

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### DIRECTORS

Our board currently consists of seven directors, comprising three executive directors, one non-executive director and three independent non-executive directors. We have entered into service contracts with each of our executive directors. Certain information in respect of the members of our board are set out below:

#### Executive Directors

**Mr. Zhongguo Sun**, aged 45, was appointed the chairman and an executive director of our Company on November 12, 2007. Mr. Sun was one of the founders of our Group and has been a director and the general manager of our Group since 2001 responsible for the overall management and strategy of our Group. Mr. Sun is also currently a director of each of the subsidiaries of our Group (except for Yingde Logistic). Mr. Sun has more than ten years experience in the industrial gas industry. Prior to establishing our Group, Mr. Sun was the business manager of applied gas solution at BOC Gases. Mr. Sun received a Master of Science in Mechanical Engineering from the University of Pittsburgh in 1989.

**Mr. Zhao Xiangti** (趙項題), aged 51, was appointed an executive director of our Company on November 12, 2007. Mr. Zhao was one of the founders of our Group and has participated in our management, business development and expansion since October 2001. Mr. Zhao is responsible for domestic finance planning and support in the PRC within our Group. Mr. Zhao is also currently a director of each of the subsidiaries of our Group (except Zhangjiagang Yingde and Yingde Logistic). Mr. Zhao has more than six years experience in the industrial gas industry. Mr. Zhao was previously a supervisor of Torch. Mr. Zhao ceased to be a member of Torch's management team in April 2007. Please refer to the paragraphs headed "Further Information on Torch" in the section headed "History and Reorganization" of this document for further information on Mr. Zhao's previous positions with Torch. Mr. Zhao also previously served as chairman and general manager of QYSD. Mr. Zhao received a Bachelor of Engineering from Hebei Science and Technology University in 1982.

**Mr. Chen Yan** (陳岩), aged 42, was appointed an executive director on December 18, 2008, and is a vice president of our Company. Mr. Chen is responsible for our Company's business planning, business structuring and restructuring, overseeing legal matters and investor relations. Mr. Chen joined our Group in June 2006. Mr. Chen has more than ten years experience in the industrial sector. Prior to joining our Group, Mr. Chen was the deputy director of the international division of Torch. Mr. Chen also previously held the position of director at Shanghai Dragon Bat Wines & Spirits Limited, a subsidiary of Bacardi & Company (China) Limited, and at Avant-Garde City Group. Mr. Chen received a Bachelor of Electrical Engineering from Shanghai Jiao Tong University in 1990 and two Masters of Science degrees in Engineering from the University of Pennsylvania in 2000 and 2002.

#### Non-executive Director

**Mr. Chen Dar Cin** (陳達信), aged 43, was appointed a non-executive director of our Company on July 15, 2008. Baring appointed Mr. Chen to the board of our Company pursuant to its special right as the holder of Preferred Shares. Mr. Chen has 19 years of experience in the private equity and banking industries in Asia and the United States, and is currently a managing director at Baring Private Equity Asia Limited. Prior to joining Baring Private Equity Asia Limited, he was an assistant director with Prudential Asset Management Asia in Hong Kong, and a principal with Banc of America Securities Asia Limited in Hong Kong. Mr. Chen received a Bachelor of Arts from the University of California at Berkeley in 1990.

#### Independent non-executive Directors

**Mr. Xu Zhao** (徐昭), aged 40, was appointed an independent non-executive director of our Company on September 12, 2009. Mr. Xu is currently the chairman of Cathay Life Insurance Company

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Limited (國泰人壽保險有限責任公司), which is a joint venture in the PRC between China Eastern Air Holding Company and Cathay Life Insurance Company Limited (國泰人壽保險股份有限公司), a publicly listed company in Taiwan. Mr. Xu is also currently the chief financial officer of China Eastern Air Holding Company and a supervisor of China Eastern Airlines Corporation Limited, a company listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. Please also refer to the paragraphs headed "Further Information on Torch" in the section headed "History and Reorganization" of this document for further information on Mr. Xu's previous positions with one of Torch's subsidiaries. Mr. Xu has more than ten years experience in the accounting and finance areas. Mr. Xu received a Bachelor degree in Molding from Chongqing University in 1991 and a Master degree in Professional Accountancy from The Chinese University of Hong Kong in 2005. Mr. Xu is a certified public accountant in the PRC. Given Mr. Xu's professional work experience and educational background, Mr. Xu possesses the appropriate accounting and financial management expertise, which satisfy the relevant rules and regulations.

**Mr. Zheng Fuya (鄭富亞)**, aged 43, was appointed an independent non-executive director of our Company on September 12, 2009. Mr. Zheng was a director of Comtech Group, Inc., a company listed on the NASDAQ and has since January 1, 2008 served as the chief financial officer of the same company. Mr. Zheng was previously vice president of travel service at eLong, Inc., one of the leading online travel service companies in China and listed on the NASDAQ, where Mr. Zheng was responsible for the overall operation of eLong Inc.'s travel services. Mr. Zheng has more than ten years experience in the service industry. Mr. Zheng received a Bachelor of Business Administration majoring in accounting from City University of New York in 1994.

**Mr. Kam Son Leong (梁金羨)**, aged 54, was appointed an independent non-executive director of our Company on September 12, 2009. Mr. Leong was previously employed at York International Corporation, a heating, ventilating, air-conditioning and refrigerating company listed on the New York Stock Exchange which was later acquired by Johnson Controls International in 2005. During his time at York International Corporation, Mr. Leong held various positions including as a general manager in Malaysia, vice-president of north east Asia and subsequently as president of Asia Pacific. In 2007, Mr. Leong co-founded KHL Partners to invest in private equity deals in China. He is an independent director of Fluidra, S.A. which is listed on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia in Spain. Fluidra, S.A. is engaged in developing applications for sustainable water use. Mr. Leong is also chairman of Henan ADD Electrical Equipment Co. Ltd., a company specializing in porcelain insulators for high voltage transmission lines. Mr. Leong received a Bachelor of Science and a Master of Science in Mechanical Engineering from Iowa State University in 1980 and 1981, respectively.

### SENIOR MANAGEMENT

**Mr. Trevor Raymond Strutt**, aged 58, is the chief operating officer of our Company. Mr. Strutt was one of the founders of our Group and has been the deputy general manager responsible for the overall operational aspects of our Group since establishment. Mr. Strutt has more than 20 years experience in the industrial gas industry. Prior to establishing our Group, he held various positions at BOC Gases. Mr. Strutt received a Bachelor of Science with Honors in Materials Science from the University of Sussex in 1975 and a Master of Business Administration from the University of Leeds in 2001. Mr. Strutt is a member of the Institute of Materials, Minerals and Mining, and is a registered member of the United Kingdom Engineering Council – Chartered Engineer.

**Mr. Yang Yonggang (楊永剛)**, aged 43, is a vice president of our Company. Mr. Yang was one of the founders of our Group who has participated in our management, business development and expansion since November 2001. Mr. Yang acted as a director on the board of our subsidiaries where he participated in making important and strategic decisions. Mr. Yang utilized his business contacts and network to assist our Group to reach out to potential customers. Mr. Yang has more than six years experience in the industrial gas industry. Mr. Yang was previously a director of QYSD. Mr. Yang received a Bachelor of Engineering from the China Mining University in 1989. Please also refer to the

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paragraphs headed "Further Information on Torch" in the section headed "History and Reorganization" of this document for further information on Mr. Yang's previous positions with one of Torch's subsidiaries.

**Mr. Xu E** (徐鏗), aged 39, is the chief financial officer of our Company and is responsible for the overall financial planning, internal control, treasury and taxation. Mr. Xu joined our Group in January 2007. Mr. Xu has more than 15 years experience in the accounting and finance fields. Prior to joining our Group, Mr. Xu was the finance director of the non-carbonated beverages unit of PepsiCo Inc.'s China operations. Mr. Xu worked for the China operations of both ABN AMRO Bank N.V. and Johnson & Johnson prior to joining PepsiCo Inc. Mr. Xu received a Bachelor of International Trade from Shanghai University in 1992 and a Master of Business Administration from Webster University in 2000.

### JOINT COMPANY SECRETARIES

**Ms. Wong Sze Wing** (黃斯穎), aged 30, joined our Group on July 1, 2008 as the deputy chief financial officer and was appointed a joint company secretary of our Company on February 17, 2009. Ms. Wong has over eight years of accounting experience in the industrial sector. Prior to joining our Company, Ms. Wong was the group chief financial officer of Orange Sky Entertainment Group (International) Holdings Limited, an investment holding company with subsidiaries engaging in media business in the PRC. She was previously employed as the financial controller of Avex China Company Limited, a PRC joint venture company established by Orange Sky Entertainment (International) Holdings Limited and Avex Group Holdings Inc. Avex Group Holdings Inc. is a company listed on the Tokyo Stock Exchange. Ms. Wong was also previously employed as a manager at PricewaterhouseCoopers. Ms. Wong holds a Bachelor of Business Administration from the University of Hong Kong. Ms. Wong became a chartered member of the Hong Kong Institute of Certified Public Accountants in 2003.

**Mr. Ngai Wai Fung** (魏偉峰), aged 47, was appointed as a joint company secretary of our Company on February 17, 2009. Mr. Ngai is a director and head of listing services of KCS Hong Kong Limited, a corporate secretarial and accounting services provider in Hong Kong. Mr. Ngai is currently the vice president of the Hong Kong Institute of Chartered Secretaries and the chairman of its Membership Committee. Mr. Ngai is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants in the United Kingdom. Mr. Ngai holds a Master of Corporate Finance degree from the Hong Kong Polytechnic University, a Master of Business Administration degree from Andrews University of the United States and a Bachelor of Laws (with Honors) degree from the University of Wolverhampton, the United Kingdom. He is also undertaking a PhD course (thesis stage) in Finance at the Shanghai University of Finance and Economics.

### MANAGEMENT PRESENCE IN HONG KONG

We conduct all our operations in the PRC. Most of our directors reside in the PRC, with both of our executive directors ordinarily resident in the PRC. Each of our directors possesses valid travel documents to Hong Kong. We do not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong.

### COMPLIANCE ADVISOR

We have appointed a compliance advisor pursuant to the relevant rules and regulations. Pursuant to the relevant rules and regulations, the compliance advisor will advise us among others, on the following matters:

- (i) the publication of any regulatory announcement, circular or financial report;

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- (ii) where a transaction, which might be a notifiable or connected transaction is contemplated including share issues and share repurchases; and
- (iii) where its business activities, developments or results deviate from any forecast, estimate, or other information in this document;

### **BOARD COMMITTEES**

#### **Audit committee**

We have established an audit committee with written terms of reference pursuant to the relevant rules and regulations. The audit committee consists of three members, namely Mr. Xu Zhao, Mr. Zheng Fuya and Mr. Kam Son Leong. The chairman of the audit committee is Mr. Xu Zhao, an independent non-executive director.

The primary duties of the audit committee are to make recommendations to the board of our Company on the appointment and removal of the external auditors, review the financial statements, oversee and provide material advice in respect our financial reporting system and oversee the internal control procedures of our Company.

#### **Remuneration committee**

We have established a remuneration committee with written terms of reference pursuant to the relevant rules and regulations. The remuneration committee consists of three members, namely Mr. Xu Zhao, Mr. Zheng Fuya and Mr. Kam Son Leong. The chairman of the remuneration committee is Mr. Kam Son Leong, an independent non-executive director. The primary functions of the remuneration committee are to evaluate the performance and make recommendations on the remuneration package of our directors and senior management and evaluate, make recommendations on our retirement scheme and our performance assessment system and bonus and commission policies.

#### **Nomination committee**

We have established a nomination committee. The nomination committee consists of three members, namely Mr. Xu Zhao, Mr. Zheng Fuya and Mr. Kam Son Leong. The chairman of the nomination committee is Mr. Zheng Fuya, an independent non-executive director. The primary functions of the nomination committee are to make recommendations to our board regarding candidates to fill vacancies on our board.

#### **Compliance committee**

We have established a compliance committee. The compliance committee consists of three members, namely Mr. Zhongguo Sun, Mr. Zhao Xiangti and Mr. Zheng Fuya. The chairman of the compliance committee is Mr. Zhongguo Sun, our Company's chairman and an executive director. The primary functions of the compliance committee are to ensure compliance on regulatory matters and corporate governance.

### **RETIREMENT SCHEMES**

Our employees in the PRC participate in various pension schemes organized by the relevant municipal and provincial government under which we are required to make monthly contributions to these plans. The local government is responsible for the planning, management and supervision of the scheme, including collecting and investing the contributions, and paying out the pensions to the retired employees.

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The total amount of contributions we made for such employee pension schemes for the three years ended December 31, 2006, 2007, 2008 and the six months ended June 30, 2009 were approximately RMB0.3 million, RMB1.3 million, RMB2.8 million and RMB1.5 million respectively.

As at the Latest Practicable Date, our PRC legal advisors, are of the opinion that we comply with applicable PRC statutory requirements on retirement contributions in all material respects.

### **SHARE OPTION SCHEME**

We have conditionally adopted the Share Option Scheme. For details of the Share Option Scheme, please refer to the section headed "Share Option Scheme" in Appendix VI to this document. As at the Latest Practicable Date, no options have been granted or agreed to be granted pursuant to the Share Option Scheme.

### **COMPENSATION OF DIRECTORS AND MANAGEMENT**

Our executive directors, who are also our employees, receive compensation in the form of salaries, bonuses, other allowances and benefits in kind, including our contribution to the pensions scheme for our executive directors, in their capacity as employees, according to PRC law.

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid by our Group to the directors for the three years ended December 31, 2006, 2007, 2008 and the six months ended June 30, 2009 were approximately RMB1.8 million, RMB2.6 million, RMB3.1 million and RMB1.2 million, respectively.

Our remuneration committee will make recommendations on the remuneration of our directors taking into account the performance of our directors and market standards and the remuneration will be subject to approval by our shareholders. Accordingly, the historical remuneration to our directors during the Track Record Period may not reflect the future levels of remuneration of our directors.

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid by our Group to the five highest paid individuals excluding two, one, one and one director(s) during the three years ended December 31, 2006, 2007, 2008 and the six months ended June 30, 2009, were approximately RMB1.2 million, RMB6.5 million, RMB6.1 million and RMB2.2 million, respectively.

No remuneration was paid by our Group to the directors or the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office during the Track Record Period. Further, none of our directors had waived any remuneration during the Track Record Period.

### **MANAGEMENT SERVICE AGREEMENT**

Yingde BVI entered into a management service agreement with Baslow on June 20, 2006 pursuant to which Baslow provided management services to us including: (1) liaising with target clients in relation to development and cooperation opportunities; (2) assisting with equipment and material procurement; (3) developing advanced technology; and (4) providing facility installation expertise. Pursuant to the agreement, Yingde BVI issued 200 ordinary shares to Baslow as consideration, accounting for approximately 1.4% of the then issued share capital of Yingde BVI. This management service agreement was terminated on November 11, 2007. Please also refer to Note 25 of the Accountants' Report set out in Appendix I to this document for details on the management services agreement.