

## DEFINITIONS

**In this document, unless the context otherwise requires, the following words and expressions have the following meanings.**

"Ace Turbo"	Ace Turbo Group Limited, a company incorporated in the British Virgin Islands on July 1, 2008 and a wholly-owned subsidiary of our Company
"Baring"	Baring Private Equity Asia III Holding (7A) Limited, Baring Private Equity Asia III Holding (7) Limited and affiliated companies
"Baslow"	Baslow Technology Limited, an investment holding company incorporated in the British Virgin Islands, 100% interest of which is ultimately held by the trustee of Mr. Strutt's family trust as at the date of this document
"BOC Gases"	BOC Group plc, an international gas company, which became a wholly-owned subsidiary of Linde AG on September 6, 2006 and an independent third party of our Group. Two of our Group's founders, Mr. Zhongguo Sun and Mr. Trevor Strutt, were each previously employed by BOC Group plc or its subsidiaries
"Bubbly Brooke"	Bubbly Brooke Holdings Limited, an investment holding company incorporated in the British Virgin Islands, 100% interest of which is ultimately held by the trustee of Ms. Li Hongmei's family trust as at the date of this document
"Business Day"	a day that is not a Saturday, Sunday or public holiday in Hong Kong
"Cayman Companies Law" or "Companies Law"	the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"China" or "PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China" and the "PRC" do not include Taiwan, the Macau Special Administrative Region and Hong Kong
"Controlling Shareholders"	Ms. Li Hongmei, Mr. Trevor Raymond Strutt, Mr. Zhao Xiangti, Mr. Yang Yonggang, Mr. Nie Kuang, Baslow, Bubbly Brooke, Peace & Smooth and Rongton
"Convertible Loans"	consist of a US\$20.2 million loan facility from Proper Sonic Finance Limited to Yingde BVI dated June 20, 2006, which included a US\$6.0 million convertible loan facility; and a US\$2.0 million subscription agreement in respect of the subscription of ordinary shares in Yingde BVI by Baring
"Covenantors"	Mr. Trevor Raymond Strutt, Mr. Zhao Xiangti, Mr. Yang Yonggang, Mr. Nie Kuang, Mr. Zhongguo Sun, Baslow, Bubbly Brooke, Peace & Smooth and Rongton

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"CSRC"	the China Securities Regulatory Commission
"Deutsche Bank"	Deutsche Bank AG, acting through its Hong Kong Branch and/or London Branch. Deutsche Bank AG is a banking institution and a stock corporation incorporated under the law of Germany, the parent company of one of our shareholders Deutsche Securities Nominees Hong Kong Limited, and other than as a shareholder of our Company, is an independent third party of our Group
"Gold Stand Goal"	Gold Stand Goal Limited, an investment holding company incorporated in the British Virgin Islands and, other than as a Shareholder of our Company, an independent third party of our Group
"Guizhou Yingde"	Guizhou Yingde Gases Company Limited* (貴州盈德氣體有限公司), a company established in the PRC on September 4, 2007 and a wholly-owned subsidiary of our Company
"Hebei Yingde"	Hebei Yingde Gases Company Limited* (河北盈德氣體有限公司), a company established in the PRC on December 4, 2006 and a wholly-owned subsidiary of our Company
"Hengyang Valin"	Hengyang Hualing Lianzhaguan Company Limited* (衡陽華菱連軋管有限公司), a subsidiary of Hunan Valin Steel Company Limited (湖南華菱鋼鐵股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange
"Hengyang Yingde"	Hengyang Yingde Gases Company Limited* (衡陽盈德氣體有限公司) incorporated in the PRC on December 23, 2008 pursuant to a joint venture agreement between Yingde BVI, Hunan Yingde and Hengyang Valin, which is a joint venture company owned as to 70% by us and 30% by Hengyang Valin
"HK\$", "HKD" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	The Hong Kong Special Administrative Region of the PRC
"Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huai'an Yingda"	Huai'an Yingda Gases Company Limited* (淮安盈達氣體有限公司), a company established in the PRC on January 26, 2007 and a wholly-owned subsidiary of our Company
"Huikeying"	Beijing Huikeying Hi-tech Company Limited* (北京匯科盈高新技術有限公司), 80% of which was owned by Torch at the relevant time
"Hunan Yingde"	Hunan Yingde Gases Company Limited* (湖南盈德氣體有限公司), a company established in the PRC on October 29, 2001 and a wholly-owned subsidiary of our Company
"IFRS"	International Financial Reporting Standards

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“independent third party”	a person or entity which is not a connected person of our Company
“Jiangsu Yingde”	Jiangsu Yingde Gases Company Limited* (江蘇盈德氣體有限公司), a company established in the PRC on April 15, 2003 and a wholly-owned subsidiary of our Company
“Laiwu Yingde”	Laiwu Yingde Gases Company Limited* (萊蕪盈德氣體有限公司), a company established in the PRC on January 30, 2007 and a wholly-owned subsidiary of our Company
“Latest Practicable Date”	September 14, 2009, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Nanjing Xingang”	Nanjing Xingang Argon Company Limited* (南京新港氬氣有限公司), a company established in the PRC on June 11, 2003 and a wholly-owned subsidiary of our Company
“Nm <sup>3</sup> /hr”	normal cubic meter/hour
“Peace & Smooth”	Peace & Smooth (Hong Kong) Investment Limited, an investment holding company incorporated in Hong Kong, 50% of the voting power of which is held by Mr. Nie Kuang and 50% of the voting power of which is held by Mr. Yang Yonggang
“Pinpoint Capital”	Pinpoint Capital 2006 A Limited, an investment holding company incorporated in the British Virgin Islands, and other than as a Shareholder of our Company, is an independent third party of our Group
“Preferred Shares”	the convertible redeemable preferred shares initially issued by Yingde BVI to Baring for a cash consideration of US\$14 million pursuant to the Convertible Redeemable Preferred Shares Subscription Agreement dated June 23, 2006, and which were subsequently exchanged for convertible redeemable preferred shares issued by our Company to Baring as part of the Reorganization
“QYSD”	Beijing Qian Yuan Sheng Da Technology Company Limited* (北京乾元盛達科技有限公司), an investment holding company incorporated in the PRC, 55% of the voting power of its shares being held by Mr. Zhao Xiangti and 45% of the voting power of its shares being held by Mr. Yang Yonggang immediately prior to the Reorganization
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reorganization”	the reorganization of the companies and businesses comprising our Group, as described in the section headed “Our History and Reorganization – Reorganization” in this document

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"Rizhao Yingde"	Rizhao Yingde Gases Company Limited* (日照盈德氣體有限公司), a company established in the PRC on October 30, 2006 and a wholly-owned subsidiary of our Company
"Rongton"	Rongton Investments Limited, an investment holding company incorporated in the British Virgin Islands, 55% of the voting power of its shares being held by Mr. Zhao Xiangti and 45% of the voting power of its shares being held by Mr. Yang Yonggang
"Seabright"	Seabright Investment Limited (海明投資有限公司), an investment holding company the shares of which were, at the relevant time, held by Mr. Nie Xinhua and Mr. Kou Zhenwei, and which was affiliated with QYSD, Peace & Smooth and Rongton immediately prior to the Reorganization and established pursuant to an arrangement amongst the 31 members of the former Torch management team
"SAI Report"	the industry report dated July 16, 2009 entitled China Industrial Gas Market Analysis published by Strategic Analysis Inc.
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
"Shaanxi Yingde"	Shaanxi Yingde Gases Company Limited* (陝西盈德氣體有限公司), a company established in the PRC on June 24, 2003 and a wholly-owned subsidiary of our Company
"Shanxi Yingde"	Shanxi Yingde Gases Company Limited (山西盈德氣體有限公司), a company established in the PRC on September 3, 2009 and a wholly-owned subsidiary of our Company
"Share(s)"	ordinary share(s) with nominal value of US\$0.000001 each in the share capital of our Company
"Share Option Scheme"	the share option scheme conditionally approved by our shareholders on September 12, 2009 and approved and adopted by the board of directors of our Company on September 12, 2009, the principal terms of which are summarized under the section headed "Share Option Scheme" in Appendix VI to this document
"Shihlien Yingde"	Shihlien Yingde Gases Jiangsu Company Limited (實聯盈德氣體江蘇有限公司) incorporated in the PRC on June 19, 2009 pursuant to a joint venture agreement between Yingde BVI and Shihlien China Holding Company Limited, which is a joint venture company owned as to 50% by Yingde BVI and 50% by Shihlien China Holding Company
"Tianjin Yingde"	Tianjin Yingde Gases Company Limited* (天津盈德氣體有限公司), a company established in the PRC on September 17, 2004 and a wholly-owned subsidiary of our Company

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"Tongyue"	Shanghai Tongyue Trading Company Limited* (上海同岳科貿有限公司), an investment holding company the shares of which were, at the relevant time, held by Mr. Guo Zhiying and Mr. Zhang Fan, and which was affiliated with QYSD, Peace & Smooth and Rongton immediately prior to the Reorganization and was established pursuant to an arrangement amongst the 31 members of the former Torch management team
"Torch"	Torch Automobile Group Company Limited* (湘火炬汽車集團股份有限公司), a company incorporated in the PRC which was listed on the Shenzhen Stock Exchange before its merger with Weichai Power Company Limited in 2006, a company currently listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange
"Track Record Period"	the three years ended December 31, 2006, 2007, 2008 and the six months ended June 30, 2009
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US\$", "USD" or "US dollars"	United States dollars, the lawful currency of the United States
"Wellsmith Investment"	Wellsmith Investment Limited, a company incorporated in Hong Kong on June 20, 2007 and a wholly-owned subsidiary of our Company
"Winford Global"	Winford Global Investments Limited, an investment holding company incorporated in the British Virgin Islands, and is a Shareholder of our Company
"Yangzhou Yingde"	Yangzhou Yingde Gases Company Limited* (揚州盈德氣體有限公司), a company established in the PRC on April 12, 2006 and a wholly-owned subsidiary of our Company
"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 April 18, 2006 and a wholly-owned subsidiary of our Company and investment holding company in our Group
"Yingde Logistics"	Jiangsu Yingde Logistics Company Limited* (江蘇盈德物流有限公司), a company established in the PRC on October 15, 2008 and a wholly-owned subsidiary of our Company
"Zhangjiagang Yingde"	Zhangjiagang Yingde Gases Company Limited* (張家港盈德氣體有限公司), a company established in the PRC on December 31, 2004 and a subsidiary of our Company in which we own 75% of the equity interest
"Zhuhai Yingde"	Zhuhai Yingde Gases Company Limited* (珠海盈德氣體有限公司), a company established in the PRC on April 8, 2003 and a wholly-owned subsidiary of our Company

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"Zhuzhou Yingde"	Zhuzhou Yingde Gases Company Limited* (株洲盈德氣體有限公司), a company established in the PRC on March 22, 2007 and a wholly-owned subsidiary of our Company
"Zibo Yingde"	Zibo Yingde Gases Company Limited* (淄博盈德氣體有限公司), a company established in the PRC on November 8, 2006 and a wholly-owned subsidiary of our Company

In this document:

— "Company", "our Company", "our", "we" and "us" refer to Yingde Gases Group Company Limited, an exempted company incorporated in the Cayman Islands with limited liability on September 25, 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;

— the terms "associate", "connected person", "connected transaction", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the relevant rules and regulations, unless the context otherwise requires; and

— unless otherwise stated, certain amounts denominated in Renminbi have been translated into HK\$ or US\$ and vice versa at an exchange rate of RMB0.8811 = HK\$1.00 or RMB6.8284 = US\$1.00, respectively, and certain amounts denominated in US\$ have been translated into HK\$ and vice versa at an exchange rate of US\$1.00 = HK\$7.7501, in each case, for illustration purpose only. Such translations shall not be construed as representations that amounts in Renminbi or US dollars were or may have been converted into those currencies and vice versa at such rates or any other exchange rates.

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\* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only