply contracts. The main factors affecting the price of gases sold to our on-site customers include the competitiveness of our pricing, the installed capacity of our facilities and the expected utility charges by the on-site customers.

Cost of sales

Our cost of sales comprises utility expenses, depreciation expenses for property, plant and equipment related to production, staff costs for our production team and other expenses. Utility expenses, mainly consisting of electricity and steam expenses, comprised 84.2% and 88.3% of our total cost of sales for the six months ended 30 June 2011 and 2010, respectively. Depreciation and amortization expenses relate primarily to property, plant and equipment we own and are calculated on a straight-line basis over the estimated useful lives of these assets. Staff costs mainly relate to salaries, bonuses, benefits and contributions we pay to our employees or make for the benefit of our employees of our production team. Other expenses primarily consist of other consumables and repair and maintenance.

下表載列於所示期間向我們的零售客戶銷售的氣體加權平均單位價格：

影響向我們的零售客戶所售氣體價格的主要因素包括當地市場現貨價格、當地供求及當地經濟狀況。向現場供氣客戶銷售產品的定價乃根據供氣合約指定的定價安排按個別情況釐定。影響向我們的現場供氣客戶所售氣體價格的主要因素包括我們的定價的競爭力、我們的生產設施的裝機容量及現場客戶的預期水電費。

銷售成本

我們的銷售成本主要包括公用事業費、生產有關物業、廠房及設備的折舊開支、生產團隊的員工成本以及其他開支。公用事業費主要包括電費和蒸汽費用，截至2011年及2010年6月30日止6個月期間分別佔我們總銷售成本84.2%及88.3%。折舊及攤銷開支主要與我們擁有的物業、廠房及設備有關，以直線法按該等資產的估計可使用年期計算。員工成本主要與我們向僱員支付的薪金、花紅、福利及供款或向本公司生產團隊員工提供的福利有關。其他開支主要包括其他消耗品及維修及保養。

Cost of sales increased by 65.1% from RMB788 million for the six months ended 30 June 2010 to RMB1,301 million for the six months ended 30 June 2011 which is mainly driven by greater turnover. Cost of sales as a percentage of turnover increased from 59.9% for the six months ended 30 June 2010 to 63.2% for the six months ended 30 June 2011, mainly because Shenhua project started operation during the fourth quarter of 2010. Given the size of this project, the cost of sales is comparatively higher than that of the other projects.

Income tax expenses

Income tax expenses decreased 4.8% from RMB77 million for the six months ended 30 June 2010 to RMB73 million for the six months ended 30 June 2011, primarily because certain subsidiaries utilised the unused tax credit of purchasing qualified domestic equipment.

Liquidity and capital resources

As at 30 June 2011, the total assets of our Group was approximately RMB9,337 million, representing an increase of RMB1,703 million compared to the amount as at 31 December 2010. The cash at bank and in hand was RMB1,550 million, representing an increase of RMB579 million compared to the amount as at 31 December 2010; the current ratio of our Group was 126.3%. The gearing ratio of our Group which is calculated as total liabilities divided by total assets was 50.0%.

銷售成本由截至2010年6月30日止6個月期間的人民幣788百萬元增加65.1%至截至2011年6月30日止6個月期間的人民幣1,301百萬元，主要是由於收入增加所致。銷售成本佔收入的百分比由截至2010年6月30日止6個月期間的59.9%上升至截至2011年6月30日止6個月期間的63.2%，主要由於神華項目於2010年第四季度投產。鑒於此項目規模較大，銷售成本相對較高。

所得稅費用

所得稅費用由截至2010年6月30日止6個月期間的人民幣77百萬元減少4.8%至截至2011年6月30日止6個月期間的人民幣73百萬元，主要是由於若干附屬子公司使用了國產設備所得稅抵免。

流動資金及資本資源

於2011年6月30日，本集團總資產約為人民幣9,337百萬元，比2010年12月31日增加人民幣1,703百萬元。銀行存款及現金為人民幣1,550百萬元，比2010年12月31日增加人民幣579百萬元；本集團流動比率為126.3%。本集團按總負債除以總資產計算的槓桿比率為50.0%。

Management Discussion and Analysis

管理層討論及分析

Financial resources

Bank and other loans

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Short-term loans	短期貸款	330,000	370,000
Current portion of long-term loans	長期貸款的即期部份	470,127	413,963
		800,127	783,963
Long-term portion of long-term loans	長期貸款的長期部份	2,467,361	1,132,137
		3,267,488	1,916,100

As at 30 June 2011, the carrying value of assets secured for bank and other loans were RMB2,203 million (as at 31 December 2010: RMB1,912 million).

Foreign Exchange

During the six months ended 30 June 2011, our Group had no investments in hedging of any speculative derivatives. In view of the potential Renminbi exchange rate fluctuations, our Group will consider arranging for proper financial instruments at appropriate times to avoid the corresponding risks.

Pledge of Assets

Details on the pledge of assets of our Group are set out in note 14(d) to the unaudited interim financial report.

Contingent Liabilities

Details on the contingent liabilities of our Group are set out in note 18(c) to the unaudited interim financial report.

財務資源

銀行及其他貸款

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Short-term loans	短期貸款	330,000	370,000
Current portion of long-term loans	長期貸款的即期部份	470,127	413,963
		800,127	783,963
Long-term portion of long-term loans	長期貸款的長期部份	2,467,361	1,132,137
		3,267,488	1,916,100

於2011年6月30日，就銀行及其他貸款抵押的資產賬面價值為人民幣2,203百萬元（於2010年12月31日：人民幣1,912百萬元）。

外匯

截至2011年6月30日止6個月期間，本集團並無投資投機衍生工具的對沖。鑑於人民幣匯率的潛在波動，本集團會考慮適時安排適當的金融工具以避免相應風險。

抵押資產

本集團之抵押資產詳情載於未經審核中期財務報告附註14(d)。

或然負債

本集團之或然負債詳情載於未經審核中期財務報告附註18(c)。

HUMAN RESOURCES

The expertise of our staff and their passion at work are the most important factors for the smooth operation of our Group. As our staff are the important asset of our Group, our Group values the efforts made by each of them and provides them with a quality and safe working environment to ensure that they will provide clients with higher quality services.

As at 30 June 2011, our Group had 2,017 employees, representing an increase of 575 as compared with the headcount as at 31 December 2010. The increase of headcount was mainly as a result of the commencement of production in three production facilities during the period and future expansion.

EXCELLENT MANAGEMENT

The senior management and all levels of technicians of our Group have professional backgrounds, skills and international outlook, as well as extensive experience in the management of the industrial gas industry. Our Group also provides position-related training and industrial safety knowledge for our staff, in order to provide customers with the best gas supply management and professional services.

INTERIM DIVIDEND

The directors have not recommended the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

FUTURE OUTLOOK

As the PRC steel industry continues to grow and the demand for environmental friendly energy continues to increase, our Group as a leading enterprise in the industrial gas industry in the PRC will closely monitor and follow the market trend and seize the current opportunities by identifying more customers from other sectors. In line with the existing large-scale projects such as the coal chemical project of Shenhua in Baotou, Inner Mongolia, our Group will continue to seize the opportunities to co-operate with other domestic and international enterprises. Our Group will use our best endeavors in consolidating our on-site gas operation and adopting an aggressive merchant strategy to generate the greatest returns to the shareholders.

人力資源

本集團能夠維持良好的運作，有賴每位員工專業的技術及對工作投入的熱誠。員工是本集團重要的資產，本集團十分重視每位員工在工作上的付出，並為他們提供優良及安全的工作環境，務求能為客戶提供更優質的服務。

於2011年6月30日，本集團僱用2,017名員工，比2010年12月31日增加575名，員工人數增加主要由於期內有三組新產設施投入營運及滿足未來擴展的需要。

優秀管理

本集團的高級管理層及各階層的技術人員均具有專業的背景、技術及國際性視野，並擁有豐富的工業氣體行業管理經驗。此外，本集團亦為員工提供與職位相關的培訓及灌輸工業安全知識，確保能為客戶提供最佳的氣體供應管理和專業服務。

中期股息

本公司董事沒有建議派發截至2011年6月30日止6個月期間的中期股息(截至2010年6月30日止6個月期間：零)。

未來展望

隨著中國鋼鐵行業增長蓬勃及環保能源的需求不斷攀升，於國內工業氣體佔據龍頭地位的本集團將緊密關注、追隨市場趨勢並同時把握現有的良機，物色更多其他行業的客戶。隨現有的大型項目如神華於內蒙包頭的煤炭化工項目等，本集團會繼續爭取與其他國內及國際企業的合作機會。在維持現場供氣業務的同時，執行進取的零售策略，藉此為各位股東帶來更多的回饋。



TO THE BOARD OF DIRECTORS OF YINGDE GASES GROUP COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 16 to 37 which comprises the consolidated statement of financial position of Yingde Gases Group Company Limited (the "Company") as at 30 June 2011 and the related consolidated statement of comprehensive income and statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, "Interim financial reporting", adopted by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致盈德氣體集團有限公司董事會
(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第16頁至第37頁盈德氣體集團有限公司(「貴公司」)的中期財務報告，此中期財務報告包括於2011年6月30日的合併財務狀況表與截至該日止6個月期間的合併綜合收益表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須符合上市規則中的相關規定和國際會計準則委員會採納的《國際會計準則第34號》—「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則第34號》編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協議的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔責任。

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim financial reporting".

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

11 August 2011

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則第2410號》—「獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港核數準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2011年6月30日的中期財務報告在所有重大方面沒有按照《國際會計準則第34號》—「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

2011年8月11日

Consolidated Statement of Comprehensive Income

合併綜合收益表

for the six months ended 30 June 2011 – unaudited
截至 2011 年 6 月 30 日止 6 個月期間—未經審核
(Expressed in Renminbi)
(以人民幣列示)

		Six months ended 30 June		
		截至 6 月 30 日止 6 個月期間		
		2011	2010	
		2011年	2010年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		Note		
		附註		
Turnover	收入		2,060,206	1,316,087
Cost of sales	銷售成本		(1,301,072)	(787,909)
Gross profit	毛利		759,134	528,178
Other revenue	其他收益		1,018	2,124
Selling expenses	銷售費用		(46,791)	(20,510)
Administrative expenses	管理費用		(101,839)	(60,132)
Profit from operations	經營收益		611,522	449,660
Finance income	財務收入	5(a)	8,853	4,756
Finance costs	財務成本	5(a)	(52,796)	(51,787)
Share of results of associates	應佔聯營公司業績		(179)	–
Profit before taxation	除稅前利潤	5	567,400	402,629
Income tax	所得稅	6	(73,252)	(76,920)
Profit and total comprehensive income for the period	本期利潤及綜合收益總額		494,148	325,709
Attributable to:	以下各方應佔：			
Equity shareholders of the Company	本公司權益持有人		491,903	325,597
Non-controlling interests	非控股股東權益		2,245	112
Profit and total comprehensive income for the period	本期利潤及綜合收益總額		494,148	325,709
Earnings per share (RMB)	每股盈利（人民幣元）	7		
Basic	基本		0.272	0.180
Diluted	攤薄		0.272	0.180

The notes on pages 21 to 37 form part of this interim financial report. Details of dividends are set out in Note 16(b).

第21頁至第37頁的附註為本中期財務報告的組成部份。股息詳情載於附註16(b)。

Consolidated Statement of Financial Position

合併財務狀況表

at 30 June 2011 – unaudited

於 2011 年 6 月 30 日 – 未經審核

(Expressed in Renminbi)

(以人民幣列示)

			At 30 June 2011 於 2011 年 6 月 30 日 RMB'000 人民幣千元	At 31 December 2010 於 2010 年 12 月 31 日 RMB'000 人民幣千元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment, net	8	物業、廠房及設備，淨額	4,643,382	3,822,697
Construction in progress		在建工程	698,558	1,024,363
Lease prepayments	9	租賃預付款項	87,274	65,043
Intangible assets		無形資產	21,189	12,939
Receivables under finance lease		應收融資租賃款	13,973	14,248
Interest in associates	10	於聯營公司的權益	399,821	100,000
Other non-current assets	11	其他非流動資產	761,643	368,219
Deferred tax assets		遞延稅項資產	12,958	7,589
Total non-current assets		非流動資產總額	6,638,798	5,415,098
Current assets		流動資產		
Inventories		存貨	31,315	30,075
Trade and other receivables	12	應收賬款及其他應收款項	962,160	748,924
Receivables under finance lease		應收融資租賃款	2,117	2,117
Income tax recoverable		可收回所得稅	37,573	433
Pledged bank deposits		已抵押銀行存款	115,647	467,568
Cash and cash equivalents	13	現金及現金等價物	1,549,563	970,458
Total current assets		流動資產總額	2,698,375	2,219,575
Current liabilities		流動負債		
Bank and other loans	14	銀行及其他貸款	800,127	783,963
Trade and other payables	15	應付賬款及其他應付款項	1,259,918	1,244,295
Obligations under finance lease		融資租賃負債	3,077	2,963
Income tax payable		應付所得稅	73,169	55,673
Total current liabilities		流動負債總額	2,136,291	2,086,894
Net current assets		流動資產淨額	562,084	132,681
Total assets less current liabilities		資產總額減流動負債	7,200,882	5,547,779

The notes on pages 21 to 37 form part of this interim financial report.

第21頁至第37頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Financial Position (continued)

合併財務狀況表(續)

at 30 June 2011 – unaudited

於 2011 年 6 月 30 日—未經審核

(Expressed in Renminbi)

(以人民幣列示)

			At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
		Note 附註		
Non-current liabilities	非流動負債			
Bank and other loans	銀行及其他貸款	14	2,467,361	1,132,137
Obligations under finance lease	融資租賃負債		29,193	28,112
Deferred tax liabilities	遞延稅項負債		35,996	20,979
Total non-current liabilities	非流動負債總額		2,532,550	1,181,228
Net assets	資產淨值		4,668,332	4,366,551
Equity	權益			
Share capital	股本	16	12	12
Reserves	儲備		4,652,355	4,352,819
Total equity attributable to equity shareholders of the Company	本公司權益持有人 應佔權益總額		4,652,367	4,352,831
Non-controlling interests	非控股股東權益		15,965	13,720
Total equity	權益總額		4,668,332	4,366,551

Approved and authorised for issue by the board of directors on 11 August 2011.

董事會於2011年8月11日批准及授權刊發。

Zhongguo Sun

Zhongguo Sun

Director

董事

Zhao Xiangti

趙項題

Director

董事

The notes on pages 21 to 37 form part of this interim financial report.

第21頁至第37頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Changes in Equity

合併權益變動表

for the six months ended 30 June 2011 – unaudited
截至2011年6月30日止6個月期間—未經審核
(Expressed in Renminbi)
(以人民幣列示)

Attributable to equity shareholders of the Company

本公司權益持有人應佔

		Share capital	Share premium	Statutory reserve	Other reserve	Retained earnings	Total	Non-	Total
								controlling	
		股本	股份溢價	法定儲備	其他儲備	保留盈利	總計	非控股股東權益	權益總額
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2010	於2010年1月1日	12	2,995,502	39,532	(313,696)	1,054,200	3,775,550	49,285	3,824,835
Capital contribution from a non-controlling shareholder	非控股股東注資	–	–	–	–	–	–	8,500	8,500
Acquisition of a subsidiary	收購附屬公司	–	–	–	–	–	–	1,735	1,735
Total comprehensive income for the period	本期綜合收益總額	–	–	–	–	325,597	325,597	112	325,709
At 30 June 2010	於2010年6月30日	12	2,995,502	39,532	(313,696)	1,379,797	4,101,147	59,632	4,160,779
At 1 January 2011	於2011年1月1日	12	2,995,502	308,238	(313,696)	1,362,775	4,352,831	13,720	4,366,551
Purchase of own shares	股份回購	16(a)	(11,684)	–	–	–	(11,684)	–	(11,684)
Total comprehensive income for the period	本期綜合收益總額	–	–	–	–	491,903	491,903	2,245	494,148
Dividends approved in respect of the previous year	有關上年度的已宣派股息	16(b)	–	–	–	(180,683)	(180,683)	–	(180,683)
At 30 June 2011	於2011年6月30日	12	2,983,818	308,238	(313,696)	1,673,995	4,652,367	15,965	4,668,332

The notes on pages 21 to 37 form part of this interim financial report.

第21頁至第37頁的附註為本中期財務報告的組成部分。

Condensed Consolidated Statement of Cash Flows

簡明合併現金流量表

For the six months ended 30 June 2011 – unaudited
截至 2011 年 6 月 30 日止 6 個月期間—未經審核
(Expressed in Renminbi)
(以人民幣列示)

		Six months ended 30 June	
		截至 6 月 30 日止 6 個月期間	
		2011	2010
		2011 年	2010 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net cash generated from operating activities	經營活動所得的現金淨額	422,360	291,287
Net cash used in investing activities	投資活動所用的現金淨額	(1,167,823)	(574,363)
Net cash generated from/(used in) financing activities	融資活動所得／(所用)的現金淨額	1,339,704	(113,184)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	594,241	(396,260)
Cash and cash equivalents as at 1 January	於 1 月 1 日現金及現金等價物	970,458	2,102,462
Effect of foreign exchange rate changes	外匯匯率變動的影響	(15,136)	(17,428)
Cash and cash equivalents as at 30 June	於 6 月 30 日現金及現金等價物	1,549,563	1,688,774

The notes on pages 21 to 37 form part of this interim financial report.

第21頁至第37頁的附註為本中期財務報告的組成部分。

Notes to the unaudited interim financial report

未經審核中期財務報告附註

(Expressed in Renminbi)
(以人民幣列示)

I CORPORATE INFORMATION AND GROUP REORGANISATION

Yingde Gases Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 25 September 2007 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (the “Group”) are principally engaged in the production and sales of industrial gases in the People’s Republic of China (the “PRC”).

Pursuant to a group reorganisation completed on 10 July 2009 (the “Reorganisation”) to rationalise the group structure for the public listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 24 September 2009. The Company issued 339,232,500 ordinary shares with par value of USD0.000001 each at a price of HKD7.00 per share by way of public offering of the Company’s ordinary shares to Hong Kong and overseas investors. The Company’s shares have been listed on the Stock Exchange since 8 October 2009.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard 34, “Interim financial reporting”, (“IAS 34”) adopted by the International Accounting Standards Board (“IASB”). It was authorised for issue on 11 August 2011.

1 公司資料及集團重組

盈德氣體集團有限公司(「本公司」)於2007年9月25日根據開曼群島法例第22章(經綜合及修訂的1961年第三號法例)公司法在開曼群島註冊成立為豁免有限責任公司。本公司及其附屬公司(「本集團」)主要在中華人民共和國(「中國」)從事工業氣體生產及銷售。

為籌備本公司股份在香港聯合交易所有限公司(「聯交所」)主板公開上市，本集團進行了重組(「重組」)，以優化本集團的架構。重組於2009年7月10日完成，據此本公司成為本集團旗下各附屬公司的控股公司。有關重組的詳情載於本公司2009年9月24日刊發的招股章程中。本公司以每股7.00港元的價格，將339,232,500股每股面值0.000001美元的普通股通過公開發行普通股的方式發售給香港以及海外投資者。本公司股份於2009年10月8日在聯交所上市。

2 編製基準

本中期財務報告是根據《香港聯合交易所有限公司證券上市規則》適用的披露規定，並符合國際會計準則委員會採納的《國際會計準則第34號》—「中期財務報告」的規定編製。本中期財務報告於2011年8月11日獲授權刊發。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

2 BASIS OF PREPARATION (continued)

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the board of directors is included on pages 14 and 15.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Group's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The Group's annual financial statements for the year ended 31 December 2010 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 22 March 2011.

2 編製基準(續)

中期財務報告是根據與2010年年度財務報表相同的會計政策編製。

管理層需在編製符合《國際會計準則第34號》的中期財務報告時作出判斷、估計和假設。這些判斷、估計和假設會影響會計政策的應用和迄今為止資產與負債和收入與支出的匯報數額。實際結果可能有別於該估計。

本中期財務報告載有簡明合併財務報表及節選附註。這些附註載有有助於瞭解與本集團自2010年年度財務報表以來財務狀況和業績方面的事項和交易的詳情。本中期簡明合併財務報表和其中所載的附註並未載有根據《國際財務報告準則》的要求編製完整財務報表所需的一切資料。

本中期財務報告未經審核，但已由畢馬威會計師事務所按照香港會計師公會頒布的《香港審閱工作準則第2410號》—「獨立核數師對中期財務信息的審閱」進行了審閱。畢馬威會計師事務所致董事會的獨立審閱報告載於第14頁及15頁。

本中期財務報告所載相關於截至2010年12月31日止財政年度的財務資料是源自於但並不構成本集團於該財政年度按《國際財務報告準則》編製的年度財務報表。本集團截至2010年12月31日止年度的年度財務報表可於本公司的註冊辦事處索取。核數師已在其於2011年3月22日出具的報告中對該財務報表發表了無保留意見。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

3 NEW AND REVISED IFRSs

The IASB has issued a number of amendments to IFRSs and one new interpretation that are first effective for the current accounting period of the Group. The adoption of amendments to IFRSs and new interpretation did not result in significant changes to the Group's accounting policies applied in this interim financial report for the periods presented.

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

4 SEGMENT REPORTING

The Group is engaged in the production and sales of industrial gases in the PRC. Although the industrial gases are sold to on-site and merchant customers, the Group's most senior executive management regularly review their consolidated financial information to assess the performance and make resource allocation decisions. Accordingly, no segment information is presented.

3 新訂及經修訂的《國際財務報告準則》

國際會計準則委員會頒布了多項對《國際財務報告準則》的修訂和一項新的詮釋，這些修訂在本集團的本會計期間開始生效。這些修訂和新詮釋對中期財務報告所呈列期間的本集團適用的會計政策未產生重大影響。

本集團並未採用任何於當前會計期間未生效的新訂會計準則、修訂或詮釋。

4 分部報告

本集團在中國生產和銷售工業氣體。雖然工業氣體分別銷售給現場供氣客戶和零售客戶，本集團的最高行政管理層定期審閱其合併財務信息以進行表現評價和作出資源分配決策。因此，並無呈列分部資料。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

5 除稅前利潤

除稅前利潤已扣除/(計入)：

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2011	2010
		2011年	2010年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(a) Finance income/(costs):	(a) 財務收入 / (成本)：		
Interest income	利息收入	8,005	3,658
Finance income on receivables under finance lease	應收融資租賃款的 融資收入	848	877
Foreign currency exchange gain	匯兌收益	-	221
Finance income	財務收入	8,853	4,756
Interest on bank and other loans	銀行及其他貸款的利息	(79,123)	(38,437)
Finance charges on obligations under finance lease	融資租賃負債的 融資費用	(1,195)	(1,221)
Total interest expenses	利息支出總計	(80,318)	(39,658)
Less: borrowing costs capitalised	減：資本化借款成本	32,218	5,520
Foreign currency exchange loss	匯兌虧損	(48,100)	(34,138)
Finance costs	財務成本	(4,696)	(17,649)
		(43,943)	(47,031)
Borrowing costs have been capitalised at the following rates:	借款成本按以下 利率資本化：		
Capitalisation rate (per annum)	資本化比率 (每年)	5.4% - 7.3%	5.4% - 5.9%

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

5 PROFIT BEFORE TAXATION (continued)

Profit before taxation is arrived at after charging/(crediting) (continued):

5 除稅前利潤(續)

除稅前利潤已扣除/(計入)(續)：

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2011	2010
		2011年	2010年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(b) Other items:	(b) 其他項目：		
Electricity	電費	856,277	694,135
Depreciation	折舊	124,114	67,657
Amortisation	攤銷		
– Land lease premium	– 租賃預付款項	735	245
– Intangible assets	– 無形資產	638	327
Staff costs	員工成本	79,048	47,116
Operating lease charges: minimum lease payment (land and buildings)	經營租賃費用:最低租賃款項(土地及房屋)	2,940	2,877
Net loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備的損失/(收益)淨額	5	(14)

6 INCOME TAX

6 所得稅

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2011	2010
		2011年	2010年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Provision for PRC income tax during the period	本期中國所得稅準備	63,604	68,568
Deferred tax	遞延稅項	9,648	8,352
		73,252	76,920

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

6 INCOME TAX (continued)

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

No provision has been made for Hong Kong profits tax as the Group does not earn any income subject to Hong Kong profits tax during the current and prior periods.

The provision for current PRC income tax is based on a statutory rate of 25% (six months ended 30 June 2010: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC, except for certain subsidiaries of the Group, which are entitled to preferential tax rate of 15% or 50% exemption of the income tax pursuant to the grandfathering arrangement under the Corporate Income Tax Law of the PRC.

- (b) Withholding tax at 10%, unless reduced by a treaty or agreement, is imposed when dividends are distributed by a PRC-resident enterprise to its immediate holding company outside mainland China for earnings generated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax.

6 所得稅(續)

- (a) 根據開曼群島及英屬處女群島的規則及規定，本集團無需支付任何開曼群島及英屬處女群島的所得稅。

本集團於本期及以前期間並無於香港產生或源自香港的應課稅收入，故毋須繳納香港利得稅。

除本集團若干附屬公司享受15%優惠稅率或根據《中國企業所得稅法》的過渡條款按法定稅率50%計稅，根據中國所得稅相關規則及規定，當期中國所得稅是按應課稅利潤的25% (截至2010年6月30日止6個月期間：25%) 法定稅率計算。

- (b) 中國居民企業分派於2008年1月1日後取得的盈利給其中國大陸以外的直接控股公司按照10%的稅率徵收預扣稅，除非有相關條約或協議對有關稅率予以減免。於2008年1月1日之前取得但仍未分派的盈利免徵該等預扣稅。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2011 is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2011 of RMB491,903,000 (six months ended 30 June 2010: RMB325,597,000) and the weighted average number of 1,807,139,000 ordinary shares (six months ended 30 June 2010: 1,809,233,000 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The amount of diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares in existence during both the current and prior periods.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2011, the additions of property, plant and equipment (including transferred from construction in progress) of the Group amounted to RMB944,804,000 (six months ended 30 June 2010: RMB310,564,000). Items of property, plant and equipment with net book value of RMB5,000 were disposed of during the six months ended 30 June 2011 (six months ended 30 June 2010: RMB25,000).

7 每股盈利

(a) 每股基本盈利

截至2011年6月30日止6個月期間，每股基本盈利是按本公司普通股權益持有人應佔利潤人民幣491,903,000元(截至2010年6月30日止6個月期間：人民幣325,597,000元)，以及截至2011年6月30日止6個月期間已發行加權平均普通股數目1,807,139,000股(截至2010年6月30日止6個月期間：1,809,233,000股普通股)計算。

(b) 每股攤薄盈利

由於本公司在本期及以前期間均沒有潛在攤薄普通股，每股攤薄盈利與每股基本盈利是相同的。

8 物業、廠房及設備

截至2011年6月30日止6個月期間，本集團新增物業、廠房及設備(包括從在建工程轉入)為人民幣944,804,000元(截至2010年6月30日止6個月期間：人民幣310,564,000元)。截至2011年6月30日止6個月期間，賬面淨值為人民幣5,000元的物業、廠房及設備已作處置(截至2010年6月30日止6個月期間：人民幣25,000元)。

8 PROPERTY, PLANT AND EQUIPMENT (continued)

Certain of the Group's leased plant and machinery are considered as being held under finance lease. The lease term is 25 years and represents a major part of the economic life of the leased plant and machinery. Net book value of plant and machinery held under finance lease as at 30 June 2011 was RMB24,424,000 (31 December 2010: RMB25,235,000).

As at 30 June 2011, the Group was in the process of applying for the ownership certificate for certain buildings with an aggregate net book value amounting to RMB19,543,000 (31 December 2010: RMB10,996,000). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use of the above mentioned buildings.

9 LEASE PREPAYMENTS

Lease prepayments comprise interests in leasehold land held for own use under operating leases located in the PRC with the carrying amount of RMB87,274,000 as at 30 June 2011 (31 December 2010: RMB65,043,000), of which RMB22,966,000 were newly acquired during the six months ended 30 June 2011.

8 物業、廠房及設備(續)

本集團承租的若干廠房及機器被視為以融資租賃方式持有。該租賃期為25年，佔承租廠房及機器經濟使用年限的大部分。於2011年6月30日，以融資租賃方式持有的廠房及機器的賬面淨值為人民幣24,424,000元(2010年12月31日：人民幣25,235,000元)。

於2011年6月30日，本集團正在辦理房屋所有權證的若干房屋的賬面淨值總計為人民幣19,543,000元(2010年12月31日：人民幣10,996,000元)。本公司董事認為，本集團有權合法及有效佔用及使用以上所述房屋。

9 租賃預付款項

於2011年6月30日，租賃預付款項包括經營租賃項下持作自用的在中國租賃土地權益，賬面價值為人民幣87,274,000元(2010年12月31日：人民幣65,043,000元)，其中於截至2011年6月30日止6個月期間，新增租賃預付款項為人民幣22,966,000元。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

10 INTEREST IN ASSOCIATES

During the six months ended 30 June 2011, the Group signed an agreement with Jiuquan Iron and Steel (Group) Co., Ltd., the sole shareholder of Gansu Hongsheng New Energy Co., Ltd. ("Gansu Hongsheng") for enlarging the paid-in capital of Gansu Hongsheng. Pursuant to the agreement, the Group made a capital contribution of RMB300,000,000 in cash to Gansu Hongsheng in June 2011. Upon completion of the capital injection, the Group owns 45% equity interest in Gansu Hongsheng. The principal activities of Gansu Hongsheng are the production and sale of chemical products.

10 於聯營公司的權益

截至2011年6月30日止6個月期間，本集團與甘肅宏昇新能源有限公司（「甘肅宏昇」）的唯一股東酒泉鋼鐵（集團）有限責任公司簽訂了增資協議。根據協議規定，本集團於2011年6月以現金人民幣300,000,000元向甘肅宏昇注資。注資後，本集團擁有甘肅宏昇45%的權益。甘肅宏昇的主要業務是生產及銷售化工產品。

11 OTHER NON-CURRENT ASSETS

11 其他非流動資產

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Prepayment for property, plant and equipment and land use right	物業、廠房及設備和土地使用權的預付款	729,234	309,579
Long-term receivables	長期應收款	19,682	45,913
Other investment in equity securities	其他股權投資	12,727	12,727
		761,643	368,219

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

12 TRADE AND OTHER RECEIVABLES

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Trade receivables	應收賬款	493,526	332,695
Bills receivable	應收票據	198,417	153,728
Less: allowance for doubtful debts	減：呆賬準備	(17,131)	(20,437)
		674,812	465,986
Deposits and other receivables	押金及其他應收款項	287,348	282,938
		962,160	748,924

Included in trade and other receivables are trade receivables and bills receivable (net of allowance for doubtful debts) with the following ageing analysis:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Current	未逾期	492,126	364,755
Less than 1 month past due	逾期不超過一個月	80,985	27,706
1 to 3 months past due	逾期一至三個月	89,712	40,051
More than 3 months but less than 12 months past due	逾期三個月至十二個月	11,989	33,474
Amounts past due	逾期金額	182,686	101,231
		674,812	465,986

The credit terms for trade receivables are generally 30 to 45 days. The bills receivable are normally due within 180 days from the date of issuing.

12 應收賬款及其他應收款項

應收賬款及其他應收款項包括以下應收賬款及應收票據(扣除呆賬準備後)，賬齡分析呈列如下：

應收賬款信貸期一般為30至45日。應收票據一般自開票日起180日內到期。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated statement of cash flows comprise cash at bank and in hand.

The Group's cash and bank balances in the PRC amounted to RMB839,805,000 as at 30 June 2011 (31 December 2010: RMB714,091,000). RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

14 BANK AND OTHER LOANS

(a) The bank and other loans comprise:

13 現金及現金等價物

合併財務狀況表及簡明合併現金流量表中的現金及現金等價物為銀行存款及現金。

本集團於2011年6月30日在中國的現金及銀行結餘為人民幣839,805,000元(2010年12月31日:人民幣714,091,000元)。人民幣並不是可自由轉換的貨幣,將資金匯出中國須受中國政府實施的外匯管制所限。

14 銀行及其他貸款

(a) 銀行及其他貸款包括:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Short-term loans	短期貸款	330,000	370,000
Current portion of long-term loans	長期貸款的即期部分	470,127	413,963
		800,127	783,963
Long-term portion of long-term loans	長期貸款的長期部分	2,467,361	1,132,137
		3,267,488	1,916,100

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

14 BANK AND OTHER LOANS (continued)

(b) The bank and other loans were repayable as follows:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	800,127	783,963
After 1 year but within 2 years	一年後但兩年內	841,468	361,323
After 2 years but within 5 years	兩年後但五年內	1,394,726	632,480
After 5 years	五年後	231,167	138,334
		3,267,488	1,916,100

(c) The bank and other loans were secured as follows:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Bank loans	銀行貸款		
- secured	—有抵押	2,268,245	1,866,100
- unsecured	—無抵押	949,243	—
Other loans - secured	其他貸款—有抵押	50,000	50,000
		3,267,488	1,916,100

14 銀行及其他貸款(續)

(b) 銀行及其他貸款償還期限如下：

	At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Within 1 year	800,127	783,963
After 1 year but within 2 years	841,468	361,323
After 2 years but within 5 years	1,394,726	632,480
After 5 years	231,167	138,334
	3,267,488	1,916,100

(c) 銀行及其他貸款抵押情況如下：

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Bank loans	銀行貸款		
- secured	—有抵押	2,268,245	1,866,100
- unsecured	—無抵押	949,243	—
Other loans - secured	其他貸款—有抵押	50,000	50,000
		3,267,488	1,916,100

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

14 BANK AND OTHER LOANS (continued)

(d) The carrying value of assets secured for bank and other loans were as follows:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,189,271	1,909,092
Lease prepayments	租賃預付款項	14,073	3,204
		2,203,344	1,912,296

14 銀行及其他貸款(續)

(d) 就銀行及其他貸款抵押的資產賬面價值如下：

15 TRADE AND OTHER PAYABLES

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Trade payables	應付賬款	21,405	9,764
Bills payable	應付票據	157,033	475,104
Payable for property, plant and equipment	物業、廠房及設備應付款項	799,165	671,208
Dividends payable	應付股息	180,683	—
Accrued expenses and other payables	預提費用及其他應付款項	101,632	88,219
		1,259,918	1,244,295

15 應付賬款及其他應付款項

16 SHARE CAPITAL AND DIVIDENDS

(a) Share capital

Pursuant to the written resolution passed by the board of directors on 7 January 2011, the Company repurchased 2,402,500 shares of its own ordinary shares on the Stock Exchange at an aggregate consideration of HKD13,683,000 (equivalent to RMB11.68 million) in January 2011. The lowest and the highest price paid were HKD5.60 per share and HKD5.70 per share respectively. All the shares repurchased have been cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of RMB11.68 million was charged to the share premium.

(b) Dividends

- (i) Dividends payable to equity shareholders attributable to the interim period

The directors have not recommended the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

- (ii) Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period

Final dividend in respect of the previous financial year approved during the following interim period

於隨後中期期間內批准的上年度末期股息

A final dividend of RMB0.10 per share totalling RMB180,683,000 in respect of the year ended 31 December 2010 was approved at the annual general meeting held on 26 May 2011 and was subsequently paid in July 2011.

16 股本及股息

(a) 股本

根據2011年1月7日的董事會決議，本公司於2011年1月以總額13,683,000港元(相當於人民幣11.68百萬元)的對價在聯交所回購了2,402,500股普通股，支付的最低和最高回購價分別為每股5.60港元和5.70港元。該等股份已於回購後被註銷，而本公司之已發行股本亦相應減去相關之面值。回購股份所支付之溢價人民幣11.68百萬元已於股份溢價中扣除。

(b) 股息

- (i) 本中期應付予權益持有人的股息

本公司董事沒有建議派發截至2011年6月30日止6個月期間的中期股息(截至2010年6月30日止6個月期間：零)。

- (ii) 於中期期間內批准的應付予權益持有人的上一個財政年度股息

Six months ended 30 June	
截至6月30日止6個月期間	
2011	2010
2011年	2010年
RMB'000	RMB'000
人民幣千元	人民幣千元

180,683

—

截至2010年12月31日止年度的每股人民幣0.10元末期股息，共計人民幣180,683,000元，已於2011年5月26日召開的股東周年大會中獲批准。該股息其後於2011年7月付清。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

17 MATERIAL RELATED PARTY TRANSACTIONS

Remuneration for key management personnel of the Group is as follows:

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2011	2010
		2011年	2010年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	2,986	3,405
Post-employment benefits	離職後福利	20	15
		3,006	3,420

Total remuneration is included in "staff costs" (see Note 5(b)).

Pursuant to the relevant labour rules and regulations in the PRC, the Group's PRC subsidiaries participate in defined contribution retirement benefit schemes (the "Schemes") organised by the respective local government authorities whereby the Group is required to make contributions to the Schemes at rates in the range of 10% to 22% of the eligible employees' salaries during the periods presented.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD20,000. Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

There were no other significant related party transactions during both the current and prior periods.

17 重大關聯方交易

本集團關鍵管理人員薪酬如下：

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2011	2010
		2011年	2010年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term employee benefits	短期僱員福利	2,986	3,405
Post-employment benefits	離職後福利	20	15
		3,006	3,420

薪酬總額計入「員工成本」(參見附註5(b))。

依照中國相關勞動規則與規定，本集團在中國的附屬子公司均參加由當地地方政府機關的定額供款退休福利計劃(「該計劃」)。據此，本集團須按合資格僱員本期間薪金的10%至22%向該計劃作出供款。

本集團亦按照香港強制性公積金條例為根據香港僱傭條例僱傭的僱員成立強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立信托人管理的界定供款計劃。在強積金計劃下，僱主及僱員各自須向該計劃作出相當於僱員有關入息的5%供款，而有關入息的上限為每月20,000港元。該計劃的供款即時歸屬。

除上述年度供款外，本集團並無其他重大退休福利支付責任。

除上述交易外，呈列期間並未發現其他重大關聯方交易。

Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

18 COMMITMENTS

(a) Capital commitments

As at 30 June 2011, the Group had capital commitments for acquisition and construction of properties and equipment as follows:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Authorised and contracted for	已授權且已訂約	2,688,114	833,007
Authorised but not contracted for	已授權但未訂約	3,081,676	2,134,282
		5,769,790	2,967,289

(b) Operating lease commitments

As at 30 June 2011, the Group's total future minimum lease payments under non-cancellable operating leases in respect of land and properties, are payable as follows:

		At 30 June 2011 於2011年 6月30日 RMB'000 人民幣千元	At 31 December 2010 於2010年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	8,511	9,542
After 1 year but within 5 years	一年後但五年內	14,580	16,434
After 5 years	五年後	34,437	35,821
		57,528	61,797

None of the leases includes contingent rentals.

該等租賃不包括或有租金。

18 承擔

(a) 資本承擔

於2011年6月30日，本集團就物業及設備的購置和建設的資本承擔呈列如下：

(b) 經營租賃承擔

於2011年6月30日，本集團根據不可撤銷經營租約應付有關土地和物業的未來最低租賃付款總值呈列如下：



Notes to the unaudited interim financial report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

18 COMMITMENTS (continued)

(c) Legal contingencies

The Group is the defendant in certain lawsuit as well as the plaintiff in other proceedings arising in the ordinary course of business. While the outcomes of such contingencies, lawsuit or other proceedings cannot be estimated at present, management believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

18 承擔(續)

(c) 或有法律事項

本集團是若干法律訴訟中的被告，也是日常業務中出現的其他訴訟中的原告。儘管目前無法確定這些或有事項、法律訴訟或其他訴訟的結果，管理層相信任何由此引起的負債將不會對本集團的財務狀況或經營業績造成重大的負面影響。

Other Information 其他資料

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2011, our Company purchased on the Hong Kong Stock Exchange 2,402,500 shares of the Company in total at a price ranging from HKD5.60 to HKD5.70 with a total consideration of HKD13,682,865 by way of on-market share repurchase. These repurchased shares were cancelled prior to 30 June 2011.

Saved as disclosed above, neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company's listed securities during the six months ended 30 June 2011.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES OR DEBENTURES OF OUR COMPANY AND OUR ASSOCIATED CORPORATIONS

As at 30 June 2011, the interests and short positions of the Directors and chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO), which were required to be entered in the register kept by our Company under Section 352 of the SFO or as otherwise notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code of the Listing Rules contained in Appendix 10 were as follows:

Name 名稱	Nature of interest 權益性質	Number of Shares 所擁有股份數目	Approximate percentage of shareholding 持股概約百分比
Mr. Zhongguo Sun Zhongguo Sun 先生	Beneficiary of a trust 信託受益人	295,200,000 (long position) 295,200,000 股 (好倉)	16.31%
Mr. Zhao Xiangti 趙項題先生	Deemed interest, interest of controlled company 視作擁有權益 (控制公司權益)	262,021,585 (long position) 262,021,585 股 (好倉)	14.48%
Mr. Trevor Raymond Strutt Trevor Raymond Strutt 先生	Founder of a discretionary trust 全權信託的成立人	181,661,461 (long position) 181,661,461 股 (好倉)	10.04%

Save as disclosed above, as at 30 June 2011, none of the Directors and the chief executive of our Company or their associates (including their spouses and children under 18 years of age) had any interest or short positions in the Shares, underlying Shares or debentures of our Company or our associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code.

購買、出售或贖回本公司上市證券

截至2011年6月30日止6個月期間內，本公司於香港聯交所通過市場股份回購方式以每股港幣5.60元至港幣5.70元購回共2,402,500股股份，總額為港幣13,682,865元。該等購回股份已於2011年6月30日前被註銷。

除上文披露者外，截至2011年6月30日止6個月期間內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

董事及最高行政人員於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於2011年6月30日，本公司董事及最高行政人員於本公司及其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份及債券中擁有須記錄於本公司根據《證券及期貨條例》第352條須存置之登記冊，或根據上市規則附錄十所載之標準守則須知會本公司及香港聯交所的權益及淡倉如下：

除上文所披露者外，於2011年6月30日，本公司董事、最高行政人員或彼等之聯繫人(包括彼等的配偶及未滿18歲的子女)概無於本公司或相聯法團之股份、相關股份及債券中擁有須記錄於根據證券及期貨條例第352條存置之登記冊內或根據標準守則須知會本公司及香港聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF OUR COMPANY

主要股東及其他人士於股份及相關股份的權益及淡倉

As at 30 June 2011, the following persons (other than the Directors and chief executive of our Company) had notified our Company of interests or short positions in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company under Section 336 of Part XV of the SFO as follows:

根據《證券及期貨條例》第XV部第336條規定存置的本公司登記冊所示，於2011年6月30日，以下人士（本公司的董事或最高行政人員除外）已通知本公司彼等擁有本公司股份或相關股份的權益或淡倉如下：

Name 名稱	Nature of interest 權益性質	Number of Shares 所擁有股份數目	Approximate percentage of shareholding 持股概約百分比
Baslow	Beneficial owner 實益擁有人	181,661,461 (long position) 181,661,461 股（好倉）	10.04%
Baslow Resources Limited	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	181,661,461 (long position) 181,661,461 股（好倉）	10.04%
Bubbly Brooke	Beneficial owner 實益擁有人	295,200,000 (long position) 295,200,000 股（好倉）	16.31%
Li Hongmei 李洪妹	Founder of a discretionary trust 全權信託的成立人	295,200,000 (long position) 295,200,000 股（好倉）	16.31%
Yang Yonggang 楊永剛	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	350,374,816 (long position) 350,374,816 股（好倉）	
	Beneficial owner 實益擁有人	892,000 (long position) 892,000 股（好倉）	
		351,266,816 (long position) 351,266,816 股（好倉）	19.44%
Rongton 榮滔	Beneficial owner 實益擁有人	261,129,585 (long position) 261,129,585 股（好倉）	14.43%
Baring Private Equity Asia III Holding (7A) Limited 霸菱亞洲投資基金 III 控股 (7A)有限公司	Beneficial owner 實益擁有人	131,126,424 (long position) 131,126,424 股（好倉）	7.25%

Other Information 其他資料

Name 名稱	Nature of interest 權益性質	Number of Shares 所擁有股份數目	Approximate percentage of shareholding 持股概約百分比
Baring Private Equity Asia GP III Limited	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	131,126,424 (long position) 131,126,424 股（好倉）	7.25%
Baring Private Equity Asia GP III, L.P.	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	131,126,424 (long position) 131,126,424 股（好倉）	7.25%
The Baring Asia Private Equity Fund III, L.P.I	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	96,133,109 (long position) 96,133,109 股（好倉）	5.31%
Equity Trustee Limited	Trustee (other than a bare trustee) 受託人（被動受託人除外）	476,861,461 (long position) 476,861,461 股（好倉）	26.30%
Rouser Investments Inc.	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	295,200,000 (long position) 295,200,000 股（好倉）	16.31%
Jean Eric Salata	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	131,126,424 (long position) 131,126,424 股（好倉）	7.25%
JP Morgan Chase & Co.	Deemed interest, interest of controlled company 視作擁有權益（控制公司權益）	105,145,098 (long position) 105,145,098 股（好倉）	5.82%
		85,912,098 (lending pool) 85,912,098 股 （可供借出股份）	4.75%
Newton Investment Management Limited	Investment manager 投資經理	109,853,000 (long position) 109,853,000 股（好倉）	6.07%

Save as disclosed above, as at 30 June 2011, our Company were not aware of any person (other than the Directors and chief executive of our Company) who had an interest or a short position in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company under Section 336 of Part XV of the SFO.

除上文所披露者外，根據《證券及期貨條例》第XV部第336條規定存置的本公司登記冊所示，於2011年6月30日，就本公司所知，並無任何人士（本公司的董事或最高行政人員除外）擁有本公司股份或相關股份的權益或淡倉。

OTHER REQUIRED DISCLOSURE PURSUANT TO RULE 13.18 AND RULE 13.21 OF THE LISTING RULES

Our Company entered into a facility agreement with a syndicate of banks on 4 March 2011 (the "Facility Agreement") for a 3-year term loan facility of up to USD150 million (the "Facility"). Pursuant to the Facility Agreement, it will be an event triggering mandatory prepayment, inter alia, if: (a) any one or more of Peace & Smooth (Hong Kong) Investments Ltd., Rongton Investments Limited, Baslow Technology Limited and Bubbly Brooke Holdings Limited solely (where there is only one Controlling Shareholder) or jointly (where there is more than one Controlling Shareholder) cease to control the Company or cease to own legally and beneficially directly or indirectly through wholly owned subsidiaries 35% or more of the issued share capital of the Company; or (b) either of Baslow Technology Limited and Bubbly Brooke Holdings Limited cease to own legally and beneficially directly or indirectly through wholly owned subsidiaries any issued share capital of the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Our Company is committed to high standards of corporate governance. The Board of Directors of our Company believes that our Company has complied with all the code provisions of the Code in Appendix 14 of the Listing Rules for the six months ended 30 June 2011 except for the deviation from the Code provision A.2.1, which stipulates that the roles of chairman and chief executive officer should be separated. The chairman and the chief executive officer of our Company is Mr. Zhongguo Sun. Nevertheless, the Board considers that this structure will not impair the balance of power and the authority of the Board. The Board currently comprises four executive directors and three independent non-executive directors, with independent non-executive directors representing approximately 42.9% of the Board, which is higher than the Recommended Best Practices of the Code under the Listing Rules. Such a high percentage of independent non-executive directors on the Board can ensure their views carrying significant weight and reflecting independence of the Board.

其他遵照上市規則第13.18條及第13.21條之規定需要作出的披露

本公司於2011年3月4日與一組銀團簽訂有關一億五千萬美元(「融資」)期限為3年的貸款融資協議(「融資協議」)。根據融資協議，若出現(其中包括)以下情況，即屬觸發強制性預付款的事件：(a)任何一方或多方控股股東，即和順(香港)投資有限公司、榮滔投資有限公司、Baslow Technology Limited、Bubbly Brooke Holdings Limited，單獨(當只有一個控股股東時)或共同(當有不止一個控股股東)不再控制本公司或不再透過全資子公司直接或間接法定實益擁有本公司已發行股本中35%或以上之權益；或(b)倘若Baslow Technology Limited或Bubbly Brooke Holdings Limited不再透過全資子公司直接或間接法定實益擁有任何本公司已發行股本之權益。

遵守企業管治常規守則

本公司奉行高水平企業管治標準。本公司董事會認為本公司於截至2011年6月30日止6個月期間已遵守上市規則附錄14守則的所有守則條文，惟偏離守則第A.2.1條主席與行政總裁之角色應有區分的規定。本公司主席兼行政總裁為Zhongguo Sun先生。然而，董事會認為此架構不會削弱董事會的權力平衡與權威。董事會現時由四名執行董事及三名獨立非執行董事組成，其中獨立非執行董事約佔董事會的42.9%，高於上市規則所載守則之建議最佳常規。獨立非執行董事佔據董事會如此高的比例，可確保彼等的意見受到重視，並反映董事會獨立性。

Other Information 其他資料

Mr. Sun is the main founder of our Group and he has been responsible for operational management since the establishment of our Group. He has played an important role during our expansion. Mr. Sun possesses rich working experience in the industrial gas industry and excellent operational management ability. At present, the Board believes that it is beneficial to the management and development of our Group's businesses for Mr. Sun to be both the chairman and chief executive officer as it helps to fasten the Board's decision-making. The Board would still consider segregating the role of chairman and chief executive officer to comply with the Code if appropriate.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

Our Company has adopted the Code of Conduct on terms no less than the required standards of the Model Code as set out in Appendix 10 of the Listing Rules to govern securities transactions by the directors. Having made specific enquiry to all Directors of our Company, our Company confirmed that all the Directors have complied with all required standards under the Code of Conduct throughout the period from 1 January 2011 to 30 June 2011.

AUDIT COMMITTEE REVIEW

The audit committee of our Company currently comprises Mr. Xu Zhao (chairman), Mr. Zheng Fuya and Dr. Wang Ching, who are all independent non-executive directors of our Company. The audit committee has reviewed the unaudited interim financial report of our Group for the six months ended 30 June 2011. The audit committee has also discussed matters such as the accounting policies and practices adopted by our Group and internal control with the senior management of our Company.

INTERIM DIVIDEND

The directors have not recommended the payment of an interim dividend for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

Sun先生為本集團的主要創辦人，自本集團成立以來一直負責運營管理，在本集團擴展期間發揮了重要作用。Sun先生於工業氣體行業擁有豐富的工作經驗，且經營管理能力卓越。目前，董事會認為，由Sun先生擔任主席兼行政總裁有助於加快董事會的決策，從而有利於本集團的管理與發展。董事會仍會考慮於適當時將主席與行政總裁的角色分離以遵守守則。

遵守上市發行人董事進行證券交易的標準守則

本公司已採用不遜於上市規則附錄10所載標準守則的有關董事進行證券交易的行為守則規管董事進行的證券交易。於向本公司全體董事作出具體查詢後，本公司確認全體董事於2011年1月1日至2011年6月30日期間遵守行為守則的所有標準。

審核委員會審閱

本公司審核委員會由本公司獨立非執行董事徐昭先生(主席)、鄭富亞先生及王京博士組成。審核委員會已審閱截至2011年6月30日止6個月期間本集團未經審核中期財務報告。審核委員會亦已與本公司高級管理層討論本集團所採用的會計政策及慣例以及內部控制等事項。

中期股息

本公司董事沒有建議派發截至2011年6月30日止6個月期間的中期股息(截至2010年6月30日止6個月期間：零)。

SHARE OPTION SCHEME

Our Company has adopted the Share Option Scheme on 12 September 2009. A summary of principle terms and conditions of Share Option Scheme are set out in the section headed “Share Option Scheme” in Appendix VI of the Prospectus of our Company dated 24 September 2009. Up to 30 June 2011, no option has been granted pursuant to the Share Option Scheme.

購股權計劃

本公司於2009年9月12日採納購股權計劃。購股權計劃主要條款及條件的概要載於本公司2009年9月24日刊發的招股章程附錄六「購股權計劃」一節。截至2011年6月30日，本公司並無根據購股權計劃授出任何購股權。

Definitions

釋義

“Baslow”	Baslow Technology Limited, an investment holding company incorporated in the British Virgin Islands	「Baslow」	指	Baslow Technology Limited，一間在英屬處女群島註冊成立的投資控股公司
“Board” or “Board of Directors”	the board of directors of our Company	「董事會」	指	本公司董事會
“Bubbly Brooke”	Bubbly Brooke Holdings Limited, an investment holding company incorporated in the British Virgin Islands	「Bubbly Brooke」	指	Bubbly Brooke Holdings Limited，一間在英屬處女群島註冊成立的投資控股公司
“China” or “PRC”	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to “China” and the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong	「中國」	指	中華人民共和國，僅就本年報及作地區參考而言，除文義另有所指外，本年報對於「中國」的提述並不包括台灣、澳門特別行政區及香港
“Code”	the Code on Corporate Governance Practices	「守則」	指	企業管治常規守則
“Code of Conduct”	a code of conduct regarding securities transactions by directors	「行為守則」	指	上市發行人董事進行證券交易之行為守則
“Director(s)”	Director(s) of our Company	「董事」	指	本公司董事
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong	「港幣」	指	港元，香港法定貨幣
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指	中國香港特別行政區

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited	「香港 指 聯交所」	香港聯合交易所有限公司
“Hunan Yingde”	Hunan Yingde Gases Company Limited* (湖南盈德氣體有限公司), a company established in the PRC on 29 October 2001 and a wholly-owned subsidiary of our Company	「湖南盈德」指	湖南盈德氣體有限公司，一間於2001年10月29日在中國成立的公司，為本公司的全資附屬公司
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of HongKong Limited (as amended from time to time)	「上市規則」指	香港聯合交易所有限公司證券上市規則(經不時修訂)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers	「標準守則」指	上市發行人董事進行證券交易之標準守則
“Nm ³ /hr”	normal cubic meter/hour	「標準 指 立方米 /小時」	標準立方米／小時
“Prospectus”	the prospectus of our Company dated 24 September 2009	「招股章程」指	本公司於2009年9月24日刊發的招股章程

Definitions

釋義

“Renminbi” or “RMB”	the lawful currency of the PRC	「人民幣」	指	中國法定貨幣
“Rizhao Yingde”	Rizhao Yingde Gases Company Limited* (日照盈德氣體有限公司), a company established in the PRC on 30 October 2006 and a wholly-owned subsidiary of our Company	「日照盈德」	指	日照盈德氣體有限公司，一間於2006年10月30日在中國成立的公司，為本公司的全資附屬公司
“Rongton”	Rongton Investments Limited, an investment holding company incorporated in the British Virgin Islands	「榮滔」	指	榮滔投資有限公司，一間在英屬處女群島註冊成立的投資控股公司
“SAI Report”	the industry report entitled China Industrial Gas Market Analysis published by Strategic Analysis Inc.	「SAI報告」	指	由 Strategic Analysis Inc. 刊發的中國工業氣體市場分析的行業報告
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)	「證券及期貨條例」	指	香港法例第571章證券及期貨條例（經不時修訂）
“Share(s)”	ordinary share(s) with nominal value of US\$0.000001 each in the share capital of our Company	「股份」	指	本公司股本中每股面值0.000001美元的普通股
“Share Option Scheme”	the share option scheme conditionally approved by our shareholders on 12 September 2009 and approved and adopted by the board of directors of our Company on 12 September 2009	「購股權計劃」	指	我們的股東於2009年9月12日有條件地批准且由本公司董事會於2009年9月12日批准並採納的購股權計劃

Definitions 釋義

“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	指	美利堅合眾國、其領土、屬地及其司法管轄範圍內的所有地區
“USD”	United States dollars, the lawful currency of the United States	「美元」	指	美元，美國法定貨幣
“Yingde BVI”	Yingde Gases Investment Limited* (盈德氣體投資有限公司), a company incorporated in the British Virgin Islands on 18 April 2006 and a wholly-owned subsidiary of our Company and investment holding company in our Group	「盈德(英屬處女群島)」	指	盈德氣體投資有限公司，一間於2006年4月18日在英屬處女群島註冊成立的公司，為本公司的全資附屬公司及本集團的投資控股公司
“Zibo Yingde”	Zibo Yingde Gases Company Limited* (淄博盈德氣體有限公司), a company established in the PRC on 8 November 2006 and a wholly-owned subsidiary of our Company	「淄博盈德」	指	淄博盈德氣體有限公司，一間於2006年11月8日在中國成立的公司，為本公司的全資附屬公司

Definitions

釋義

In this interim report:

- “Company”, “our Company”, “our”, “we” and “us” refer to Yingde Gases Group Company Limited 盈德氣體集團有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 25 September 2007 and, except where the context otherwise requires, include all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which were subsequently assumed by it;
 - “Group” means our Company and its subsidiaries from time to time; and
 - the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.
- * denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only

於本中期報告內：

- 「公司」、「本公司」、「我們的」及「我們」指盈德氣體集團有限公司，一間於2007年9月25日在開曼群島註冊成立的獲豁免有限公司，除文義另有所指外，包括其所有附屬公司，或如文義所指其註冊成立之前的任何時間，則指其前身或其現有附屬公司的前身所從事且其於隨後承擔的業務；
 - 「本集團」指本公司及其不時的附屬公司；及
 - 除文義另有所指外，「聯繫人」、「關連人士」、「關連交易」、「控股股東」、「附屬公司」及「主要股東」等詞彙具備上市規則所賦予的涵義。
- * 表示中國公司或實體的英文譯名（反之亦然），謹供識別



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