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If you are in any doubt as to any aspect of this circular or as to any action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Yingde Gases Group Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular, for which the directors (excluding Mr. Zhongguo Sun and Mr. Trevor Raymond Strutt) of Yingde Gases Group Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Yingde Gases Group Company Limited. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading in all material respects.

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Yingde Gases Group Company Limited **盈德氣體集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02168)

BOARD & ZHAO REQUISITIONS

TO REMOVE MR. ZHONGGUO SUN AND MR. TREVOR RAYMOND STRUTT AS DIRECTORS

NOTICE OF THE EGM

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Majority Board is set out on pages 5 to 22 of this circular. A notice convening the EGM to be held at 10:00 am on Wednesday, 8 March 2017 at the office of Zhuhai Yingde Gases Co., Ltd., Dianchang South Road, Gaolangang Economic Zone, Zhuhai City, PRC is set out on pages 92 to 93 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting at the meeting if they so wish.

9 February 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE MAJORITY BOARD	5
A. INTRODUCTION	5
B. BOARD & ZHAO REQUISITIONS	6
C. LETTER FROM MAJORITY BOARD	7
D. REASONS FOR VOTING AGAINST MR. SUN AND MR. STRUTT — UNSATISFACTORY PERFORMANCE / MISCONDUCT	13
E. REASONS FOR VOTING FOR MAJORITY BOARD	15
F. NO PERSONAL GRIEVANCE OR ILL WISHES BETWEEN MAJORITY BOARD AND MR. SUN/MR. STRUTT	20
G. MAJORITY BOARD'S RECOMMENDATIONS	21
H. NOTICE OF EGM	21
I. FORM OF PROXY	21
J. VOTING BY POLL	22
LETTER FROM MINORITY DIRECTORS	23
APPENDIX 1A — THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD	24
APPENDIX 1B — SENIOR MANAGEMENT'S SUPPORT LETTER FOR MAJORITY BOARD	44
APPENDIX 2 — BACKGROUND OF RESTRUCTURING — SELECT CORRESPONDENCE FROM MR. ZHAO TO MR. SUN ON SEPARATION OF MR. SUN'S DUAL ROLES AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE COMPANY'S DECLINING PERFORMANCE SINCE 2014	47
APPENDIX 3 — UNSATISFACTORY FINANCIAL PERFORMANCE AND SHARE PRICE PERFORMANCE SINCE 2014	52
APPENDIX 4 — MR. SUN'S COUSIN ACQUIRED SHARES OF THE COMPANY AS A SUSPECTED NOMINEE OR CONCERT PARTY OF MR. SUN	57
APPENDIX 5 — HONG KONG HIGH COURT RULED THAT MR. SUN WAS THE REAL BOSS OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI AS NOMINEE	59
Exhibit — Hong Kong High Court Judgment (HCCW 282/2010)	63
APPENDIX 6 — SECRET SUSPECTED CONNECTED TRANSACTION BETWEEN THE COMPANY AND MS. YU JIN (MS. YU QI'S SISTER) WITH MR. STRUTT AS SOLE SIGNATORY OF THE COMPANY WITHOUT INFORMING THE BOARD	65

CONTENTS

APPENDIX 7	— MR. SUN AND MR. STRUTT’S NON-DISCLOSED LOAN OF USD9,000,000 TO THE SHAREHOLDER OF NTLD INDUSTRIAL GAS CO., LTD. (COMPETING BUSINESS) IN 2007, ABUSING THE COMPANY’S RESOURCES FOR NTLD INDUSTRIAL GAS CO., LTD. EVEN AFTER LISTING	67
APPENDIX 8	— MR. SUN’S IMPROPER CASH ADVANCE FROM COMPANY IN THE AMOUNT OF RMB4,000,000 IN JANUARY 2011, RMB38,000,000 IN SEPTEMBER 2012 AND RMB73,000,000 IN OCTOBER 2012	70
APPENDIX 9	— MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016	71
Exhibit	— Notice of reduction of housing fund contribution for the Company’s employees since 2014	73
Exhibit	— Notice of 25% salary pay cut for general employees since February 2015	76
Exhibit	— Notice of possible delay in salary payment for May and June 2016. .	79
Exhibit	— Notice requiring manager-level employees to raise financing by pledge of equipment for the Company, with 2-month salary deduction as penalty for failure to raise at least RMB5,000,000 . .	81
APPENDIX 10	— MR. STRUTT USED COMPANY’S CREDIT CARD TO PAY FOR FAMILY TRIPS TO AUSTRALIA (WHERE THE COMPANY HAS NO BUSINESS WHATSOEVER) AND HIS SON’S SCHOOL FEE FOR UNIVERSITY OF SUSSEX	84
Exhibit	— Company’s credit card statement showing the Company’s payments for the University of Sussex school fee for Mr. Strutt’s son	85
APPENDIX 11	— MR. STRUTT’S SON RECEIVED SALARY FROM COMPANY BUT NEVER REPORTED DUTY	87
Exhibit	— Mandatory Provident Fund Certificate of Mr. Strutt’s son who has received salary from the Group from May 2015 to November 2016 but never reported duty	88
APPENDIX 12	— MR. SUN HABITUALLY DEDUCTED EMPLOYEES’ SALARIES . .	90
	NOTICE OF EXTRAORDINARY GENERAL MEETING	92

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Air Liquide”	Air Liquide S.A., a France based company whose shares are listed on a number of stock exchanges worldwide
“Air Products”	Air Products and Chemicals, Inc., a company listed on the New York Stock Exchange
“Articles”	the articles of association of the Company adopted on 12 September 2009 and effective on 8 October 2009 as amended from time to time
“Astrotec”	Astrotec Company Limited (恒龍科技有限公司), a company incorporated in Hong Kong with limited liability
“Baslow”	Baslow Technology Limited, a company under Mr. Strutt’s control
“Board”	the board of Directors
“Board Requisitions”	the Board resolving by majority to propose for Shareholders’ approval to remove Mr. Sun and Mr. Strutt as Directors as set out in the announcement of the Company dated 27 January 2017
“Board & Zhao Requisitions”	the resolutions to remove Mr. Sun and Mr. Strutt as Directors, which are proposed by both the Board by majority and Rongton (a shareholder controlled by Mr. Zhao)
“Bubbly”	Bubbly Brooke Holdings Limited, a company under Mr. Sun’s control
“Company”	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
“Compromised INED Allegations”	on 21 January 2017, Mr. Sun and Mr. Strutt alleged for the first time that the independent non-executive Directors were compromised and hence could not become members of IBC
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 10:00 a.m. on Wednesday, 8 March 2017 at the office of Zhuhai Yingde Gases Co., Ltd., Dianchang South Road, Gaolangang Economic Zone, Zhuhai City, PRC or any adjournment thereof

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IBC” or “Independent Board Committee”	the independent board committee of the Company to be set up for considering the Possible Air Products Offer and the Possible Stellars Offer
“Judgment”	a judgment handed down by the Hong Kong High Court on 31 January 2013, full text of which is publicly accessible on the Hong Kong official judiciary website: http://legalref.judiciary.gov.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=85533&QS=%2B&TP=JU
“Latest Practicable Date”	7 February 2017
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Linde”	Linde A.G., a Germany based company whose shares are listed on several German stock exchanges and DAX 30 Share Index
“Madam Yu”	Ms. Yu Qi (虞琪), nominee of Mr. Sun with respect to Mr. Sun’s interest in Astrotec (competing business) according to Hong Kong High Court judgement (HCCW 282/2010)
“Madam Yu Junior”	Ms. Yu Jin (虞謹), younger sister of Madam Yu
“Majority Board”	all the Directors including independent non-executive Directors but excluding Mr. Sun and Mr. Strutt
“Management Restructuring”	the management restructuring as approved by the board of the Company on 5 November 2016, pursuant to which, among others, Mr. Sun and Mr. Strutt were removed from their executive roles at the Company
“Minority Directors”	Mr. Sun and Mr. Strutt
“Mr. Mao”	Mr. Mao Zhuoxiong (毛卓雄), cousin of Mr. Sun and a former full-time human resources manager of the Company who has failed to report duty since 21 December 2016 after being questioned about an approximately 0.91% interest in the Company held by him as suspected nominee or concert party of Mr. Sun
“Mr. Strutt”	Mr. Trevor Raymond Strutt, a non-executive Director

DEFINITIONS

“Mr. Sun”	Mr. Zhongguo Sun, a non-executive Director
“Mr. Zhao”	Mr. Zhao Xiangti, the chairman of the Board and an executive Director
“NTLD Industrial Gas”	Nan Tong Li Da Industrial Gas Co., Ltd. (南通理達工業氣體有限公司), a company established in the PRC, which is mainly engaged in supplies of industrial gases
“Originwater”	Originwater Hong Kong Environmental Protection Co., Limited
“Possible Air Products Offer”	the potential privatization proposal by way of scheme of arrangement as proposed by Air Products
“Possible Stellars Offer”	the possible general offer proposed by Stellars on 18 December 2016 and 22 December 2016
“Praxair”	Praxair Inc., a United States based company whose shares are listed on the New York Stock Exchange and several German stock exchanges
“PRC”	the People’s Republic of China
“Rongton”	Rongton Investments Limited, a company controlled by Mr. Zhao and a shareholder of the Company
“Share(s)”	ordinary share(s) of nominal value of US\$0.000001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Sharp Superior”	Sharp Superior Investment Limited (迅領投資有限公司), a company incorporated in Hong Kong with limited liability and a former shareholder of NTLD Industrial Gas
“Stellars”	StellarS Capital (Hong Kong) Limited (星瑞(香港)投資控股有限公司), a company incorporated in Hong Kong on 21 December 2016 with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun & Strutt Requisitions”	a notice dated 10 January 2017 from Baslow (controlled by Mr. Strutt) and Bubbly (controlled by Mr. Sun) in relation to Baslow and Bubbly’s requisitions to convene an extraordinary general meeting, details of which are set out in the circular of the Company dated 27 January 2017
“US\$”	United States dollars, the lawful currency of the United States

DEFINITIONS

“Zhao Requisitions”

As set out in the Company’s announcement dated 19 January 2017 in respect of the requisition notice from Rongton requiring an extraordinary general meeting to be convened for Shareholders to consider, if thought fit, to pass the following ordinary resolutions: 1. Mr. Sun be and is hereby removed as a Director. 2. Mr. Strutt be and is hereby removed as a Director.

LETTER FROM THE MAJORITY BOARD



Yingde Gases Group Company Limited

盈德氣體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02168)

Executive Directors:

Mr. Zhao Xiangti (*Chairman*)
Mr. He Yuanping
Mr. Zhang Yunfeng

Non-executive Directors:

Mr. Zhongguo Sun
Mr. Trevor Raymond Strutt
Mr. Suo Yaotang

Independent Non-executive Directors:

Mr. Zheng Fuya
Dr. Wang Ching
Dr. Feng Ke

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1 — 1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 3212-13, 32/F, Tower 2
Times Square
Causeway Bay
Hong Kong

9 February 2017

To the Shareholders

BOARD & ZHAO REQUISITIONS

TO REMOVE MR. ZHONGGUO SUN AND MR. TREVOR RAYMOND STRUTT AS DIRECTORS

NOTICE OF THE EGM

A. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 27 January 2017 in relation to a Board's resolution and (ii) the announcement of the Company dated 19 January 2017 in relation to the Zhao Requisitions, both in relation to the proposed resolutions to remove Mr. Sun and Mr. Strutt as Directors at an extraordinary general meeting of the Company. The Board Requisitions and Zhao Requisitions are identical and therefore will be collectively referred to as "Board & Zhao Requisitions" and will be considered by the Shareholders at the same EGM.

LETTER FROM THE MAJORITY BOARD

The purpose of this circular is to (i) provide you with information in relation to the Board & Zhao Requisitions; (ii) set out the recommendations of the Majority Board (being all the Directors including independent non-executive Directors but excluding Mr. Sun and Mr. Strutt) in relation to the Board & Zhao Requisitions; (iii) recommendations of the Minority Directors (being Mr. Sun and Mr. Strutt) whose views are set out in the Letter from Minority Directors; and (iv) issue the notice of EGM at which the Shareholders shall be asked to consider and, if thought fit, approve the resolutions in respect of the Board & Zhao Requisitions.

B. BOARD & ZHAO REQUISITIONS

The Board & Zhao Requisitions set out the following ordinary resolutions for Shareholders to consider, if thought fit, to pass the following ordinary resolutions:

- 1. THAT ZHONGGUO SUN be and is hereby removed as a Director.**
- 2. THAT TREVOR RAYMOND STRUTT be and is hereby removed as a Director.**

Initial grounds for removal of Mr. Sun and Mr. Strutt are set out in the announcements of the Company dated 19 January 2017 and 27 January 2017, respectively, and have been consolidated into the sections headed “(D) REASONS TO VOTE AGAINST MR. SUN AND MR. STRUTT — UNSATISFACTORY PERFORMANCE / MISCONDUCT” and “(E) REASONS TO VOTE FOR MAJORITY BOARD”. Shareholders are hereby invited to make an informed decision.

Shareholders are invited to read Appendix 2 to understand more about the background for the Board’s decision by majority in removing Mr. Sun and Mr. Strutt from their executive positions on 5 November 2016.

LETTER FROM THE MAJORITY BOARD

C. LETTER FROM MAJORITY BOARD

Dear Shareholders,

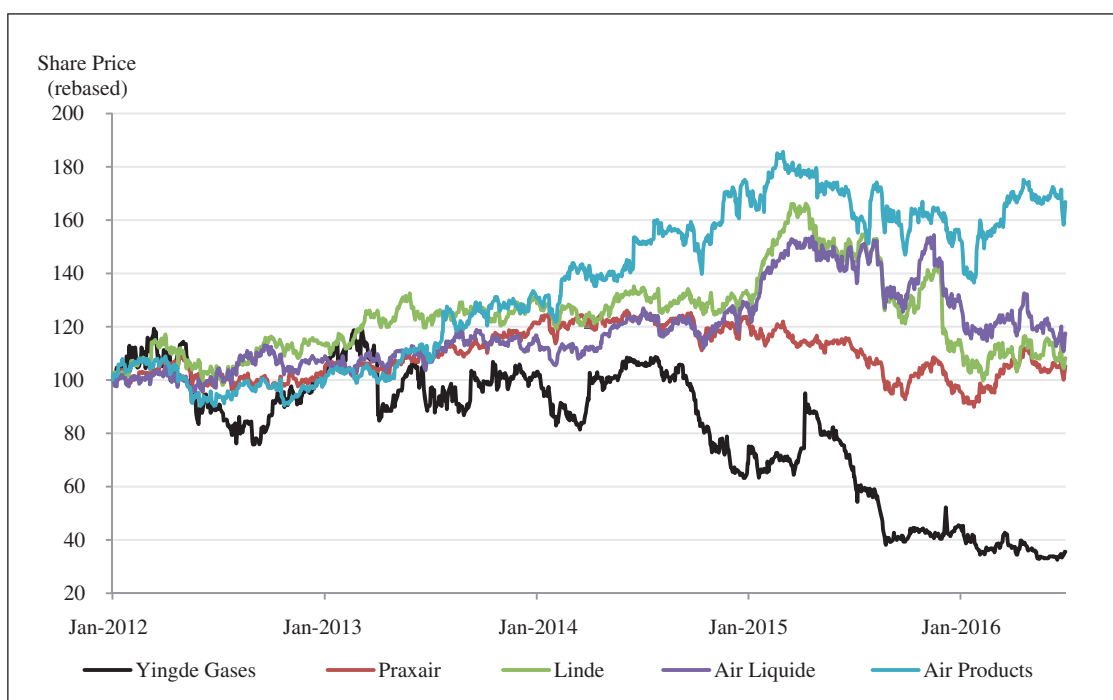
As proposed by the Board and by Rongton, a shareholder controlled by Mr. Zhao, chairman of the Board and an executive Director, on the one hand and two Shareholders controlled by Mr. Sun and Mr. Strutt, two non-executive Directors, on the other hand, the Company will hold two back-to-back general meetings on 8 March 2017 to vote on two sets of resolutions proposed by the two sides, respectively, on removals and appointment of Directors, which are opposite to each other.

The EGM will be the most important general meeting in the history of the Company. Your votes will decide the future of the Company and its employees and will have a material impact on the interest of the Company's Shareholders, employees, senior management and customers.

We, being the Majority Board and minority shareholders controlling less than 20% shareholding of the Company, are the underdog in this fight and need the support from all the fellow minority shareholders to reject the comeback of the administration by Mr. Sun and Mr. Strutt which has been proved to be a failure. Mr. Sun, Mr. Mao Zhuoxiong (Mr. Sun's cousin) and Mr. Strutt collectively control 30.39% shareholding of the Company, being the single largest concert group of shareholders.

Unsatisfactory performance of Mr. Sun and Mr. Strutt

In the past few years, due to poor corporate management led by Mr. Sun and Mr. Strutt, sluggish business performance, low employee morale, deteriorating customer relationship and financial condition, the Company's share price has drastically fallen in contrast to other international peers such as Praxair, Linde, Air Liquide and Air Products and Shareholders have suffered great losses.



LETTER FROM THE MAJORITY BOARD

Reform is hard but is a must

To protect the Shareholders' interests, in particular, the minority Shareholders' interests, the Board has to fulfill its fiduciary duty to carry out a reform to revamp the Company's core management to bring the Company back to a right track. On 5 November 2016, in compliance with the articles of association of the Company, the Board resolved to remove Mr. Sun and Mr. Strutt from their executive positions at the Company and re-designated them as non-executive Directors. Meanwhile, the Board proposed to introduce Originwater as an equity investor to improve the Company's financial liquidity.

In the three months following the reform, Mr. Sun and Mr. Strutt have been trying to regain their management control of the Company with no stone unturned. It's shocking to the Majority Board that when Mr. Sun and Mr. Strutt took the reckless and extreme actions such as bringing lawsuit against the Company and all the other Directors, they showed a total disregard for the interests of the Company, its employees, its customers and most importantly, its minority Shareholders. Their actions have resulted in (i) paralysis of the Board, (ii) extremely tight financial liquidity of the Company, and (iii) considerable downgrade of credit rating of the Company, which effectively almost block all the financing sources of the Company and have raised serious concerns of our customers and employees.

New management wins support of customers, senior management and employees

Before the reform, the Board featured Mr. Sun and Mr. Strutt as the key decision makers. They have been proved by the unsatisfactory financial and share price performance of the Company to be unsuited for their executive roles. Their lack of knowledge and experience in investments and corporate finance, disrespect for corporate governance requirements, capricious management style and bad business visions have made their capabilities not commensurate with the profile and needs of a listed company with multi-billion revenue in a highly competitive market.

Unlike the previous Board, the restructured Board represents an excellent combination of experts specialized in business operation in the industrial gas industry, corporate finance, investment management and strategic corporate development with strong support from other senior management of the Company. The new management of the Company has been making great efforts to improve the Company's operations and management in the past three months and has made exciting progress in fixing and improving customers relationship, enhancing assets quality, optimizing financial structure, strengthening internal control, raising employee morale, etc.

The new management has received blessing and support in writing from almost all of our customers (30 customers including the top 5 customers of the Company for the year of 2015) and from almost all of its core employees from various departments and subsidiaries of the Company (110 core senior management and employees of the Group from various departments). Customers and employees are the cornerstones of the Company's development and its values and they are also the participants and first-hand witnesses of the Company's operation and management. Their opinions are of the greatest reference value for the Shareholders to know the truth about the background and results of the reform of the Company.

LETTER FROM THE MAJORITY BOARD

If Mr. Sun and Mr. Strutt had not lost trust from, and had not been deserted by, the senior management, the employees and the major customers of the Company, the reform could not have succeeded so peacefully, the management transition could not have been so smooth, and the reform could not have been so welcomed by the senior management, the employees and the major customers of the Company. This ironclad truth is more powerful than any rhetoric that Mr. Sun and Mr. Strutt may use to defend themselves.

Mr. Sun and Mr. Strutt's desperate move with questionable motive and capability

Having no confidence to win the support of Shareholders on merits, Mr. Sun and Mr. Strutt deliberately bundled their call for Shareholders' support with an undertaking to solicit general offers, for which there is no track record of them initiating share placing let alone general offer when the share price of the Company still remained above HK\$7 back in 2014, not long ago. It is also questionable if they are genuinely interested in soliciting general offer, given the fact that they have frustrated the formation of the IBC to consider the possible offer from Air Products twice with different excuses of challenging the composition of the Board for the first time and then the independence of independent non-executive Directors for the second time.

During more than 7 years since the Company's listing on the Stock Exchange in 2009, Mr. Sun and Mr. Strutt never made any equity financing of the Company happen and the Company never issued any new shares to equity investor. Suddenly, they bluff that they can ensure that you are able to realise your investment in the Company at a fair price if they re-gain management control. **Given the Company has never utilized equity financing even when the share price of the Company remained healthily between HK\$7 and HK\$8, there is no track record for Mr. Sun and Mr. Strutt being capable of 'selling the Company at a good price'.**

Majority Board is in a much better position to facilitate or pursue potential acquisition of the Company

The Majority Board has been open-minded to equity investors including strategic acquirers such as Air Products. The execution of a strategic acquisition requires sophisticated communication and management skills internally and externally. **With no internal credibility and no support from the senior management of the Company, it is impossible for Mr. Sun and Mr. Strutt to make such an important strategic acquisition happen.** The Majority Board is in a much better position to do it and has already engaged in talk with Air Products on due diligence for its proposed privatisation of the Company.

Majority Board is the true protector of minority Shareholder's interests

The Majority Board is not convinced that Mr. Mao, who is Mr. Sun's cousin and a full-time human resources manager of the Company whose monthly income is approximately RMB15,000, would have the financial resources offshore to purchase 17,250,000 Shares, being approximately

LETTER FROM THE MAJORITY BOARD

0.91% of the total issued share capital of the Company at the date hereof. The Majority Board would therefore, for the interest of the Shareholders, fully cooperate with the governing authority as to the true beneficial owner of the said 17,250,000 Shares and any regulatory implications for a group of concert parties holding more than 30% voting rights of the Company:

Shareholding in the Company

Mr. Sun & Mr. Strutt	29.48%
Mr. Mao Zhuoxiong (Mr. Sun's cousin)	<u>0.91%</u>
Total:	<u><u>30.39%</u></u>

Majority Board has been acting in the best interests of Shareholders in respect of the proposed placing to Originwater that has been terminated

To address potential concerns of some investors on Originwater, we would like reiterate and clarify:

- The previous board meetings to consider the placing to Originwater were held on 5 November 2016 and 18 December 2016, respectively, both long before the first letter of interest dated 29 December 2016 from Air Products. In light of the first letter of interest dated 29 December 2016 from Air Products, the Majority Board has unanimously approved the termination of the placing to Originwater on 10 January 2017.
- the proposed placing to Originwater, **which has been terminated by the Board after Air Products made a possible offer**, was a genuine transaction for the Company to raise fund to repay bank loan within the power of the Board under the general mandate granted by the Shareholders to the Board in 2016;
- Due to cashflow problems, the Company was even on the brink of **salary payment delay** for May and June 2016 and that the Company requested manager-level employees to raise financing by pledge of equipment in October 2016, failing which the responsible staff would face two-month salary deduction.
- the price of the proposed placing to Originwater was not less than market price and was fair and reasonable at the relevant time, which is of course no compare to a price of a privatization offer that offers control premium.
- the real reason for the placing price being 'low' is due to the free-fall of share price of the Company since 2015 during Mr. Sun and Mr. Strutt's administration which hit record-low of HK\$2.57 in 2016.

LETTER FROM THE MAJORITY BOARD

Mr. He Yuanping's informal talk on 26 November 2016

Mr. He's informal talk took place after the announcement of the proposed placing to Originwater and before its completion. It was an informal talk and only represented Mr. He's personal views. The Majority Board would like to clarify:

1. even if the proposed placing to Originwater (**which has been terminated**) went through, Originwater would only be the single largest shareholder of the Company holding about 20% of the issued share capital of the Company, similar to the shareholding that Mr. Sun currently controls;
2. "Control", when used under informal context, has different meanings including but not limited to single largest shareholding, which was the case if the proposed placing to Originwater went through. As mentioned above, any equity investor to the Company, in Mr. Sun and Mr. Strutt's eyes, is "hostile" because any equity financing would dilute their "controlling" position;
3. there has never been any agreement (formal or informal) or understanding between Originwater and Mr. Zhao in respect of voting rights of the Company to enable Originwater to have more voting rights than it actually holds. Mr. Zhao would have supported any other equity financing that could help the Company lower its indebtedness and improve its corporate governance. In addition, since the proposed placing to Originwater has been terminated, "acting in concert" issue has become irrelevant;
4. as at the Latest Practicable Date, Originwater only holds 4.21% shareholding of the Company and only has one board representative out of 9 members of the Board; and
5. the Stock Exchange has confirmed that Originwater was not a connected person of the Company with reference to the facts then existing.

Majority Board's view on further share issue by the Company

To end unnecessary speculation, the Majority Board hereby confirms that it will NOT propose to issue any new Shares UNLESS with Shareholders' specific approval or under any general mandate that Shareholders may grant in the future.

Mr. Sun and Mr. Strutt's proposed outrageous board structure would be considerably detrimental to minority Shareholders

The Majority Board would also like to draw your attention to the fact that with Mr. Sun and Mr. Strutt's proposed board structure, i.e. **5 Board members including Mr. Sun and Mr. Strutt being the only two executive Directors plus another new Director (whose wife was suspected of receiving salary from the Company without reporting duty between 2006 and 2011) nominated by them**, the corporate governance of the Company would become even worse than that before the reform and the interest of the Company, its employees and its minority Shareholders would be totally at their mercy and chance for another reform would almost be impossible. Further, given Mr. Sun and Mr. Strutt's

LETTER FROM THE MAJORITY BOARD

Compromised INED Allegation against the existing independent non-executive Directors as well as the fact that they have initiated legal proceedings in Cayman court against, among others, two existing independent non-executive Directors, being Mr. Zheng Fuya and Dr. Wang Ching, it is likely that Mr. Zheng and Dr. Wang, both having served the Company for around 8 years, would not cope well with Mr. Sun and Mr. Strutt, or even resign.

Unlike the outrageous board structure proposed by Mr. Sun and Mr. Strutt, the Majority Board is well balanced after including three new board members: (1) Mr. Suo Yaotang, non-executive Director, who has served the Group for 16 years and has been extremely helpful in business operation and development of the Group; (2) Mr. Zhang Yunfeng, executive Director, who is an executive partner of Unity Asset Management Co., Ltd. since May 2008 and used to be an consultant on investment and strategic planning to the Group and has plenty of expertise of corporate finance and management; and (3) Dr. Feng Ke, independent non-executive Director, who is currently an executive director of a company listed on the growth enterprise market (GEM) and an independent non-executive director of two companies listed on the main board of the Stock Exchange. The new Directors would provide useful expertise in both business operation and corporate governance of the Company.

More importantly, the Majority Board is well supported by the senior management with technical know-how, which comprised Mr. Chen Kai (chief engineer and operation director who has served the Group for 15 years) and Mr. Fang Ming (Chief technical officer who has served the Group for 5 years).

Therefore, we hope you can **vote in favor of the Majority Board**, who are striving for the interest of the Company and its Shareholders, instead of Mr. Sun and Mr. Strutt. We sincerely invite all the Shareholders of the Company to actively attend the poll of the EGM, and vote after weighing the advantages and disadvantages of the two sets of resolutions. We believe your support to the Majority Board will benefit the Company and its employees and will pay off in terms of your investment return from the Company. Thank you.

Sincerely yours,

Majority Board of the Company

9 February 2017

LETTER FROM THE MAJORITY BOARD

D. REASONS FOR VOTING AGAINST MR. SUN AND MR. STRUTT — UNSATISFACTORY PERFORMANCE / MISCONDUCT

The Majority Board sets out below the principal grounds for removing Mr. Sun and Mr. Strutt. To facilitate the Shareholders' understanding on each ground for removing Mr. Sun and Mr. Strutt, certain key evidence are exhibited for Shareholder's reference.

- (1) Customers (including top 5 customers for 2015) and senior management of the Company are supportive of the Majority Board (Appendix 1A & 1B).
- (2) Mr. Zhao has been lobbying Mr. Sun for a management restructuring in light of the Company's declining performance since 2014, but Mr. Sun still insisted on his self-style management by taking up dual roles of chairman and chief executive officer (Appendix 2).
- (3) Unsatisfactory financial performance and share price performance since 2014 (Appendix 3).
- (4) Mr. Mao Zhuoxiong, Mr. Sun's cousin and former full-time human resources manager of the Company, acquired shares of the Company as a suspected nominee or concert party of Mr. Sun. Subject to the relevant authority's finding in this regard, Mr. Sun might have failed to properly disclose his interest in the Company, and that there might be further regulatory implications on Mr. Sun (and his cousin) together with Mr. Strutt currently controls more than 30% of issued share capital of the Company:

Shareholding in the Company

Mr. Sun & Mr. Strutt	29.48%
Mr. Mao Zhuoxiong (Mr. Sun's cousin)	0.91%
Total:	<u>30.39%</u>

In certain circumstances, a group of concert parties is required by Rule 26.1 of the Takeovers Code to extend mandatory general offer when their collective interest in the Company exceeds 30%.

In the interest of all the minority shareholders, the Majority Board will fully cooperate with the governing authority as to whether Mr. Sun, Mr. Mao (Mr. Sun's cousin) and Mr. Strutt were required to extend mandatory general offer.

Details are set out in Appendix 4.

- (5) **Hong Kong High Court** ruled that Mr. Sun was the real boss of Astrotec (competing business which was engaged in industrial gas supply in mainland China) at least up to September 2008. Mr. Sun failed to disclose in the prospectus his interest in a competing company held through Ms. **Yu Qi**. Further, Astrotec is still engaged in competing business to date. (Appendix 5)

LETTER FROM THE MAJORITY BOARD

- (6) Suspected undisclosed connected transaction between the Company and Ms. Yu Jin (Ms. Yu Qi's sister) with Mr. Strutt as sole signatory of the Company without informing the Board. Mr. Sun, Mr. Strutt and Ms. Yu Qi are long-term business partners. (Appendix 6)
- (7) Mr. Sun and Mr. Strutt's undisclosed loan of USD9,000,000 to the shareholder of NTLD Industrial Gas (competing business), and abusing the Company's resources for NTLD Industrial Gas even after listing. Baslow, an entity controlled by Mr. Strutt, is currently the sole shareholder of NTLD Industrial Gas. Mr. Sun assigned full-time staff of the Company to be director and legal representative of NTLD Industrial Gas. (Appendix 7)
- (8) Mr. Sun's improper cash advance from Company in the amount of RMB4,000,000 in January 2011, RMB38,000,000 in September 2012 and RMB73,000,000 in October 2012. (Appendix 8)
- (9) Mr. Sun and Mr. Strutt enjoyed considerable rise in discretionary bonus in 2015 while employees generally have not received any bonus since 2014, suffered 25% salary pay cut since February 2015 and were forewarned of salary payment delay for May and June 2016. (Appendix 9)
- (10) Mr. Strutt utilised the Company credit card to pay for personal bills such as his son's school fee for University of Sussex and family trips to Australia (where the Company has no business whatsoever). (Appendix 10)
- (11) Mr. Strutt's son received salary from the Company between May 2015 and November 2016 but never reported duty. (Appendix 11)
- (12) Mr. Sun habitually deducted employee's salary which was against the law and harmed the employees' morale. (Appendix 12)

LETTER FROM THE MAJORITY BOARD

E. REASONS FOR VOTING FOR MAJORITY BOARD

Reasons for choosing the Majority Board and the management under its leadership (“New Management”)

	Matter	Majority Board/New Management	Mr. Sun and Mr. Strutt
1	Customer Support	Majority Board received support letters from 30 customers which included all the top 5 customers in 2015.	The Company was slow in developing new clienteles in past years and was in a number of lawsuits with existing clients. Mr. Sun and Mr. Strutt’s regaining management control might affect the Group’s relationships with the customers that have issued support letter for the Majority Board. All the top 5 customers for the year of 2015 have negative comments on the former administration of Mr. Sun and Mr. Strutt. Please refer to Appendix 1A.
2	Management stability	Since the Management Restructuring in November 2016, the Company has been through a remarkably peaceful transition with senior management’s support and has functioned very well for the past months.	If Mr. Sun and Mr. Strutt regain management control, due to lack of support from senior management, in particular, those who have issued support letters for the Majority Board as exhibited in Appendix 1B, the Company is expected to experience a prolonged and very tough transition. Without management stability, it would be very difficult for the Company to function properly.
3	Privatization by Air Products	The Majority Board is open-minded towards the privatization offer from Air Products or any other qualified candidate. At the initial stage of the Possible Air Products Offer, Air Products met Mr. He Yuangping on 23 December 2016 as well as Mr. Zhao on 7 January 2017 on its interest in a possible transaction. Mr. Zhao proposed to form the IBC to handle the privatization proposal of Air Products for the first time on 10 January 2017, for the second time on 23 January 2017 and for the third time on 8 February 2017. Due diligence by Air Products already started with support from existing management.	During the administration of Mr. Sun and Mr. Strutt, there was no track record of the Company utilizing equity financing let alone soliciting general offer, even when the share price of the Company remained above HK\$7 in 2014. Proposed to seek instructions from the Securities and Futures Commission on the formation of IBC to the first time on 23 January 2017. Due diligence process is likely to be affected by change of management.
4	Soliciting general offer	Majority Board is open minded towards any privatization general offer. In addition, in the interest of all the minority shareholders, the Majority Board will fully cooperate with governing authority with respect to Mr. Sun, Mr. Sun’s cousin and Mr. Strutt’s collective shareholding interest exceeding 30% which might lead to a mandatory general offer obligation on Mr. Sun, Mr. Sun’s cousin and Mr. Strutt. For details, please refer to Appendix 4.	Mr. Sun and Mr. Strutt can still solicit general offer even if they do not regain control of the management.

LETTER FROM THE MAJORITY BOARD

Matter	Majority Board/New Management	Mr. Sun and Mr. Strutt																					
5	<p>Management structure The Majority Board has 7 members with three executive directors, one non-executive director and three independent non-executive directors with diversified background and expertise. More importantly, they are fully supported by senior management with technical know-how.</p> <p>Since the Management Restructuring on 5 November 2016, the Company has functioned well with full support from the following senior management who have all been long-term employees and senior management of the Company.</p> <table> <tr> <th>Name</th><th>Current position and responsibilities within the Group</th><th>Period of service in the Group</th></tr> <tr> <td>Chen Kai</td><td>Chief engineer, operation director, project manager, manager of Hangzhou Center, vice president</td><td>15 years</td></tr> <tr> <td>Suo Yaotang</td><td>Director, deputy general manager, in charge of marketing</td><td>16 years</td></tr> <tr> <td>Zhang Jianye</td><td>Financial controller</td><td>15 years</td></tr> <tr> <td>Li Hai</td><td>Project director, vice president</td><td>10 years</td></tr> <tr> <td>Fang Ming</td><td>Chief technical officer</td><td>5 years</td></tr> <tr> <td>Jiao Zhen</td><td>Director of human resources, assistant to the president</td><td>2 years</td></tr> </table> <p>For extracts of the above senior management's support letters, please refer to Appendix IB.</p>	Name	Current position and responsibilities within the Group	Period of service in the Group	Chen Kai	Chief engineer, operation director, project manager, manager of Hangzhou Center, vice president	15 years	Suo Yaotang	Director, deputy general manager, in charge of marketing	16 years	Zhang Jianye	Financial controller	15 years	Li Hai	Project director, vice president	10 years	Fang Ming	Chief technical officer	5 years	Jiao Zhen	Director of human resources, assistant to the president	2 years	<p>Mr. Sun and Mr. Strutt proposed themselves to continue in the office as the only two executive Directors to be in control of its management with Mr. Sun regaining the dual roles as chairman and chief executive officer. Given their management style and track record since 2014, the performance of the Group would no doubt deteriorate even further. For Mr. Sun and Mr. Strutt's unsatisfactory performance and misconducts, please refer to Appendix 1 — 12 with supporting documents as exhibited.</p> <p>Mr. Mah Zhihe, the proposed director who is expected to be re-designated as independent non-executive director, was employed by the Group through introduction by Mr. Sun. Mr. Mah's wife was suspected of receiving salaries from the Group without reporting duties between 2001 and 2006. The Company is following up on the matter, and will reserve the right to take appropriate actions. Likewise, Mr. Strutt's son also received salary from the Group between May 2015 and November 2016 but never reported duty. For details, please refer to Appendix 11.</p> <p>If Mr. Sun and Mr. Strutt was voted for, it is likely that the current senior management will be replaced by new personnel proposed by Mr. Sun and Mr. Strutt, and stabilization and handover of management is likely to take time.</p>
Name	Current position and responsibilities within the Group	Period of service in the Group																					
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Jiao Zhen	Director of human resources, assistant to the president	2 years																					

LETTER FROM THE MAJORITY BOARD

Matter	Majority Board/New Management	Mr. Sun and Mr. Strutt
6 Debt Structure and equity financing	<p>The New Management re-iterated its concern on the heavy debt burden of the Company, which has greatly affected the financial health of the Company and considers that equity financing might be necessary in the future, but agree that it will NOT propose to issue any new Shares of the Company UNLESS with Shareholders' specific approval or under any general mandate that Shareholders may grant in the future.</p> <p>The New Management has given priority to the interest of the Shareholders. Since Air Products sent the Company the preliminary non-binding letter of interest to privatize the Company at HK\$5.5 per share on 29 December 2016, the Majority Board has unanimously resolved to terminate the placing to Originwater on the Board meeting held on 10 January 2017.</p>	<p>In the past 7 years since the Company was listed in 2009, the Company has not issued any new Shares to any investor and has never introduced any investor (regardless of strategic investor or financial investor). Its over-reliance on debt financing had led to the drastic increase in liabilities of the Company in the past three years and its financial structure has been grossly unjustifiable. The Company recorded net current liability positions as of 30 June 2016.</p>
7 Customers relationship	<p>The New Management has been trying to adopt a more constructive approach on customer relationship and to reduce litigations between our customers and the Group. It has proposed the new concepts "technology, service, reciprocity", endeavoring to re-build relationship with existing customers, and has been devoted to tap into new industry, new area and new customers.</p> <p>Since the Management Restructuring, our major customers including Shenhua Booton Coal Chemical Industry Co., Ltd., Hubei Jinshenglan Metallurgical Technology Co., Ltd., and Shanxi Meijin Energy Co., Ltd. have expressed their interest in deepening cooperation with the Company in new projects and project expansions.</p> <p>Please refer to Appendix 1 for the support letters issued by our customers which include all of the top 5 customers of 2015.</p>	<p>Since 2014, there were only two new on-site customers. The vision of Mr. Sun and Mr. Strutt is not broad enough. They have limited network within and outside the industry and their focuses are solely on metallurgy industry and the coal related chemical engineering.</p> <p>The original management led by Mr. Sun and Mr. Strutt too frequently chose to resolve disputes through litigation and confrontation, and are not good at pursuing win-win situations and mutual benefits, which led to the deteriorating relationship with a number of major customers.</p>

LETTER FROM THE MAJORITY BOARD

Matter	Majority Board/New Management	Mr. Sun and Mr. Strutt																								
8 The employee benefits and morale and the management remuneration	<p>The New Management has restored the employee benefits which were unfairly cut short by the original management, and will continue to line up with the remuneration of the executive Directors, the senior management and the employees with the net profit and performance of the Company, and will emphasize on positive incentives to the employees instead of relying on unreasonable punishments such as salary deduction to manage employees, which was the negative approach Mr. Sun habitually took.</p> <p>In addition, the New Management will put great emphasis on the employees and treat them as the most valuable assets of the Company. The employees have been experiencing respect from management, sense of belonging, and willingness to attend to work with feelings being significantly different from those prior to the Management Restructuring in November 2016, which can be demonstrated by the support letters written by the employees.</p>	<p>Although the cashflow and the income of the Company have been improved, this does not justify the receiving of the large amount of bonuses by Mr. Sun and Mr. Strutt. The bonuses of Mr. Sun and Mr. Strutt should be decided with reference to diverse parameters, such as net profit growth, financial health and business expansion of the Company.</p> <p>Since 2014, the Company stopped paying bonus to most employees and had reduced their salaries and benefits. On the other hand, Mr. Sun and Mr. Strutt have received a huge increase in bonus year-on-year.</p> <table> <tr> <th></th><th>Year ended 31 December 2014</th><th>Year ended 31 December 2015</th></tr> <tr> <td>Share Price Performance by weighted average</td><td>HK\$6.723</td><td>HK\$4.748</td></tr> <tr> <td>Basic earnings per share</td><td>RMB0.5</td><td>RMB0.3</td></tr> <tr> <td>Discretionary bonus to Mr. Sun</td><td>RMB3,240,000</td><td>RMB4,691,000</td></tr> <tr> <td>Discretionary bonus to Mr. Strutt</td><td>RMB1,007,000</td><td>RMB2,031,000</td></tr> <tr> <td>Discretionary bonus to Mr. Zhao</td><td>Nil</td><td>Nil</td></tr> <tr> <td>Discretionary bonus to General Employees</td><td>Nil</td><td>Nil</td></tr> <tr> <td>Basic salary for general employees</td><td colspan="2">25% pay cut in basic salary since February 2015 Company almost delayed salary payment for May/June 2015</td></tr> </table> <p>Further, Mr. Sun habitually deducted employees' salaries by random emails.</p> <p>Please refer to Appendix 9 for details of benefits/salary deduction of employees.</p> <p>Please refer to Appendix 12 for Mr. Sun's habitually deducting employees' salaries.</p>		Year ended 31 December 2014	Year ended 31 December 2015	Share Price Performance by weighted average	HK\$6.723	HK\$4.748	Basic earnings per share	RMB0.5	RMB0.3	Discretionary bonus to Mr. Sun	RMB3,240,000	RMB4,691,000	Discretionary bonus to Mr. Strutt	RMB1,007,000	RMB2,031,000	Discretionary bonus to Mr. Zhao	Nil	Nil	Discretionary bonus to General Employees	Nil	Nil	Basic salary for general employees	25% pay cut in basic salary since February 2015 Company almost delayed salary payment for May/June 2015	
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LETTER FROM THE MAJORITY BOARD

	Matter	Majority Board/New Management	Mr. Sun and Mr. Strutt
9	If Mr. Sun and Mr. Strutt regain their control of the Board, the Group will change its “control” again, which might trigger breach of terms of loans and might lead to early repayment requests by the banks and creditors of the Group.	The New Management is of the opinion that, if Mr. Sun and Mr. Strutt regain their control of the Board, the Group will change its “control” again, which could trigger breach of terms of certain loans and might lead to early full repayment requests by the banks and creditors of the Group.	After the change in Mr. Sun’s position as the chairman of the Board, the Company has obtained understanding from most creditors, and there has not been any request for full repayment by the Company’s creditors by reason of change in management on 5 November 2016.
10	Business strategies	<p>Except developing within the existing industry and the relationship with our existing customers, the New Management endeavor to explore services other than gas supply and new applications in the industry, actively seeks cooperation with our customers, maximize the advantages of the Company, attract investments from the government, and release the Company from the pressure of financing.</p> <p>To continue the innovation process of the Company, based on the new concepts “technology, service, reciprocity” raised by the New Management and through the outstanding technologies of the Company.</p> <p>To expand the services of the Company, to provide not only BOO, but also BOT, BT, BTO and even PPP in the government projects. As long as the market demands, the Company will be able to achieve mutual benefits with its business partners, and relieve the Company from its existing debt structure, and to study the possibility of expanding its scope of services.</p>	<p>Mr. Sun has been insisting on extensive investment style, which is against the trend in the macro-economic environment. Due to ill-planned project development and lack of risk management, recent years have seen reduced investment return and increase in investment risk. In addition, due to the policies of lay-off, salary reduction and benefit cut, the dampened employee morale led to the deteriorating quality of service and the growing tension between the Group and our customers, which significantly constrained the development of relationship with the existing customers and the performance of the Group.</p> <p>Since the Management Restructuring, Mr. Sun and Mr. Strutt have not reflected on their problems in operation and management, whether in public occasions or in communication with the New Management. They have been defending themselves for their management style, and have never proposed any constructive suggestion to the business strategies of the Group. Except for the intention to gain control, they had not expressed any interest in business development of the Group.</p>

LETTER FROM THE MAJORITY BOARD

F. NO PERSONAL GRIEVANCE OR ILL WISHES BETWEEN MAJORITY BOARD AND MR. SUN/MR. STRUTT

Prior to the Management Restructuring, the majority of the Board did not have any ill-wish against Mr. Sun or Mr. Strutt, and the Management Restructuring is for the sole purpose of bringing the Company back to a right track and to improve the performance and corporate governance of the Company.

1. Mr. Zhao, Mr. He Yuanping, Mr. Zheng Fuya and Dr. Wang Ching (“**Majority of the Original Board**”) did not hold any personal grudges to Mr. Sun or Mr. Strutt. For example, as early as 2010 to 2011, Mr. Zhao did not raise any objection to the appointment of Mr. Strutt (former colleague and business partner of Mr. Sun for years) as executive Director.
2. Majority of the Original Board was worrying about failed leadership of Mr. Sun and Mr. Strutt, the deteriorating performance and debt position of the Company as well as the continued drop in share price that has hurt the Company and its shareholders’ interests. Meanwhile, the Company has been experiencing low employee morale and growing tension with customers, which was a sign of downfall of the Company.
3. Majority of the Original Board always attached the utmost importance to Shareholders’ interests. After the placing to Originwater at HK\$3.2 per Share was approved in November and December 2016, in light of the privatization proposal from Air Products at an indicative price of HK\$5.5 on 29 December 2016, the Majority of the Original Board has approved termination of the placing at the meeting of the Board held on 10 January 2017.
4. The Directors in the Majority of the Original Board have been serving in the Company for years, and there was difference in opinions on the development of the Company between the Majority of the Original Board and Mr. Sun and Mr. Strutt, but there had been no ill-wish against each other. Mr. Zheng Fuya and Mr. Sun were good friends since when they were students in the United States, and Mr. Zheng Fuya was introduced by Mr. Sun to the Board as an independent non-executive Director since the listing of the Company. The Majority of the Original Board comprized:
 - Mr. Zhao (executive Director since the Company’s listing in October 2009)
 - Mr. Zheng Fuya (independent non-executive Director since the Company’s listing in October 2009)
 - Dr. Wang Ching (independent non-executive Director since December 2009, shortly after the Company’s listing)
 - Mr. He Yuanping (independent non-executive Director since December 2013)

LETTER FROM THE MAJORITY BOARD

In addition, the Majority of the Original Board did not intend to remove Mr. Sun and Mr. Strutt from the Board as part of the Management Restructuring in November 2016. Mr. Zhao and the Majority Board proposed to remove Mr. Sun and Mr. Strutt as Directors only after Mr. Sun and Mr. Strutt commenced legal action against the Majority Board on 11 January 2017 in the court of the Cayman Islands and proposed to remove almost every other Director (except two independent non-executive Directors).

5. All in all, it is the New Management's only wish to, regardless of the result of the privatization proposal from Air Products, bring the Company back to a right track, improve the performance and the corporate governance of the Company, and promote the employee benefits that are compatible with the efforts of the employees. All these efforts would also be in the interests of Mr. Sun, Mr. Mao (cousin of Mr. Sun) and Mr. Strutt as Shareholders of the Company.

G. MAJORITY BOARD'S RECOMMENDATIONS

The Majority Board recommends to:

VOTE IN FAVOUR OF the proposals set out in the Board & Zhao Requisitions.

1. That Zhongguo Sun be and is hereby removed as a Director.
2. That Trevor Raymond Strutt be and is hereby removed as a Director

H. NOTICE OF EGM

Set out on pages 92 to 93 of this circular is the Notice of EGM to be held at at 10:00 a.m. on Wednesday, 8 March 2017 at the office of Zhuhai Yingde Gases Co., Ltd., Dianchang South Road, Gaolangang Economic Zone, Zhuhai City, PRC at which, ordinary resolutions will be proposed to the Shareholders to consider and if thought fit, approve the removals of Directors as set out thereunder.

I. FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the EGM. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the EGM if they so wish.

LETTER FROM THE MAJORITY BOARD

J. VOTING BY POLL

Pursuant to the Listing Rules, voting at the EGM shall be taken by way of a poll. The chairman of the EGM will explain the detailed procedures for conducting a poll at the EGM. On a poll, every Shareholder present in person or by proxy or (being a corporation) in its duly authorised representative shall have one vote for every fully paid Share held. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

An announcement will be issued by the Company following the EGM to inform Shareholders of the results of the poll vote in respect of the matters put to Shareholders at the EGM.

Yours faithfully
By order of the Board
Yingde Gases Group Company Limited
Zhao Xiangti
Chairman

LETTER FROM MINORITY DIRECTORS

The Minority Directors (Mr. Sun and Mr. Strutt) recommend to VOTE AGAINST the proposals set out in the Board & Zhao Requisitions.

The full text of the Letter from Minority Directors, which forms part of this circular, will be despatched by the Minority Directors separately.

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

During the past three months since the management restructuring in November 2016, the new management team has tried hard to improve relationships with our customers.

The Company has received a total of 30 support letters from customers (including top 5 customers for 2015), the full text of which are set out in http://www.yingdegas.com/c/media_letter.php.

Extract of the support letters are set out below.

No.	Client name	Extract of the support letters	
		English	Chinese
1.	Shenhua Baotou Coal Chemical Industry Co., Ltd. 神華包頭煤化工有限責任公司 (One of the top 5 Customers) (五大客戶之一)	<p><i>“Especially, in the recent years, due to several reasons, your company implemented numerous extreme measures, which hurt the feelings between us, hindered the normal communications and close connections between both parties and hence incurred a lot of misunderstandings. The extreme measures brought inconveniences to the work integration, work continuity and continuous cooperation of both parties and were adverse to benign development of both parties’ corporation”</i></p> <p><i>“We believe that both new board of directors and management team of Yingde Group are capable of bringing a new look to Yingde Group...”</i></p>	<p>“特別是近一二年由於諸多因素，貴公司實行的許多激進措施，傷害了彼此多年的感情也阻礙了雙方之間正常的溝通和密切的聯繫，從而引起不少誤會對雙方工作銜接及工作連續性和持續合作等方面造成了諸多不便，不利於雙方合作的良性發展”</p> <p>“我們相信，盈德集團新董事會、領導層有能力給盈德集團帶來新的面貌...”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
2.	Rizhao Steel Holdings Group Co., Ltd. 日照鋼鐵控股集團有限責任公司 <i>(One of the top 5 Customers)</i> (五大客戶之一)	<p><i>"However, in recent years, your company had a few problems in the aspects of funding and management. Although our cooperation in gas supply and security control was great, the status of the employees in your Rizhao factory was not as good as it had been in the past. The resignation and insufficiency of your employees have made us rather concerned about the safety of production."</i></p> <p><i>"In our perspective, your company's reform is a great progress. Your capacity is strengthened and the management philosophy makes progress, which we are willing to see. We hope you will continue to maintain the friendly and long-term cooperation under the leadership of new management, we believe in the new management can bring us better services, and we also hope you can maintain the stability of the new management team."</i></p>	<p>“但近幾年來，貴司的資金和管理方面出現了一些問題，雖然在供氣和安全保障方面一直合作良好，但貴司日照工廠的人員狀態大不如以前，員工離職，人員不足等等，也讓我司對安全生產深感擔憂。”</p> <p>“在我司看來，貴司的這一次變革是一次重大進步。貴司實力增強，管理經營理念也在進步，這是我司願意看到的局面。我希望在貴司新管理層帶領下，繼續保持友好長期的合作，相信新的管理層能給我司提供更好的服務，也希望貴司能保持新管理層的穩定。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
3.	Hebei Jingye Steel Co., Ltd. 河北敬業鋼鐵有限公司 <i>(One of the top 5 Customers)</i> (五大客戶之一)	<p><i>“Being trapped in the trouble, Jingye sought to seek understandings and assistance from Yingde through communication, and hoped to take provisional measures to “huddle together for warmth” and get through the difficulties together. Unfortunately, Yingde denied the requests from Jingye with no room for consultation, which incurred disharmonious contradictions between the parties, which was a zero-sum and even lose-lose result. Therefore, Jingye was overwhelmingly negative towards the prospect of our future cooperation”</i></p> <p><i>“Jingye believe the new leaders are capable of leading the team to continuously provide users with values, and we sincerely hope both parties can deepen cooperation, move forward and back together and create new achievement under the new cooperation in the new period, on the basis of interest of both parties.”</i></p>	<p>“困難之中，敬業向盈德採取溝通尋求諒解和幫助，希望以臨時性的措施抱團取暖、共度難關。不幸的是，盈德對敬業發出的請求以無任何餘地的姿態予以拒絕，以至於雙方發生了極不和諧的矛盾，造成了零和甚至是雙輸的結果。敬業因此對於未來的合作前景極度悲觀。”</p> <p>“敬業相信盈德新一屆領導有能力帶領團隊，為用戶持續提供價值。並衷心希望雙方能在符合雙方利益的基礎上深化合作、共同進退，創造新階段新合作的新成果。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
4.	China Minmetals Yingkou Medium Plate Co., Ltd. 五礦營口中板有限責任公司 (One of the top 5 Customers) (五大客戶之一)	<p><i>“Especially from 2015 to 2016, our company was in the deep down. Facing the critical conditions, we repeatedly sought for supports and understandings from your company, and hoped we could help each other and get through the difficulties together. Unfortunately, your company did not consider our requests, and on the contrary, put forward a few extreme measures and thoughts, which made Yingde, the partner we have always trusted, like a stranger and left us on two different paths towards opposite directions.”</i></p> <p><i>“At the beginning of the new year, everything is renewed. In a few months after the new management team of Yingde Group took over the leadership, the relationship between each other is like melting ice in the spring, and the morale of your company's employees has been changed. We would like to express our expectation of long-term cooperation of both parties in the future. “Harmonious cooperation and win-win cooperation” is our principle. Minmetals Yingkou Medium Plate believes that, under the leadership of your new management team, Yingde Group and we will cooperate closely and make achievement together.”</i></p>	<p>“尤其是在2015年 - 2016年，我公司處境更是跌入穀底，在此生死存亡之際，我公司曾多次向貴公司尋求支持與諒解，希望可以與貴公司互幫互助共度難關。遺憾的是，貴公司並沒有理會我們的請求，反而提出一些過激的行為與想法，讓我們一直信賴的合作夥伴變得陌生，彼此之間已形成背向而馳之態。”</p> <p>一元復始、萬象更新，盈德集團新的領導團隊主持工作後，短短幾個月，彼此關係猶如春天來臨之際，冰雪消融，貴公司的員工風貌也有了改變，對此我們表示對貴我雙方今後的長期合作抱以美好期待，和諧發展、合作共贏是我們的宗旨，五礦中板相信盈德集團在貴公司新的領導班子的帶領下，與我們同舟共濟，共創輝煌。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
5.	Shaanxi Longmen Steel Co., Ltd. 陝西龍門鋼鐵有限責任公司 <i>(One of the top 5 Customers)</i> (五大客戶之一)	<p><i>“in the recent two or three years, given the recession of the steel industry market, we faced unprecedented challenges and critical conditions. Being trapped in the troubles, we hoped to communicate with your company to take provisional measures to “huddle together for warmth” and get through the difficulties together. Unfortunately, we did not reach a consensus and meanwhile disharmony arose.”</i></p> <p><i>“...We express our heartfelt thankfulness to the new leaders of Yingde Group for the more reliable guarantees to our production brought by your new philosophy, new ideas and new ways of cooperation in respect of clients' cooperation in a short period of around two months after the change in your management !”</i></p>	<p>“近兩三年來，由於鋼鐵行業市場形勢的不景氣，我公司經營遇到了前所未有的困難，面臨生死存亡的考驗，在困難之際，我公司希望和貴公司溝通有臨時性的措施，抱團取暖、共度難關，但很遺憾，沒有達到共識，而且期間還產生了一些不和諧的音符。”</p> <p>“.....對盈德集團新領導班子在上任短短兩個多月的時間裡，在客戶合作方面新的理念、新的思路、新的合作方式對我公司生產帶來更加可靠度生產保障表示衷心的感謝！”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
6.	Lianyungang Xinxin Steel Co., Ltd. 連雲港新鑫鋼鐵有限公司	<i>“Recently the composition of the board of directors and the senior management of Yingde Group were adjusted and we have known such adjustments. After the adjustments, we find the current Yingde Group is full of energy and youthful spirit, and we have a feeling that our cooperation with you will be more perfectly satisfactory and will reach a higher level. We hope that under the leadership of the new management team, you will stand on a new starting point and step into greater success.”</i>	“近期盈德集團董事會及高層管理人員進行了調整，我們也已經知悉，調整後我們發現現在的盈德氣體充滿活力，朝氣蓬勃，感覺我們和貴公司的合作會更加美滿。更上一層樓。我們希望貴公司能在新的管理團隊帶領下，立足新的起點，走向更大的輝煌！”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
7.	Zhuhai Yueyufeng Steel Co., Ltd. 珠海粵裕豐鋼鐵有限公司	<p><i>“However, there were few communications between Yingde and the leadership of the Steel Factory. In October 2015, Yingde unilaterally restricted the gas supply, which led to considerable slowdown of our operation of production system! Fortunately, there was no large accident. Nonetheless, it brought great losses. Yueyufeng was highly disappointed on it! ... both parties barely had communication, which is extremely abnormal to both parties.”</i></p> <p><i>“Yueyufeng strongly believes that under the efforts aiming at stabilization led by the new leaders of Yingde Group, we see sincerity and hope from Yingde Group on actively improving the cooperation, strengthening the cooperation and pragmatic cooperation.”</i></p>	<p>“但是，盈德與鋼廠的高層工作溝通少之甚少，就在2015年10月對鋼廠進行單方面限氣，導致生產系統驟降！好在未釀成重大事故。但也帶來了巨大損失。粵裕豐對此深表失望！.....我們雙方的溝通也幾乎是零交流。這對合作的雙方是極為不正常的。”</p> <p>“粵裕豐堅信在盈德集團新領導層主持的穩定工作下，看到了盈德在積極改善合作、加強合作、務實工作的誠意與希望。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
8.	Zhuzhou Metallurgical Group Limited 株洲冶煉集團股份有限公司	<p><i>“However, in the later period, when we faced troubles and needed your supports, certain leaders of your company stood by and procured the situation to deteriorate, which resulted in bad relationship between both parties. We were forced to stop the settlement with your company in half a year...”</i></p> <p><i>“We strongly believe and hope that the new management team of the Group can maintain stable, and under the leadership of this senior management team, you will develop together with us...”</i></p>	<p>“後期我司遇到困難需要貴司支援時，但貴司集團個別領導卻袖手旁觀且落井下石，導致貴我雙方關係惡劣，我司被迫長達半年不與貴公司結算...”</p> <p>“我們深信並希望，貴司新的集團領導班子能夠保持穩定，並在此高層團隊帶領下，會與我司共同發展.....”</p>
9.	Xinjiang Kunlun Steel Co., Ltd. 新疆昆侖鋼鐵有限公司	<i>“Kunlun Steel believes the new leaders of Yingde are capable of leading the team and provide the customers with top-ranking products and services in high quality.”</i>	“昆鋼相信盈德新的領導有能力帶領團隊，為用戶提供一流的產品、優質的服務。”
10.	Wuhu Sanhua Refrigerator Parts Co., Ltd. 蕪湖三花製冷配件有限公司	<i>“We sincerely hope that Yingde Gases can develop more steadily in a long term under the management of the new board of directors and management team.”</i>	“衷心希望，盈德氣體在新的董事會和管理團隊的管理下，能夠更加穩健地長期發展。”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
11.	Tongling City Fuxin Steel Co., Ltd. 銅陵市富鑫鋼鐵有限公司	<i>“After the new adjustment of the management, your efficiency of response has been improved considerably, and the leaders in each level are even more hands-on about some emergencies on their own. We are really moved that you can see the users’ needs.”</i>	“新的管理層調整後，貴司的回應效率得到了極大的提升，針對一些突發狀況，各級領導更是親自過問，貴司如此能急用戶之所急，我們非常感動！”
12.	Futong Chemistry Co., Ltd. 富彤化學有限公司	<i>“We sincerely hope that Yingde can develop more steadily in a long term under the management of the new board of directors and management team.”</i>	“衷心希望，盈德在新董事會和管理團隊的管理下，能夠更加穩健地長期發展。”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
13.	Shandong Steel Group Rizhao Co., Ltd. 山東鋼鐵集團日照有限公司	<p><i>“However, since 2016, you have been slow in facilitating the project, including facilities order, project design and construction. The construction of the project officially has not started until October 2016, and it had certain impacts on the start of performance of the production process of Shandong Steel Group Rizhao Co., Ltd on August 10, 2017, and it also made us concerned about the timely start of performance of oxygen production project.”</i></p> <p><i>“The reforms undertaken by the new leadership of Yingde Gases Group not only straighten your management and accelerate the progress of the enterprise’s development, but also enhance the confidence of you and me to cooperate, which is a situation we would like very much to see.”</i></p>	<p>“但2016年以來，貴司在項目的推進方面一直行動遲緩，設備訂貨、工程設計、建設等推進緩慢，直到2016年10月份項目建設才正式啟動，對山鋼日照公司生產工序2017年8月10日投產造成了一定的影響，也讓我司對製氧項目如期投產深感擔憂。”</p> <p>“盈德氣體集團新管理層進行的改革，不僅理順了貴司的管理，加快企業的發展步伐，而且堅定了貴我雙方合作的信心，這是我司非常願意看到的局面。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
14.	Jiujiang Brach of Sinopec Co., Ltd. 中國石化股份有限公司九江分公司	<i>“After the new adjustment of the management, your efficiency of response has been improved considerably, and the leaders in each level are even more hands-on about some emergencies on their own. We are very moved that you can see the users’ needs.”</i>	“新的管理層調整後，貴司的響應效率得到了極大的提升，針對一些突發狀況，各級領導更是親自過問，貴司如此能急用戶之所急，我們非常感動！”
15.	Shanxi Meijin Steel Co., Ltd. 山西美錦鋼鐵有限公司	<i>“Meijin Steel highly recognizes the reform ideas and operation philosophy of the new board of directors of Yingde Group, and recognize the development plan made for the enterprises by both parties to realize the strategic cooperation.”</i>	“美錦鋼鐵高度認可盈德集團新任董事會的改革思路和經營理念，認可雙方實現戰略合作為企業繪就的美好發展藍圖。”
16.	Chemistry Industry Branch of China Coal Energy Group Shaanxi Yulin Energy Chemistry Industry Co., Ltd. 中煤陝西榆林能源化工有限公司 化工分公司	<i>“We strongly believe that our goals will be achieved under the correct leadership of the new decision-makers of Yingde Group and supported by the unity of all the employees.”</i>	“我們堅信，在盈德集團新一屆決策人的正確領導，以及全體員工的眾志成城，我們的目標一定會實現。”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
17.	Zibo Qilin Fushan Steel Co., Ltd. 淄博齊林傅山鋼鐵有限公司	<i>“Recently we also see some new looks and fresh energy after learning about the adjustment of high-level directors and management of Yingde Group. The management philosophy of the current board of directors and management is more beneficial to our long-term cooperation, and please maintain the current management team and management system to guarantee the safe and steady operation between both parties.”</i>	“知悉盈德集團上層董事及管理層調整，近期我們也感受到了一些新的氣息和活力，目前的董事會和管理層的管理理念更有利於我們長期的合作，請貴司保持目前的管理團隊和管理體系，保障雙方安全平穩運營。”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
18.	Jiangsu Shagang Group Huaigang Special Steel Co., Ltd. 江蘇沙鋼集團淮鋼特鋼股份有限公司	<p><i>"However, due to the well-known reasons, in this recent one or two years, both parties have suffered severe obstacles in communication and losses in trust. During such period, it was concerning and deeply sad that both parties were hostile to each other and Yingde Group limited gases supply to our company, which severely affected our production safety and operation profits and caused terrible negative impact in the industry and society."</i></p> <p><i>"...Yingde's new team... let us see the prospects to maintain friendly cooperation with Yingde Group, and we hope that both parties can mend fences for past squabbles and move forward to the future through communication and consultation..."</i></p>	<p>“但由於眾所周知的原因，近一兩年來，雙方溝通嚴重受阻、失去互信，期間雙方的對峙、以及盈德集團對我司的“限氣”行為，嚴重影響到企業的安全生產和經營效益，在行業內和社會上均造成嚴重負面影響，令人擔憂與痛心。”</p> <p>“.....盈德新的團隊.....使得我司看到了與盈德集團繼續友好合作的前景，並期待雙方能夠通過溝通協商，摒棄前嫌、面向未來.....”</p>
19.	Shandong Taishan Steel Group Co., Ltd. 山東泰山鋼鐵集團有限公司	<p><i>"We hope you will maintain the new management team, stand on the new starting point, start a new journey and create a new bright future!"</i></p>	<p>“我們希望貴公司保持新的管理團隊，立足新的起點，邁上新的征程，開創新的輝煌！”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
20.	Qingdao Yunlu New Energy Technology Co., Ltd. 青島雲路新能源科技有限公司	<i>"After comparing the latest two months with the previous period, we have more hopes and expectations on the long-term development of Yingde Gases in the next period."</i>	“經過近兩個月和前期的對比，我們對於後期繼續和盈德氣體的長遠發展有了更多的展望和期待。”
21.	Yancheng Kaiyuan Medical Chemical Industry Co., Ltd. 鹽城開元醫藥化工有限公司	<i>"We are grateful for the sincere cooperation with the new management team during the last two months."</i>	“感謝新管理層這兩個月來與我司的精誠合作。”
22.	Xiwang Metal Technology Co., Ltd. 西王金屬科技有限公司	<i>"Please maintain the current stable management team and management system of your company to protect the safe and stable developments between both parties."</i>	“請貴公司保持現有穩定的管理團隊和管理模式，保障雙方的安全穩定發展。”
23.	Yancheng Disainuo Medicine Co., Ltd. 鹽城迪賽諾製藥有限公司	<i>"In the last two months, we obviously feel the brand new energy. Our colleagues also enjoy the more considerate guarantee in goods supply and services provided by you."</i>	“近兩個月來，我們明顯感覺到了全新的活力。同時也感受到了貴司所提供之更為貼切的供貨保障和服務。”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
24.	Hengyang Hualing Mandrel Pipe Co., Ltd. 衡陽華菱連軋管有限公司	<p><i>"...the 2016 production and revenue of our company were not positive, which caused frequent contradiction with your company and made the cooperation intense... It was thankful to the new leaders of the Group that... changed the standstill of once there was no gas fee payment then gas supply stoppage, amended and improved both parties' relationship and proceeded stuff such as production and settlement of payment orderly."</i></p> <p><i>"We hope you will develop and grow stronger under the correct leadership of new leaders of the Group; and we hope both of us will deepen cooperation in the new year, pursue mutual benefits and continue to cooperate to create new prospect."</i></p>	<p>“.....2016年我司的生產情況及收益很不樂觀，造成與貴司氣款結算頻發摩擦，合作關係十分緊張.....好在貴司集團高層新領導班子.....一改之前不付款就停氣的僵局，雙方關係得到了修復和改善，生產和結算等事宜都能有序進行。”</p> <p>“希望貴司能在集團新領導班子的正確帶領下，更加發展壯大；希望我們雙方在新的一年能深化合作，互惠互贏，繼續攜手開創新格局。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
25.	Guizhou Tianfu Chemical Industry Cp., Ltd. 貴州天福化工有限責任公司	<p><i>“For the past two years, due to the unstable employee team of Guizhou Yingde Gases Limited, supplement products and items were unable to ensure the reliable operation of air separation facility, which severely affected the safe and stable operation of our company’s equipment.”</i></p> <p><i>“Under the leadership of your new board of directors...we will maintain the philosophy of “cooperation for the mutual benefits” and expect to further deepen the cooperation with you in the areas of coal chemical industry and phosphorus chemical industry.”</i></p>	<p>“近兩年來，因貴州盈德氣體有限公司員工隊伍不穩定，備品備件不能滿足空分裝置的可靠運行，已經嚴重影響到我公司裝置的安全穩定運行。”</p> <p>“在貴公司新一屆董事會的領導下.....我公司將繼續秉持“合作共贏”之理念，期待與貴司進一步加深在煤化工、磷化工等方面的合作。”</p>
26.	Anhui Dadixiong New Materials Co., Ltd. 安徽大地熊新材料股份有限公司	<p><i>“We sincerely wish Yingde Group can develop more steadily in a long term with the new board of directors and management team, hope you will support us as you always did in the past and expect to cooperate with you in a long term.”</i></p>	<p>“衷心祝願盈德公司在新董事會和管理團隊的管理下，能夠更加穩健地長期發展，並希望貴司一如既往的支持，期待與貴司長期合作。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
27.	Anhui Province Guihang Special Steel Co., Ltd. 安徽省貴航特鋼有限公司	<p><i>“When it came to 2015, due to the huge change in steel industry, Guihang Special Steel faced life or death challenge...Unfortunately, Yingde did not adopt a positive and responsive attitude. Yingde only supplied by adopting liquid gasification method, thus increased the production cost of Guihang Special Steel and changed electrical load needed by technology improvement in increasing gas separation production again and again, which caused difficulties to our company’s distribution of electrical load, and resulted in arguments between both parties. Finally, Guihang Special Steel satisfied Yingde’s requirement in increasing electrical load to satisfy electricity consumption. Abovementioned episode made Guihang Special Steel pessimistic of future cooperation with Yingde. On another matter of building model civilization garden, our company requested Yingde take anticorrosive measures to the recalled 15,000 gas separation cold boxes for many times... leaders of the garden criticized us for many times and required change within a deadline.”</i></p>	<p>“進入2015年，由於鋼鐵行業市場形勢發生了巨大變化，貴航特鋼面臨生死的考驗.....不幸的是，盈德對貴航特鋼發生的請求不採取積極回應的態度。只採取液體氣化供應的方式供應，增加了貴航特鋼生產成本，同時為空分增加產量技改的所需用電負荷一再改變，給我公司用電負荷調配帶來困難，以至於雙方發生了不和諧的聲音，最終貴航特鋼還是滿足盈德要求，增加所需用電負荷，滿足生產用電量。造成貴航特鋼對未來的合作前景很不樂觀。另就園區文明示範園建設，我公司多次要求盈德對已收購15000空分冷箱進行防腐.....園區領導已多次批評，要求限期整改。”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
		<i>“Guihang Special Steel believes the new leaders are capable of leading the team to continuously provide efficient and valuable services to meet the requirements of the users, and we sincerely hope both parties can continue to cooperate on the basis of mutual benefits, move forward and back together and create new achievements.”</i>	“貴航特鋼相信盈德新一屆領導有能力帶領團隊，為用戶持續提供高效有價值的服務，滿足用戶需求，並衷心希望雙方能在符合雙方利益的基礎上繼續合作，共同進退，創造新成果。”
28.	Chizhou Guanhua Gold Smelting Co., Ltd. 池州冠華黃金冶煉有限公司	<i>“...we have communicated with your company for many times in seeking your help in the situation of increased oxygen usage and the difficulty in shortage of cash, and thus delayed payment of gases fees. We have contacted with the high-level leaders of your company, but your company kept giving excuses such as hard to execute contract terms and other difficulties, which caused the problem unsolved for a long time and severely limited our company's smooth production, thus put a shadow on both parties' friendly cooperation, and made us pessimistic for future cooperation with Yingde.”</i>	“.....我們之前與貴公司進行了多次溝通，尋求貴方給予幫助解決一方面生產用氧量增加，一方面資金困難，不能及時支付供氣結算款的實際困難。多次與貴公司高層領導溝通接觸。但貴方一直以執行合同條款和有困難等理由搪塞我們，此問題的久拖未決，已經嚴重製約我公司生產的順利進行，為我們兩家的友好合作蒙上了陰影，至使我們對與盈德未來的合作前景感到悲觀。”

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
		<i>"...Since the adjustment of new leadership of Yingde...we regain the hope to solve the contradiction in production and operation with you and divergence in the settlement of payments which arose previously through further friendly consultation."</i>	“.....自盈德新的領導班子調整以來.....我們又燃起了與貴公司進一步友好磋商解決之前生產經營矛盾及貨款結算分歧的希望。”
29.	Hubei Jinshenglan Metallurgical Technology Co., Ltd. 湖北金盛蘭冶金科技有限公司	<p><i>"Both parties have been cooperating for several years. At the initial stage of project build-up, our cooperation has been very frustrating, due to reasons such as some leaders of the Group required us to deposit 25 million, delayed work start and doubts on Jinshenglan's ability..."</i></p> <p><i>"We strongly believe and hope that your new leadership can maintain stable, step into the right path to continuously develop and grow strong and develop better and better, under the leadership of this senior team!"</i></p>	<p>“貴我雙方合作幾年，在項目建設初期，貴集團個別領導要求我們預交2500萬項目押金、遲遲不開工、懷疑金盛蘭的能力等方方面面的原因，很不愉快.....”</p> <p>“我們深信並希望，貴司新的領導集團班子能夠保持穩定，並在此高層團隊帶領下，會與我司共同發展，也衷心祝願貴集團會步入不斷發展壯大的正軌，發展的越來越好！”</p>

APPENDIX 1A THIRTY CUSTOMERS' SUPPORT LETTERS FOR MAJORITY BOARD

No.	Client name	Extract of the support letters	
		English	Chinese
30.	Tianjin Steel Tube Co., Ltd. 天津鋼管股份有限公司	<i>“...We strongly believe that Yingde Group will move forward and back together with us through communication and consultation under the leadership of new board of directors and new leaders, and both parties will ultimately achieve the win-win goals and create a new status under which both parties can develop together.”</i>	“.....堅信盈德公司在新董事會，新領導班子的帶領下，能夠在我們符合彼此雙方利益的基礎上通過溝通、交流、協商，共同進退，最終實現合作雙贏、共同發展的新局面。”

APPENDIX 1B SENIOR MANAGEMENT'S SUPPORT LETTER FOR MAJORITY BOARD

	Position within the Group	Period of Service in the Group	English	Chinese
Chen Kai	Chief Engineer, Operation Director, Project Manager, Manager of Hangzhou Center, Vice President	15 years	<p><i>As one of the longest-serving employees of Yingde, I have been participating in the starting-up, beginning, development and listing phases of the Group. I also underwent the processes of giving emphasis and priority to expansion than management since 2011, and to mindless contribution instead of orderly operation. Especially since 2013, the internal management has been in chaos, and the risks arise externally. The overall operation condition of the Group is contorted and irrational. The Group has reached the edge of its death.</i></p> <p><i>...Having brought things back in order and effected reform from the roots within a short period of over two months, the tension between the Group and our customers was softened, the internal management became rational again, the vision and plans of the Group was fulfilled, and the morale of employees was raised again. Every month, the performance has been significantly improved compared to the same periods in the last few years. All of the above proves that the New Management represents the leadership that conforms to the trend of development of the Group, the collective will of all employees, the necessary results of the Group's history, and the future hope of the Group. We hope to endeavor to achieve excellence under the leadership of the New Management.</i></p>	<p>我作為盈德最早的員工之一，經歷了盈德從零開始，起步、快速發展，上市壯大階段；也經受了2011年後重擴張、輕管理；重盲目投入，輕經營的階段，尤其是2013年後，對內管理混亂、對外四面楚歌，危機四伏。整體盈德的企業狀況就是完全是幾盡扭曲非理性境地。已經到了生死存亡的懸崖邊緣。</p> <p>... 僅僅短短兩個多月的時間，正本清源、撥亂反正，從客戶關係的冰凍融化、到對內部管理的理性回歸，和願景規劃和逐步實施，盈德員工士氣高漲、鬥志昂揚，每個月的經營業績都同比創歷史最好成績，這充分說明新的管理層這是順應盈德企業發展的力量，這是體現盈德團隊集體意志的力量、這是歷史必然的選擇的結果、是盈德未來的希望。我希望在新的領導層帶領下，竭盡所能共創輝煌。</p>

APPENDIX 1B SENIOR MANAGEMENT'S SUPPORT LETTER FOR MAJORITY BOARD

	Position within the Group	Period of Service in the Group	English	Chinese
Suo Yaotang	Director, deputy general manager, in charge of marketing	16 years	<i>The original senior management team of the Group worked under the dictatorship of Mr. Sun, and acted against their will in order to cater to the coercion of Mr. Sun. They witnessed the decline of the Group and felt incapable of taking any action. After the reform, the emphasis on service, technologies and mutual benefits by the New Management, provides great flexibility for the senior management of the Group to explore more opportunities for the Group, and it felt like we are under the sun and able to breathe again. We do not wish to lose such a great opportunity for the Group to revive from the past.</i>	盈德以前的高管是工作在孫忠國個人獨斷專行的屋簷下，為了應付這種高壓的權力，明知不對而違心做事，天天看著盈德一天倒下來而無能為力。變革後新的領導班子“技術、服務、共生”的理念，讓大家放開手腳為盈德開拓工作，使我們沐浴到久違的陽光，呼吸到新鮮的空氣，我們絕不願意再失去能使盈德重獲新生的大好時光。
Zhang Jianye	Financial Controller	15 years	<i>I in complete support the management notion of the New Management and the emphasis on achieving mutual benefits with the Group's customers. After three-month reform, the operation of the Company is back on the right track and the employees are passionate towards working for the Group. I do not want to undergo again the chaos under the original management.</i>	我堅決擁護現在管理層以人為本的管理理念及與客戶合作共贏的發展理念。經過三個月的調整，公司各項工作逐漸步入正軌，員工工作充滿激情，我不想回到原來混亂的狀態。
Li Hai	Project Director, District General Manager	10 years	<i>I strongly support the New Management's management notion of prioritizing customers' interest over those of employees and Shareholders, and their emphasis on service, technologies and mutual benefits. I am completely against the management style and notion of developing the Group adopted by the original management!</i>	我非常擁護現任集團管理層的“客戶第一、員工第二、股東第三”的管理理念和企業文化以及“服務、技術、共生”的發展理念。我堅決反對原集團以往的對公司的管理方式和發展理念！

APPENDIX 1B SENIOR MANAGEMENT’S SUPPORT LETTER FOR MAJORITY BOARD

	Position within the Group	Period of Service in the Group	English	Chinese
Fang Ming	Chief Technical Officer	5 years	<i>The New Management brought hope to the continuance and the development of the Group's business! All the employees were unified and dedicated to the same direction. I strongly believe in a more prosperous future of the Group.</i>	新的管理層給盈德生存、發展帶來希望！大家心往一處想，勁往一處使，堅信盈德明天一定更輝煌。
Jiao Zhen	Director of Human Resources, Assistant to the president	2 years	<i>After the reform in November 2016 and under the management notion and direction of the New Management, the Company has adopted a series of measures to improve customer relationship and to encourage the Group's employees, which led to significant improvement in customer relationship and employee morale. All employees of the Group are now with a refreshed appearance.</i>	2016年11月之後，在新的管理理念和新的管理思路的引領下，公司實施了一系列穩定客戶、鼓舞員工的措施，極大的改善了客戶關係，鼓舞了員工士氣，公司上下精神面貌煥然一新。

APPENDIX 2 BACKGROUND OF RESTRUCTURING — SELECT CORRESPONDENCE FROM MR. ZHAO TO MR. SUN ON SEPARATION OF MR. SUN'S DUAL ROLES AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE COMPANY'S DECLINING PERFORMANCE SINCE 2014

Upon listing in 2009, Mr. Zhao, Mr. Sun and Mr. Strutt were all shareholders of the Company. The executive directors of the Company are:

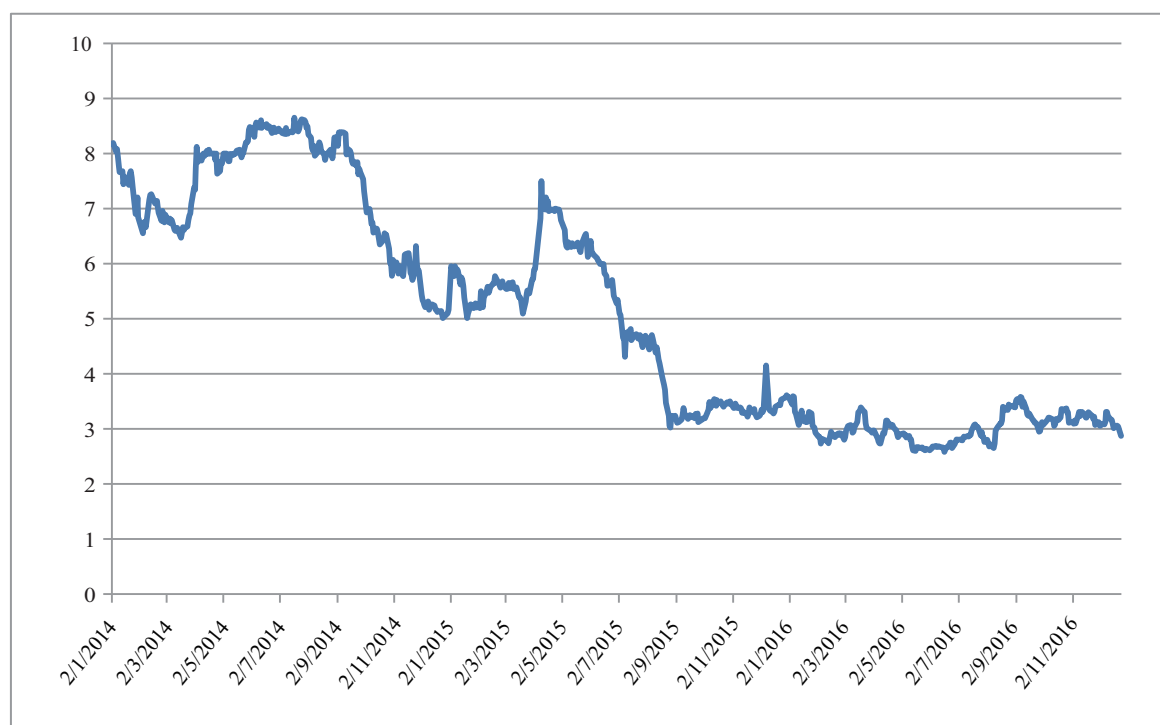
- Mr. Zhao
- Mr. Chen Yan
- Mr. Sun

Since 2011 and after Mr. Chen Yan resigned due to health reason, the executive directors of the Company are:

- Mr. Sun
- Mr. Strutt (Mr. Sun's former colleague, closely related friend and business partner)
- Mr. Zhao

Back in 2011, Mr. Zhao was supportive of Mr. Sun and Mr. Strutt taking up the majority of the executive directors. Mr. Zhao was hopeful that the Company would continue to prosper under the leadership of Mr. Sun and Mr. Strutt.

Since late 2014, Mr. Zhao started to considerably worry about the worsening financial and business situations of the Company when the share price of the Company started to free fall except for a temporary surge as a result of Shanghai-Hong Kong Stock Connect (滬港通) in 2015:



APPENDIX 2 BACKGROUND OF RESTRUCTURING — SELECT CORRESPONDENCE FROM MR. ZHAO TO MR. SUN ON SEPARATION OF MR. SUN'S DUAL ROLES AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE COMPANY'S DECLINING PERFORMANCE SINCE 2014

On 26 October 2014, Mr. Zhao, worrying about the Company's well-being, wrote the following private letter to Mr. Sun:

「老孫：你好！

“Dear Brother Sun,

前幾天我們聊了幾句，有些問題還沒有聊透。作為盈德成長的參與者和見證者，想和你敞開心扉聊幾句。從心底來講，無論將來還有沒有盈德的股份，我都會希望盈德不斷成長，越來越好。畢竟是看著盈德發展壯大起來的，這份情感會永遠存在。

Although we had a brief discussion a few days ago, I think the discussion was not thorough. Having participated in and witnessed the growth of Yingde's business, I want to be frank to you about my feelings towards Yingde. From the bottom of my heart, regardless whether I still have interest in Yingde or not, it is my wish that Yingde will continue its growth and continue to excel. This genuine affection of mine towards Yingde will always be what it is, as I witnessed the process how it was built from scratch.

...

當企業發展到一定規模，企業文化就顯得非常重要。一個大規模企業運營不能靠老闆指令組織，要有鮮明有效的企業文化。

When a corporation reaches certain scale, its corporation culture will become crucial. A large scale corporation cannot be operated solely based on the instructions of the boss, and should have a prominent and effective corporate culture instead.

...

因為老孫再能，他也是一個人啊！...」

After all, Brother Sun, however smart you are, you are only one individual with your limit! ...”

APPENDIX 2 BACKGROUND OF RESTRUCTURING — SELECT CORRESPONDENCE FROM MR. ZHAO TO MR. SUN ON SEPARATION OF MR. SUN'S DUAL ROLES AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE COMPANY'S DECLINING PERFORMANCE SINCE 2014

祝秋祺

Wish you a nice autumn

老趙

Brother Zhao

In November 2014, Mr. Zhao, even more worriedly, wrote the following to Mr. Sun:

老孫：

Brother Sun:

再次給你寫信，我覺得寫成文字比較好，一是邏輯嚴密一些，二是便於深入思考。避免了對不如己意的說法，進行感性理解。今天說的可能不大中聽，可以叫逆耳諍言吧！因為對公司的愛，因為利害相關，所以才有如此諍言。

I am writing to you again. I prefer writing, as it will be more logical and also easier for deep thought, and can avoid taking it personal. I guess what I am about to say would not be music to your ears, but I am just speaking with honest words although they might not sound pleasant!

...公司面臨有史以來最險惡的情況：

Our Company is facing the most difficult times since incorporation:

「1. 股價大幅度下跌，顯然有做空的對沖操作。之所以有對沖機構進行對沖操作，是因為他們應該是認真研究了公司的財務狀況。

“1. The significant drop in the Company's share price shows that there are obvious hedging transactions to short sell the shares of the Company. And the reason behind such hedging transactions should be that the hedge funds have studied the financial position of the Company in details.

2. 投資越來越大，債務負擔沉重，盈利能力跟不上來。許多資產沉默沒有發揮效益。

2. With the growth in scale of investments, the debt burden is considerable; and with profitability falling behind, the assets of the Company were obsolete have not provided a reasonable return.

3. 員工對公司前景感到迷茫。

3. The Company's employees felt lost about the Company's future prospect.

APPENDIX 2 BACKGROUND OF RESTRUCTURING — SELECT CORRESPONDENCE FROM MR. ZHAO TO MR. SUN ON
SEPARATION OF MR. SUN'S DUAL ROLES AS
CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND
THE COMPANY'S DECLINING PERFORMANCE SINCE 2014

4. 市場對公司看法多為負面。被聯交所剔除出指數股；面臨穆迪評級機構的降級評價；投行的分析師分析多為負面...

4. The majority of the market news on the Company is negative. The Company has been removed from the S&P/HKEX LargeCap Index, and is facing the possibility of being downgraded by the Moody's, and most investment bank researchers' review on the Company has been negative...

5. 公司官司纏身，不顧及效果的動輒打官司，使得本可以較小損失解決的問題擴大損失或者拖延時日。

5. The Company is burdened with lawsuits, and the approach of frequently solving problems by contentious litigations without considering the possible effect, which leads to increased costs and prolonged period of solving problems, which could have been solved at less cost.

半年多來，實際運作情況並不盡如人意，公司依然高度集權在CEO手裡。使得各級管理人員的工作熱情大大受挫，孫總也哀歎什麼事情都要等著自己去做、去想辦法。

During the past half year, the operation is not satisfactory at all, and the power of the management has been concentrated in the hands of the CEO. The management's passion in their work has been greatly reduced, and even Mr. Sun complained about doing everything and solving every problem by himself.

...

因此建議1.完善董事會組成人員，尤其是熟悉資本市場運作，同時對公司又有全面理解的董事。2.董事局主席與CEO分設...

Therefore, I would suggest: 1. To enhance the board composition by appointing directors who understand the capital market and the Company, 2. Separation of Board Chairman and CEO...

我想說，盈德儘管面臨嚴峻的危機，但只要處置得當，尤其是對公司治理結構進行合理的改善，度過危機走向未來是不成問題的。真誠地祝願盈德走出困境，邁向光明的未來。

I would like to say, even though Yingde is facing rigorous crisis, as long as they could be dealt with appropriately, especially by way of reasonably improving the corporate governance structure, there is no doubt that the Company will overcome the crisis and continue to develop. I sincerely wish Yingde could overcome the difficulties and embrace a prosperous future.

如果您認為我的看法值得探討，我還願意為公司進一步的策劃出力。如果您認為毫無價值，也可以一笑而過。

APPENDIX 2 BACKGROUND OF RESTRUCTURING — SELECT CORRESPONDENCE FROM MR. ZHAO TO MR. SUN ON SEPARATION OF MR. SUN'S DUAL ROLES AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE COMPANY'S DECLINING PERFORMANCE SINCE 2014

If you think my opinion worth being discussed, I am happy to contribute further to the Company in its strategic planning. Yet, you may also laugh off my opinion if you do not think there is any value in it.

老趙」

Brother Zhao”

In December 2014, Mr. Zhao proposed a CEO candidate to Mr. Sun who did not seem interested.

In February 2015, the Company sent a notice to inform the employees of a general 25% pay cut.

In March 2015, in light of unsatisfactory performance, Mr. Sun explicitly told the Board that he would take the blame and resign as the chief executive officer of the Company. However, there is no implementation afterwards.

In June 2016, due to cashflow problems, the Company sent a notice to inform employees of possible delay in salary payments for May and June 2016.

In October 2016, the Company, in dire need of cashflow, sent a notice to the manager-level staff requiring them to help Company seek financing by pledge of equipment for a minimum amount of RMB5,000,000, failing which the responsible staff will face 2 month salary deduction.

On 5 November 2016, in light of the worsening debt structure of the Company and poor corporate governance of the Company, Mr. Zhao as well as the then independent non-executive Directors considered that a management restructuring was the **only** solution for the Company to have a better future, since all the previous discussions on deteriorating financial performance and share price performance, as well as the gentle suggestion for a separate role between chairman and chief executive officer did not seem to sway Mr. Sun's persistence on his self-style in management of the Company. The Board of the Company resolved by majority to remove Mr. Sun and Mr. Strutt from the executive roles and re-designate them as non-executive director and approve issue of shares to Originwater as the Company is in serious cashflow problems, which are all obvious from the **fact that the Company almost deferred employee salary payments for May and June 2016**.

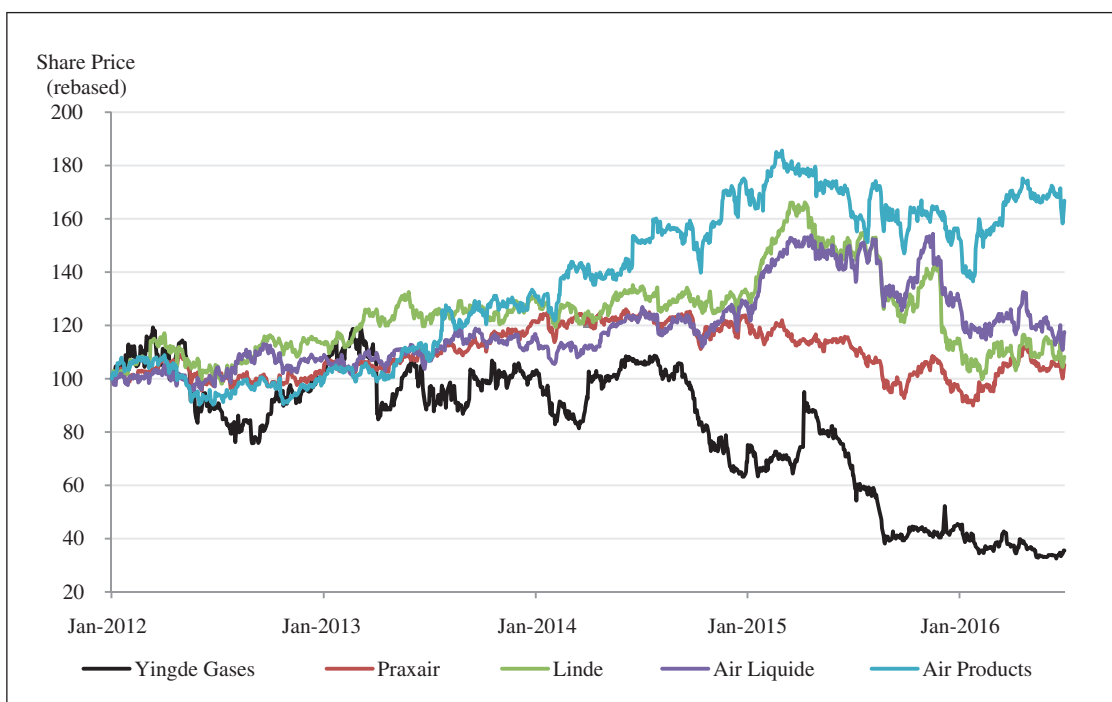
MAJORITY BOARD'S VIEW: FINANCIAL PERFORMANCE AND SHARE PRICE PERFORMANCE WERE UNSATISFACTORY DURING THE ADMINISTRATION OF MR. SUN AND MR. STRUTT

In recent years, the performance of the Group has been unsatisfactory and, more worryingly, on a downward trend. Financially, the Group was debt-laden, declining in profitability and expanding in assets with deteriorating quality. Relationship with customers and employees has become acrimonious. Investors have been well aware of problems of the Group, evidenced by the fact that the volume weighted average share price of the Company plunging from HK\$7.885 for 2013 to HK\$2.96 for the first half of 2016.

It was against that background the Majority Board decided to implement the management restructuring to remove the executive power of the Minority Directors (i.e. Mr. Sun and Mr. Strutt), who have been the core management of the Group until 5 November 2016.

ANALYSIS IS AS FOLLOWS:**(i) Comparison with peers****(a) *Share price free-fall***

The companies which are comparable to the Group are (i) Praxair, Inc., (ii) Linde AG, (iii) Air Liquide SA and (iv) Air Products and Chemicals, Inc. (together "International Peers"). The Majority Board is of the view that the Group lags behind the International Peers by a big margin in terms of most of the financial ratios, which are particularly so considering the rapidly deteriorating trend in the past few years. However, instead of overwhelming investors by excessive financial ratio comparisons, it is far more constructive to look at investors' view on the Company and the International Peers as reflected by the most objective reference: share prices (rebased, from January 2012 to June 2016):



Source: Bloomberg

APPENDIX 3 UNSATISFACTORY FINANCIAL PERFORMANCE AND SHARE PRICE PERFORMANCE SINCE 2014

Long-term share price performance is a good indication as to how a company performs. Apparently, investors was of the view that that the Group under Mr. Sun and Mr. Strutt boded ill.

Hangyang is not a comparable peer

During correspondence between the Majority Board and the Minority Directors as to whether the Company's performance during the administration of Mr. Sun and Mr. Strutt has been satisfactory, the Minority Directors have made comparison between the Company and Hangzhou Hangyang Co., Limited ("**Hangyang**"), a company listed on the Shenzhen Stock Exchange (stock code :002430) to illustrate that the Company 'was performing better than the peer'. The Majority Board considers that although there is certain overlap in business but the income sources are manifestly different and hence Hangyang is not a suitable peer for comparison:

Principal source of operating profit

Company	manufactures and sells industrial gases, which accounts for over 90% of the Group's operating profit
Hangyang	for the latest reported financial year, more than half of operating profit was generated from sale of equipment, such as air separation equipment

(b) *Downgrading of credit rating*

Another important and objective reference is the credit rating granted by external agency. According to Moody's Investors Service ("Moody's"), the current credit rating of the Group is Caa1 (five notches down from Ba2 in April 2013). Caa1 is defined as "very high credit risk, poor standing". Contrastingly, Moody's current ratings on the International Peers belong to A category. A is defined as "Upper-medium grade, subject to low credit risk".

The Majority Board is of the view that the consecutive downgrade of credit rating of the Group is because of the financial mismanagement, over-expansion.

¹ Net profit after taxation attributable to Shareholders divided by revenue

² The trailing 12-month net profit after taxation (before deducting minority interests) divided by the average balance of total assets at the beginning and the end of the relevant period

³ The trailing 12-month net profit attributable to Shareholders divided by the average balance of total equity attributable to Shareholders at the beginning and the end of the relevant period

**APPENDIX 3 UNSATISFACTORY FINANCIAL PERFORMANCE AND
SHARE PRICE PERFORMANCE SINCE 2014**

(ii) Declining profitability

<i>(RMB million)</i>	2012	2013	2014	2015	1H15	1H16
Revenue	4,956	6,866	7,716	7,919	3,799	4,140
Interest expenses	210	382	512	644	300	290
Depreciation	348	505	683	754	366	418
Net profit attributable to Shareholders	770	908	904	536	416	387
 Total assets	 14,793	 16,552	 19,251	 19,574	 19,246	 20,260
Total equity attributable to Shareholders	5,486	6,125	6,636	6,708	6,697	6,835
 Net profit margin ¹	 15.5%	 13.2%	 11.7%	 6.8%	 11.0%	 9.3%
Return on assets ²	6.3%	5.8%	5.1%	2.7%	4.9%	2.5%
Return on equity ³	14.7%	15.6%	14.2%	8.0%	14.2%	7.5%

During the period from 2012 and 2015, although revenue grew by 60% to RMB7,919 million, net profit attributable to Shareholders plummeted by 31% to HK\$536 million.

Notwithstanding the slowdown in economy of China in the past few years, the Group expanded its capacity aggressively, with the number of operating facilities went up by 36 at the end of 2011 to 68 at the end of 2015. Above all, the Group had invested substantially in the coal-to-chemical industry, of which was subsequently dealt a blow by the plunge in oil price. The misjudgement as to the pace and direction of expansion ended up with lower profitability of the Group. In just four years, the 117% rise in depreciation and 207% surge in interest expenses outpaced the percentage increase in revenue by a wide margin.

It is worth noting that the rebound of net profit margin for the first half of 2016 (from the trough in 2015) was mainly because of the new business segment of build-operate-transfer, initiated by Mr. He, the new chief executive officer of the Company since November 2016.

APPENDIX 3 UNSATISFACTORY FINANCIAL PERFORMANCE AND SHARE PRICE PERFORMANCE SINCE 2014

(iii) Strained balance sheet

<i>(RMB million)</i>	2011	2012	2013	2014	2015	1H15	1H16
Total assets	9,825	14,793	16,552	19,251	19,574	19,246	20,260
Total borrowings ⁴	3,331	6,652	7,904	9,776	10,079	9,986	10,455
Foreign exchange gain/(loss)	3	1	51	(7)	(324)	(6)	(154)
 Total borrowings / total assets	 33.9%	 45.0%	 47.8%	 50.8%	 51.5%	 51.9%	 51.6%
Receivable turnover days ⁵	49	54	52	72	95	91	95
US\$ or HK\$ borrowings proportion	28.4%	30.5%	40.4%	58.1%	60.3%	49.0%	62.6%

The debt-financed expansion substantially increased the leverage of the Group. The Minority Directors keeps bragging the increasing operating cashflow of the Group. However, as stated in the table above, with total borrowings up by 213% of **over RMB7 billion to RMB10 billion**, total debt ratio of the Group rose substantially from 33.9% at the end of 2011 to an alarming level of 51.6% at 30 June 2016. The refinancing risk dwarfs **the mere RMB455 million** annual increase in net cash generated from operations, comparing 2015 with 2012.

Equally worrying is the deteriorating asset quality of the Group. Receivable turnover days worsened from 49 days in 2011 to 95 days in 2015. Furthermore, the proportion of the receivables that were past due by over three months surged from 2% at the end of 2011 to 35% on 30 June 2016. That had a severe impact to the cashflow of the Group.

On currency exposure, the proportion of borrowing denominated by US\$ or HK\$ went up from 28.4% at the end of 2011 to 62.6% as at 30 June 2016. As most of the revenue and assets of the Group are denominated in RMB, the foreign currency borrowings have become more costly, and difficult to service amid the RMB depreciation trend.

⁴ The sum of total borrowings and obligations under finance lease

⁵ The average balance of trade and bill receivables divided by revenue for the relevant period and multiplied by 365 days for whole-year period and by 182 days for half-year period

In September 2015, realizing the asset-liability currency mismatch issue and RMB being overvalued, the finance team of the Company proposed to proactively hedge 50% of the Group's US\$ exposure by engaging in derivative financial instruments. However, Mr. Sun turned down the idea and the currency mismatch of the Group remained largely unhedged. Subsequently, from November 2015 to December 2016, RMB depreciated sharply against US\$. As stated in the table above, the foreign exchange loss soared from approximately RMB7 million in 2014 to RMB324 million in 2015, and hovered at a high level of RMB154 million in the first half of 2016.

Our credit agency also expresses concerns. Moody's Investors Service downgraded the Group's credit rating from Ba2 initiated in April 2013 by five notches to Caa1 in December 2016. The recent hostile action against the Company by Mr. Sun and Mr. Strutt also rendered our offshore refinancing very difficult. Equity fund raising is one of the means to improve the financial stability of the Group, and that was the reason the Majority Board initiated the placement of Shares in November 2016. The Majority Board believes that with more capital equity, creditors would be more willing to negotiate refinancing with the Group. With approximately US\$391 million foreign currency debts coming due in 2018, the Group must plan ahead in refinancing this substantial amount.

(iv) Operations

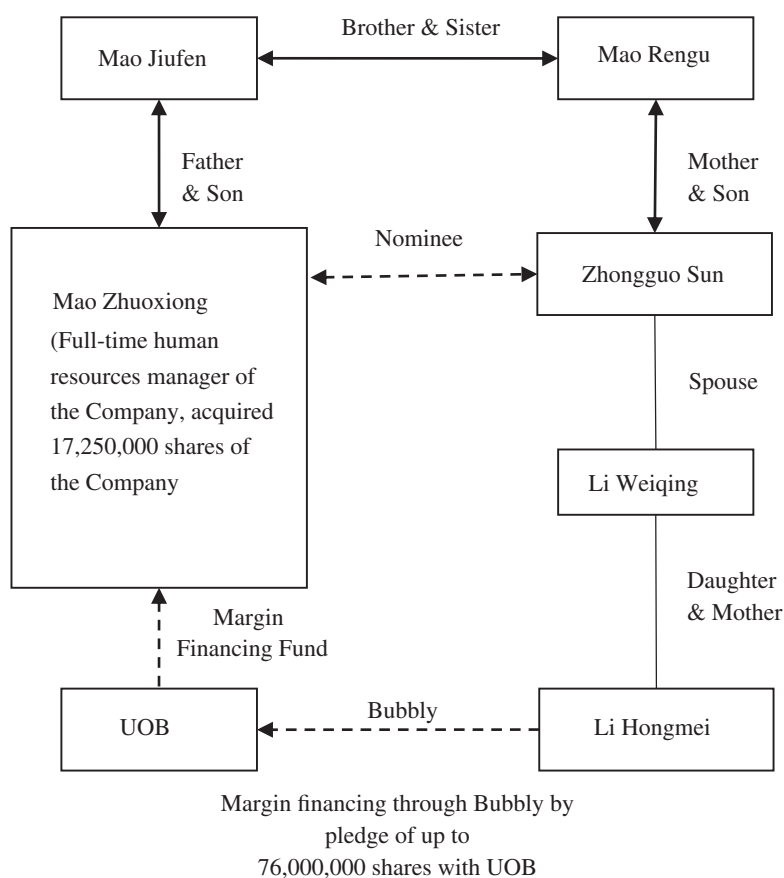
	2011	2012	2013	2014	2015
Number of lawsuits	5	19	20	21	28
Number of new contracts signed	18	11	14	9	1

In the past few years, the Group was embattled by increasing lawsuits, as stated in the table above. The previous management often resorted to lawsuit in case of any dispute with customers and suppliers. This customer relationship management coincided with a substantial drop in number of new contracts signed, from eighteen in 2011 to only one in 2015.

The Majority Board considers that the Company's financial performance as well as the share price performance are not satisfactory, for which Mr. Sun and Mr. Strutt, being the core management, should be liable.

APPENDIX 4 MR. SUN'S COUSIN ACQUIRED SHARES OF THE COMPANY AS A SUSPECTED NOMINEE OR CONCERT PARTY OF MR. SUN

For ease of reference, please refer to the relationship chart below.



It recently transpired that Ms. Li Hongmei and Mr. Mao Zhuoxiong (“**Mr. Mao**”) became holder of the shares of the Company through a custodian named “UOB KAY HIAN (HONG KONG) LTD” (“UOB”). It is highly likely that, Mr. Sun, through Ms. Li Hongmei (Mr. Sun’s mother-in-law) arranged for margin financing by pledging up to 76,000,000 shares of the Company and on-lent the margin financing funds to Mr. Mao who then used the said margin financing funds to purchase 17,250,000 shares of the Company as nominee (“**Nominee Arrangement**”) of Mr. Sun.

It is worth noting that Mr. Mao has been a full-time employee of the Company as a human resources manager whose monthly income was around RMB15,000. His income is not supportive of purchasing 17,250,000 shares of the Company. After being questioned about the Nominee Arrangement on 21 December 2016, Mr. Mao has not reported duty since then.

The Majority Board has communicated its concern with Mr. Sun who has denied Mr. Mao as his nominee.

APPENDIX 4 MR. SUN'S COUSIN ACQUIRED SHARES OF THE COMPANY AS A SUSPECTED NOMINEE OR CONCERT PARTY OF MR. SUN

The Majority Board is not convinced that Mr. Mao, whose monthly income is approximately RMB15,000 would have the means to purchase 17,250,000 shares of the Company, being approximately 0.91% of the total issued share capital of the Company at the date hereof, and therefore will fully cooperate with the governing authority as to the true beneficial owner of the said 17,250,000 shares of the Company.

Subject to the relevant authority's finding in this regard, Mr. Sun might have failed to properly disclose his interests in the Company, and that Mr. Sun (and his cousin) together with Mr. Strutt currently controls more than 30% of issued share capital of the Company:

Shareholding in the Company

Mr. Sun & Mr. Strutt	29.48%
Mr. Mao Zhuoxiong (Mr. Sun's cousin)	0.91%
Total:	<u>30.39%</u>

In certain circumstances, a group of concert parties is required by Rule 26.1 of the Takeovers Code to extend mandatory general offer when their collective interest in the Company exceeds 30%.

In the interest of all the minority shareholders, the Majority Board will fully cooperate with the governing authority as to whether Mr. Sun, Mr. Mao (Mr. Sun's cousin) and Mr. Strutt were required to extend mandatory general offer.

APPENDIX 5 HONG KONG HIGH COURT RULED THAT MR.SUN WAS THE REAL BOSS OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI AS NOMINEE

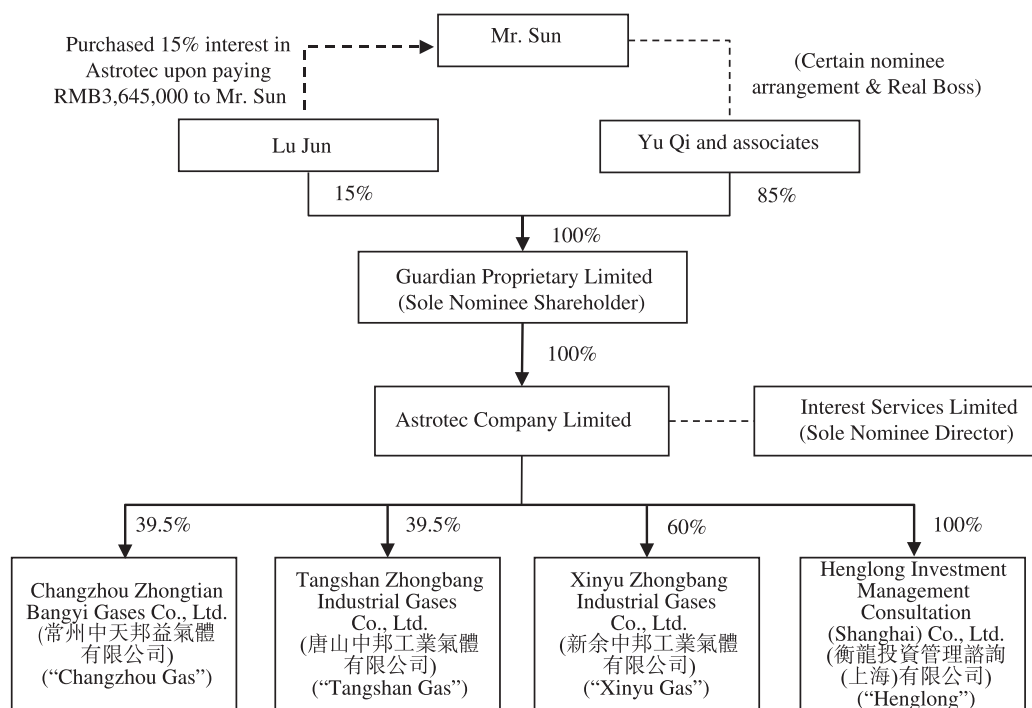
It recently transpired that Mr. Sun has interest in competing business through Astrotec Company Limited (“**Astrotec**”), a company which was engaged in business competing with the Company’s principal business. According to a judgment of HCCW 282/2010 delivered by the Hong Kong High Court (the “**Court**”) on 31 January 2013 (“**Judgment**”), the Court has concluded as a finding of fact that a lady named Ms. Yu Qi (虞琪) (“**Madam Yu**”) held the interests in Astrotec as trustee for Mr. Sun to certain extent, and that Mr. Sun was the real boss of Astrotec at least up to September 2008. Mr. Sun’s said relationships with Madam Yu and the beneficial interests in and management control over Astrotec were never disclosed in the Company’s prospectus or subsequent annual reports. Further, Mr. Sun has confirmed to the Stock Exchange in previous occasions that he ceased to have any interest in Astrotec from 22 March 2006 which was contrary to the finding of facts in the Judgment.

In November 2013 and after the Judgment was delivered in January 2013, Mr. Sun, in breach of his fiduciary duty towards the Company, failed to disclose his apparent interests in Astrotec when he initiated and was actively involved in the proposed acquisition (“**Proposed Acquisition**”) of Astrotec, even though the Proposed Acquisition failed to materialize since the other members of the board of the directors of the Company were not satisfied with the due diligence results.

According to the Judgment, Mr. Sun provided a confirmation letter as supporting evidence for Madam Yu. There is no question Mr. Sun must have knowledge of the Judgment, which makes reference to the transcript of a recorded conversation among Mr. Sun, Ms. Yu Qi and Mr. Lu Jun, and rules that, as a finding of fact, Mr. Sun was the real boss of Astrotec for at least up to September 2008.

APPENDIX 5 HONG KONG HIGH COURT RULED THAT MR.SUN WAS THE REAL BOSS OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI AS NOMINEE

The then beneficial shareholding structure over Astrotec, as a finding of fact by the Court, could be simplified as follows based on Page 41 of the Judgment:



The Majority Board has communicated its concern with Mr. Sun maintained that he ceased to have any interest in Astrotec since 2006. The Majority Board is of the view that Mr. Sun is not suitable for being a director of the Company due to his non-disclosed competing business through Ms. Yu Qi and Astrotec, for the following grounds:

- (1) The Majority Board has reviewed the transcript ("**Transcript**") of the recorded conversation among Mr. Sun, Ms. Yu Qi and Mr. Lu Jun which was accepted as admissible evidence in the Judgment and agreed with the Judgment that it clearly shows Mr. Sun's involvement in Astrotec as "real boss" at least up to September 2008. Such involvement in competing business was never disclosed in prospectus or subsequent annual report of the Company.
- (2) The Judgment was delivered in January 2013, of which Mr. Sun must have knowledge given he has provided a confirmation letter as evidence to help Ms. Yu Qi contest her case. However, Mr. Sun never disclosed this Judgment to the other members of the Board and nevertheless initiated and was actively involved in a proposed acquisition of Astrotec in November 2013.
- (3) Mr. Sun has made representation to the Stock Exchange to the effect that he ceased to have any interest in Astrotec from March 2006, which was manifestly wrong according to the Judgment as well as the Transcript.

**APPENDIX 5 HONG KONG HIGH COURT RULED THAT MR.SUN WAS THE REAL BOSS
OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI
AS NOMINEE**

- (4) The Majority Board is disappointed that Mr. Sun still insisted that he ceased to have any interest in Astrotec since 2006 without providing substantive evidence, notwithstanding the Judgment as well as the Transcript.
- (5) The Majority Board found that Astrotec was still actively engaged in competing business through the following subsidiaries with Ms. Yu Qi being involved as director, and is concerned that Mr. Sun is still interested in competing business through Ms. Yu Qi up to date. Majority Board shall await Mr. Sun's further explanation and providing supporting document in this regard.

Name	Public search
Changzhou Gas	http://www.gsxt.gov.cn/%7BOi5xYLGpejMuUfWJmxyalQetQRavEfQIxp9HNJceS2VSkMtRZfnG3Nb98MrDy16PcpNOMgfU0QfOBZE0Zk0oe2hRfi3edcxVeBJBroQOstAnuZPLoK6bj2Ohb7Xe7o-rYleQsLWrGW5jjwZUII2BHQ-1486304572970%7D
Tangshan Industrial Gas	http://www.gsxt.gov.cn/%7BOi5xYLGpejMuUfWJmxyalQetQRavEfQIxp9HNJceS2VSkMtRZfnG3Nb98MrDy16PYg2F-N6s81qEqqXiwI7S6FW2yx-9EdzxQUPq6hYRvd7OexdmuK6wnCduv5QR-hS-nkHpK2F-9w9zBOaLKLK0Wg-1486304669537%7D
Xinyu Gas	http://www.gsxt.gov.cn/%7BOi5xYLGpejMuUfWJmxyalQetQRavEfQIxp9HNJceS2VSkMtRZfnG3Nb98MrDy16PNkQLUNUimPFpu8X_3ZmTpUUEo5uNZLgkZcimjMWR9y-Z1iFjUcPD74hmiLjy1E_ppF6eRe4hEoDAhu_WGUi3lw-1486304728046%7D

- (6) The Majority Board also found that, Henglong Investment, another subsidiary of Astrotec have made substantive payments to NTLD Industrial Gas in February 2009, another entity that was involved in industrial gas supply up to at least 2010. Baslow (previously controlled by Mr. Sun and currently controlled by Mr. Strutt, has made a loan of USD9,000,000 to NTLD Industrial Gas in 2007 and that Baslow is currently the sole shareholder of NTLD Industrial Gas, while the said substantive loan to competing business was never disclosed in the prospectus or annual report.

**APPENDIX 5 HONG KONG HIGH COURT RULED THAT MR.SUN WAS THE REAL BOSS
OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI
AS NOMINEE**

Set out below is the public information of NTLD Industrial Gas. For further discussion on NTLD Industrial Gas, please refer to Appendix 7 of this circular.

Name	Public search
NTLD Industrial Gas	http://www.gsxt.gov.cn/%7BJdABVrBmlpa1M1XcT9wVWtWRfXMWUgcKhUtpEVQoih_kg59Fi41Bn0YxyqvQTK-TUWOtONTHAfr5guJOpQRUVJtAIKZfeGb3TIGk1VFeUZZbAFHK77PZRSrkpF5iRTe8WVy6qf41zKV9dWatZ72w-1486338640368%7D

**APPENDIX 5 HONG KONG HIGH COURT RULED THAT MR.SUN WAS THE REAL BOSS
OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI
AS NOMINEE**

Exhibit — Hong Kong High Court Judgment (HCCW 282/2010)

Herein below is a summary of the judgment delivered by the Court of First Instance of Hong Kong (HCCW No. 282/2010) in *Lu Jun v Yu Qi & Anor.* (also known as *Re Astrotec Company Limited*) insofar as they concerned Mr. Sun or Mr. Strutt. Reader is warned to exercise due care when reading the summary as it does not contain full details of the said judgments. Full judgments are available on the website of the Judiciary of Hong Kong and are accessible through the hyperlink below:-

http://legalref.judiciary.gov.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=85533&QS=%2B&TP=JU

“14. It is common ground that the Company (i.e. Astrotec) is involved in the industrial gas supply business on the Mainland

...

22. *Significantly, as will be seen later, it also refers to the fact that the people behind Baslow were led by a person called「孫忠國」(Sun Zhongguo) (“Mr. Sun”)*

...

41. *In addition, the petitioner was allowed to become an investor in the Company. He paid for his 15 shares in the Company in the total sum of RMB3,645,000 to Mr. Sun by instalments between July 2005 and February 2006. Such payments are supported by bank transfer slips in favour of Mr. Sun produced by the petitioner.*

58. *Yu (i.e. Ms. Yu Qi (虞琪)) has produced two pieces of documentary evidence:*

(ii) A copy of a Confirmation Letter by Mr. Sun dated 21 October 2010 exhibited ...

**APPENDIX 5 HONG KONG HIGH COURT RULED THAT MR.SUN WAS THE REAL BOSS
OF ASTROTEC (COMPETING BUSINESS) THROUGH MS. YU QI
AS NOMINEE**

62. On the whole, I accept the petitioner's evidence and reject that of Yu regarding how it came about that the petitioner became a 15% shareholder in the Company. I find the following facts:

(i) The petitioner did pay the sum of RMB3,645,000 to Mr. Sun as consideration for the 15 shares in the Company which were initially transferred to the 2nd respondent who held the same as nominee for the petitioner.

...

70. At this juncture, I should record that I find the petitioner to be a straightforward, spontaneous and honest witness. On the other hand, I find Yu (i.e. Yu Qi (虞琪)) to be a sophisticated, knowledgeable and experienced businesswoman but an evasive and untruthful witness. I accept the evidence of the petitioner and reject that of Yu on the material aspects where they differ.

...

74. The evidence of the petitioner contained in his numerous affirmations contains important allegations about the involvement of Mr. Sun. Yu quite clearly had had access to Mr. Sun and should have asked him to make an affirmation and called him as a witness to counter the petitioner's allegations. She did not do so. There is therefore ample room for me to draw the inference that Mr. Sun is not in a position to deny the allegations of the petitioner regarding him. I so draw such an inference.

...

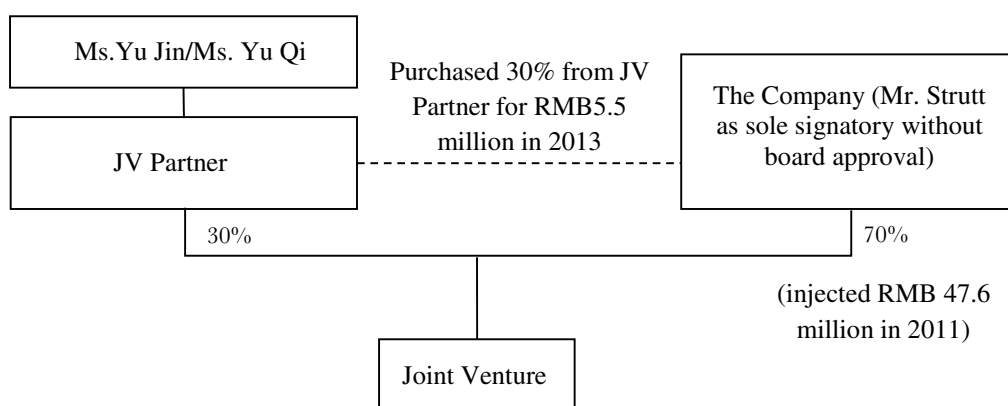
77. Finally, I have reviewed the evidence consisting of the recording and transcript of a meeting which took place between Mr. Sun, the petitioner and Yu at the Grand Hyatt Hotel, ...In my judgment, the recording and transcript show quite clearly the status and involvement of Mr. Sun. ... I find that Mr. Sun was the real boss in relation to the Company even up to September 2008. "

**APPENDIX 6 SECRET SUSPECTED CONNECTED TRANSACTION BETWEEN THE
COMPANY AND MS. YU JIN (MS. YU QI'S SISTER) WITH MR. STRUTT AS
SOLE SIGNATORY OF THE COMPANY WITHOUT INFORMING THE BOARD**

In 2011, the Company entered into a joint venture agreement (“**JV Agreement**”) with Nice On Limited, a joint venture partner (“**JV Partner**”) who was beneficially owned by and/or controlled by Ms. Yu Jin (虞謹) (“**Madam Yu Junior**”), the sister of Madam Yu (虞琪).

Later in December 2013, the Company entered into an acquisition agreement (“**Acquisition Agreement**”) to acquire the interests in the joint venture from the JV Partner which was then represented by Madam Yu in signing the JV Agreement. In light of the Judgment delivered in January 2013 which ruled that Madam Yu was nominee of Mr. Sun with respect to his interest in Astrotec (competing business), at the very least, Mr. Sun has failed to disclose his relationships with Madam Yu and the Judgment which was delivered in January 2013.

Mr. Strutt was the sole signatory of the JV Agreement and Acquisition Agreement without any board approval. Mr. Sun, Mr. Strutt and Madam Yu are long-term business partners and previous shareholders of Baslow.



In light of Ms. Yu Qi being ruled as nominee of Mr. Sun with respect to the interest in Astrotec (as set out in Appendix 5), the Majority Board has communicated its concern with Mr. Sun and Mr. Strutt with regard to the inappropriateness of the above transaction with entity controlled by Ms. Yu Jin (sister of Ms. Yu Qi), to which Mr. Sun and Mr. Strutt denied.

For the reasons set out in Appendix 5, the Majority Board duly relied on the correctness of the Judgment delivered by Hong Kong High Court and the Transcript of a recorded conversation among Mr. Sun, Ms. Yu Qi and Mr. Lu Jun, is concerned that the nominee relationship between Mr. Sun and Ms. Yu Qi did not end even after the listing, and therefore was of the view that:

- (1) Although it is not clear if Mr. Sun has any personal interest in the JV Agreement and the Acquisition Agreement. It is inappropriate that, in light of the Judgment delivered by Hong Kong High Court in January 2013, Mr. Sun failed to disclose his business partnership with Ms. Yu Qi in procuring the Company into entering into the JV Agreement and Acquisition Agreement.

- (2) The JV Agreement and Acquisition Agreement were executed by Mr. Strutt without informing the other members of the Board. It is not clear if Mr. Strutt is aware of the Judgment, but given the long-standing business relationships among Mr. Sun, Mr. Strutt and Ms. Yu Qi who were all previous shareholders of Baslow, Mr. Strutt should have executed the said agreements after seeking the Board's approval.

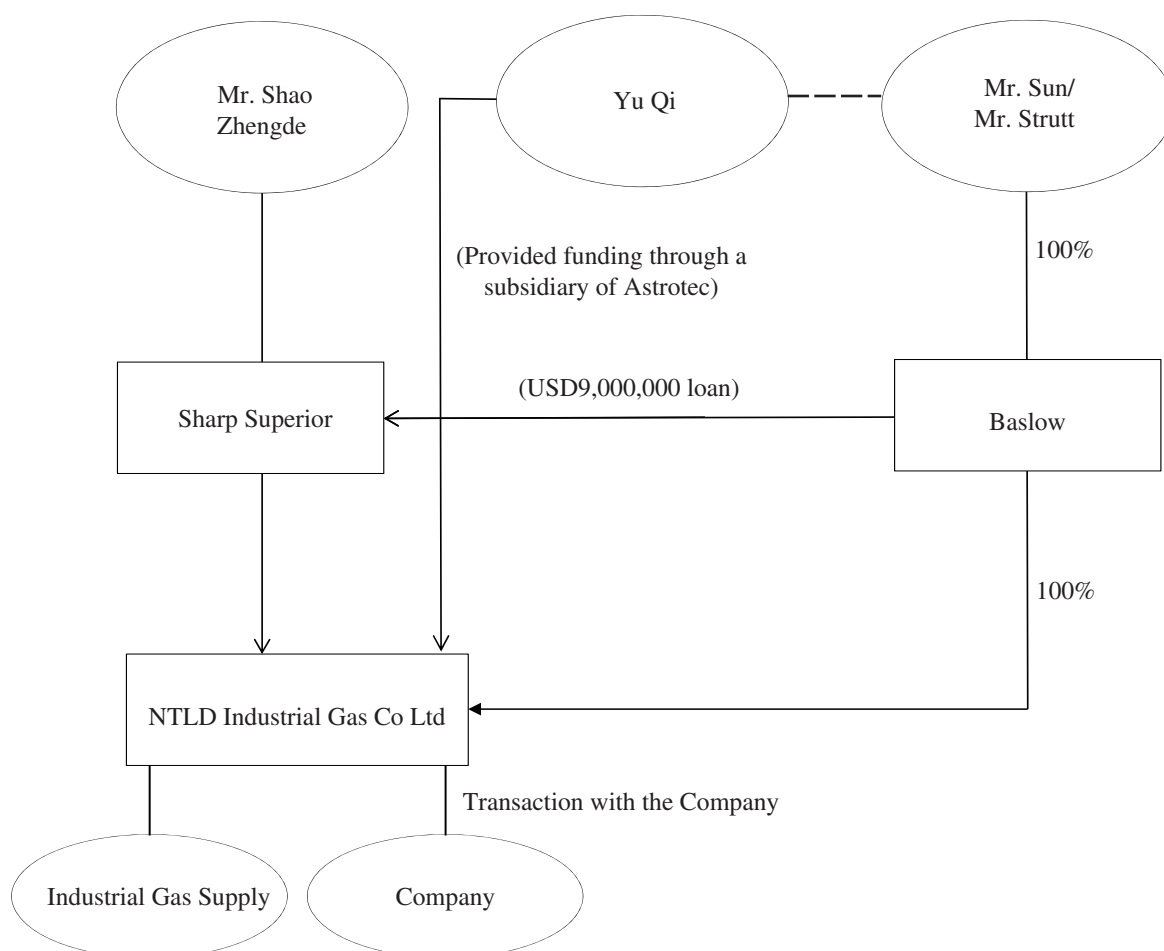
APPENDIX 7 MR. SUN AND MR. STRUTT’S NON-DISCLOSED LOAN OF USD9,000,000 TO THE SHAREHOLDER OF NTLD INDUSTRIAL GAS CO., LTD. (COMPETING BUSINESS) IN 2007, ABUSING THE COMPANY’S RESOURCES FOR NTLD INDUSTRIAL GAS CO., LTD. EVEN AFTER LISTING

It recently transpired that:

- In 2007, Baslow entered into a loan agreement (“**NTLD Loan Agreement**”) with respect to Baslow’s loan (“**NTLD Loan**”) of USD9,000,000 to Sharp Superior, the shareholder of NTLD Industrial Gas. The repayment of NTLD Loan was secured by, among others, the income arising from two subsidiaries of Sharp Superior which were engaged in industrial gas supply, i.e. competing business. The NTLD Loan was never disclosed in the prospectus or subsequent annual report of the Company. Mr. Strutt controlled Baslow while Mr. Sun was the sole signatory of the NTLD Loan Agreement.
- In 2007, Mr. Sun has assigned and/or introduced one Mr. Michael Foster, his former colleague, to be the legal representative and director of NTLD Industrial Gas up to November 2010.
- In 2009, Ms. Yu Qi, through Astrotec, remitted funding to NTLD Industrial Gas. According to the Judgment delivered by Hong Kong High Court, Mr. Sun was the real boss of Astrotec through the same Ms. Yu Qi as nominee at least up to September 2008.
- Even after listing of the Company in 2009, various transactions between the Company and NTLD Industrial Gas took place, while Mr. Sun and Mr. Strutt never disclosed their interest in a NTLD Industrial Gas and/or the NTLD Loan.
- In 2014 and up to date, Baslow become the sole shareholder of NTLD Industrial Gas.
- In 2014, Mr. Sun, by an internal email copying Mr. Strutt, assigned the full-time staff of the Company to be the legal representative and director of NTLD Industrial Gas.
- In January 2017, the Company made enquiry to Mr. Sun and Mr. Strutt requesting for release of full-time staff of the Company from the positions of legal representative and director of NTLD Industrial Gas. Mr. Sun and Mr. Strutt failed to cooperate to date.

APPENDIX 7 MR. SUN AND MR. STRUTT’S NON-DISCLOSED LOAN OF USD9,000,000 TO THE SHAREHOLDER OF NTLD INDUSTRIAL GAS CO., LTD. (COMPETING BUSINESS) IN 2007, ABUSING THE COMPANY’S RESOURCES FOR NTLD INDUSTRIAL GAS CO., LTD. EVEN AFTER LISTING

The relationship chart is set out below for ease of reference.



The Majority Board has communicated its concern on Mr. Sun and Mr. Strutt’s suspected involvement in NTLD Industrial Gas and the abuse of Company’s resources by assigning the full-time staff of the Company to take up legal representative and director position of NTLD Industrial Gas, to which the Minority Directors have contested. The Majority Board is of the following view:

- (1) Mr. Sun and Mr. Strutt, should have, but failed to disclose in prospectus and subsequent annual report the NTLD Loan of USD9,000,000, through Baslow, to Sharp Superior, the shareholder of NTLD Industrial Gas which is engaged in competing business.
- (2) NTLD Loan Agreement has certain unusual feature, for example, the NTLD Loan will be interest-free if can be repaid within one year. The above facts seem to suggest that NTLD Loan was not a loan agreed on arm’s length basis.
- (3) It is also unusual for Mr. Sun to introduce/assign Mr. Michael Foster to be the legal representative/director of NTLD Industrial Gas.

APPENDIX 7 MR. SUN AND MR. STRUTT’S NON-DISCLOSED LOAN OF USD9,000,000 TO THE SHAREHOLDER OF NTLD INDUSTRIAL GAS CO., LTD. (COMPETING BUSINESS) IN 2007, ABUSING THE COMPANY’S RESOURCES FOR NTLD INDUSTRIAL GAS CO., LTD. EVEN AFTER LISTING

- (3) Various transactions took place between NTLD Industrial Gas and the Company even after listing. At the very least, Mr. Sun and Mr. Strutt should have informed the other members of the Board about the NTLD Loan.
- (4) It recently transpired that, in 2015, the ultimate shareholder of NTLD Industrial Gas brought a claim against Yingde Gases Investment Limited (a subsidiary of the Company) and alleged that, among others, NTLD Loan was not a bona fide loan but effectively an investment and that Mr. Sun was ‘real shareholder’ of NTLD Industrial Gas. The above legal proceeding (“**NTLD Real Boss Claim**”) was handled under direct supervision of Mr. Sun and Mr. Strutt which was never disclosed to the other board members. Various supporting evidence of NTLD Real Boss Claim were provided by the ultimate individual shareholder of NTLD Industrial Gas, which includes
- (i) Correspondence showing that the management of NTLD Industrial Gas reported to Mr. Sun on the operation of NTLD Industrial Gas even after listing of the Company.
 - (ii) Email correspondence showing that Mr. Sun has assigned and/or introduced one Mr. Michael Foster, his former colleague, to be the legal representative of NTLD Industrial Gas up to November 2010.

In light of the above, Mr. Sun and Mr. Strutt should have properly informed the other members of the board of the NTLD Real Boss Claim.

- (5) Mr. Sun and Mr. Strutt should have, but never disclosed the fact that Baslow became the sole shareholder of NTLD Industrial Gas since 2014. It is also unacceptable that Mr. Sun and Mr. Strutt abused the Company’s resources by assigning Mr. Gai Yongpeng (蓋永鵬) and Mr. Zeng Surong (曾蘇榮), full-time staff of the Company to become legal representative and director of NTLD Industrial Gas to date. The public information on NTLD Industrial Gas can be found per below:

Name	Public search
NTLD Industrial Gas	http://www.gsxt.gov.cn/%7BJdABVrBmlipa1M1XcT9wVWtWRfXMWUgcKhUtpEVQoih_kg59Fi41Bn0YxyqvQTK-TUWOtONTHAfr5guJOpQRUVJtAIKZfeGb3TlGk1VFeUZZbAFHK77PZRSrpf5iRTe8WVy6qf41zKV9dWatZ72w-1486338640368%7D

APPENDIX 8**MR. SUN'S IMPROPER CASH ADVANCE FROM COMPANY IN
THE AMOUNT OF RMB4,000,000 IN JANUARY 2011, RMB38,000,000
IN SEPTEMBER 2012 AND RMB73,000,000 IN OCTOBER 2012**

Reference is made to the published announcement dated 28 March 2013 with respect to the advances by the Company of **RMB38 million and RMB73 million** to Bubbly Brooke Holdings Limited (“**Bubbly Brooke**”, an entity controlled by Mr. Sun) on 19 September 2012 and 25 October 2012 which failed to be disclosed pursuant to Chapter 14A of the Listing Rules upon occurrence and only discovered during the preparation of the annual financial statements of the Company (“**Connected Transaction Announcement**”), which provides at page 2: “*Prior to the Transactions, the Company has never made any lending or advances to Bubbly Brooke or Mr. Sun since the Company’s listing on the Exchange in 2009.*”

However, it recently transpired that, back in January 2011, an advance (“Non-disclosed Cash Advance”) of **RMB4,000,000** was paid to Mr. Sun. The Majority Board has communicated its concern with Mr. Sun who has denied any inappropriateness of the Non-disclosed Cash Advance. The Majority Board has reviewed (1) payment advices; and (2) a report letter to the Shanghai tax authority to the effect that the Non-disclosed Cash Advance was made as loan rather than bonus, and is of the view that:

- (1) Mr. Sun has not obtained the said Non-disclosed Cash Advance through proper internal procedure.
- (2) Subject to further explanation from Mr. Sun and further investigation, the Connected Transaction Announcement should be clarified to the effect that the Company’s non-disclosed cash advance to Mr. Sun shall be:

Time	Amount
January 2011	RMB 4,000,000
September 2012	RMB38,000,000
October 2012	RMB73,000,000
Total	RMB115,000,000

APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016

Disparity between (1) the considerable rise in discretionary bonus to Mr. Sun and Mr. Strutt; and (2) the income of general staff is one of the main contributing reasons for the employees losing morale and hence affecting the Company's performance in recent years.

Further the disparity between (1) the considerable rise in discretionary bonus to Mr. Sun and Mr. Strutt; and (2) financial and share price performance decline also led to questions and criticism from investors on various occasions.

Set out below are facts showing such disparity:

	Year ended 31 December 2014	Year ended 31 December 2015
Value Weighted Average Share Price	HK\$6.723	HK\$4.748
Basic earnings per share	RMB0.5	RMB0.3
Discretionary bonus to Mr. Sun	RMB3,240,000	RMB4,691,000
Discretionary bonus to Mr. Strutt	RMB1,007,000	RMB2,031,000
Discretionary bonus to Mr. Zhao	Nil	Nil

- **For 2014 and 2015**, the Company stopped paying bonus to most of the employees.
- **In January 2014**, the Company sent a notice to inform the employees of adjusting the housing fund contribution to the minimum legal requirements standard.
- **In February 2015**, the Company sent a notice to inform the employees of a general 25% pay cut.
- **In June 2016**, the Company sent a notice to inform employees of possible delay in salary payments for May and June 2016.
- **In October 2016**, the Company sent a notice to the manager-level staff requiring them to help Company seek financing by pledge of equipment for a minimum amount of RMB5,000,000, failing which the responsible staff will face 2-month salary deduction.

The Majority Board has communicated its concern with Mr. Sun and Mr. Strutt who have contested the inappropriateness, and is of the view that:

- (1) although the bonus amount proposed by Mr. Sun and Mr. Strutt were all approved by remuneration committee of the Board, the morale of staff who have been subject to pay cut and welfare deduction since 2014 were greatly affected. The Majority Board considers that the senior management's income shall align with the general staff. By whatever parameters (be it profits of the year or otherwise), income standard between senior management and general staff should generally align.

APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016

- (2) The Majority Board also noted that the general employees' pay cut and welfare deduction was initiated by Mr. Sun (then chairman and chief executive officer) but not approved by the remuneration committee of the Board and considers that such matters should be approved by the remuneration committee going forward.
- (3) The Majority Board considered. that salary deduction as penalty for employees failing to help Company raise the requisite financing amounts were all due to the strained cashflow but considered that such measures as initiated by Mr. Sun (then chairman and chief executive officer) was against the laws and regulations and therefore should be condemned.

**APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY
BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY
BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE
FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016**

**Exhibit — Notice of reduction of housing fund contribution for
the Company's employees since 2014**



盈德气体

YINGDE GASES

2014【人通字】1号

关于盈德集团各项目单位调整住房公积金的通知

盈德气体各成本中心：

一、即日起，各成本中心根据当地政府规定，重新调整住房公积金缴纳比例；

二、请按当地政府部门规定的公积金调整时间，在当地政策允许的情况下，以最低比例缴纳；

三、原按规定不缴纳公积金的员工，继续执行不缴纳的政策；

四、各地调整后的比例请及时上报人力资源部及财务部备案。



报：孙总

发：盈德气体各子公司、分公司、代表处、办事处

备：人力资源部

APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016

YINGDE GASES

2014[Human Resources Notice] No.1

Notice in Relation to Adjustment to Housing Fund Contribution
of Each Project Unit of the Group

Each Cost Center of the Group:

1. With effect from today, each cost center shall adjust the ratio of Housing Fund contribution in accordance with requirements by respective local authority;
2. Please pay the Housing Fund contribution at the lowest ratio as allowed by the local policies within the timeframe set up by the local authorities;
3. Continue non-payment for employees for whom the Group was not required to pay the Housing Fund contribution under the original requirement;
4. Please report the adjusted ratio to Human Resources Department and Finance Department as soon as possible.

Human Resources Department
of the Group

6 January 2014

Report to: Mr. Sun

Issued to: All Subsidiaries, Branches, Representative Offices, Business Establishments

Filed to: Human Resources Department

**APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY
BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY
BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE
FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016**

Exhibit — Notice of 25% salary pay cut for general employees since February 2015



盈德气体

YINGDE GASES

2015【人通字】3 号

关于集团全体员工降薪 25%的通知

鉴于目前国内外经济及行业形势，结合集团目前的经营状况，确保集团稳健的经营与发展，并承担更大的社会责任，保障员工不下岗、不失业。经集团人力资源部决定：从 2015 年 2 月起集团全体员工降薪 25%。

请各位工厂经理、集团各部门主管在确保工厂正常生产经营情况下，做好员工工作。如有合适理由，可先向集团人力资源总监陈述。



签发部门：集团人力资源部

签发人：焦真

发：盈德气体集团各部门，各子公司、分公司经理

抄：盈德气体集团高层领导

APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016

YINGDE GASES

2014[Human Resources Notice] No.3

Notice in Relation to Pay Cut of 25% for All Employees

With regard to the international and global economic and industrial conditions, in connection with the current operation of the Group, to ensure steady operation and development of the Group, to take up more social responsibilities, and to avoid employee lay-offs, the Human Resources Department decided to implement the pay cut of 25% of all employees since February 2015.

Each manager of factories and responsible person of each department of the Group please ensure orderly operation of factories and calm employee. If necessary, please report any appropriate reason to the Chief Human Resources Officer first.

Human Resources Department
of the Group

6 February 2015

Issued by: Jiao Zhen

Issuing Department: Human Resources Department

Issued to: All Departments, Subsidiaries, Managers of all Branches of the Group

Cc: Senior Management of the Group

**APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY
BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY
BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE
FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016**

Exhibit — Notice of possible delay in salary payment for May and June 2016

APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016

寄件者: 人力资源 [mailto:hr@vingdegas.com]

寄件日期: 2016 年 6 月 2 日 14:14

收件者: 安作民; 柴杰; 陈海军; 陈建钢; 陈洪聘; 陈捷; 陈晋; 陈凯; 陈群; 陈耀康; 程义浩; 仇庆壮; 党金民; 段伟; 方明(上海); 傅家善; 高进成; 高如辉; 高岁胜; 高新德; 弓晓东; 顾维恺; 顾小平; 谷小明(包头经理助理); 郭宝祥; 郭治国; 何旭坤; 侯祥兵; 侯新刚; 胡志刚(调度室主任); 花强; 黄剑海; 黄斯颖; 黄有满; 黄志君; 季翠红; 姜洪刚(主管); 焦真; 焦迟林; 贾小虎; 姜国荣; 李丙海; 李国梁; 李海; 李开斌; 李秋实; 李瑞奇(集团安全部); 李治平; 李妍(项目执行部); 李永胜; 连建忠(副总工程师); 廖友军; 林杰辉; 梁健辉; 梁浪笃; 梁日钧; 廖治鹏; 刘建平(湖南); 刘京提; 刘磊(邹平); 刘雄飞; 刘永旭; 刘勇(天津); 刘展; 卢之纯; 陆宣东; 倪爱民; 钱国跃; 屈秀廷; 权延峰; 邵鸿智; 沈威; 宋林军; 宋松; 孙宾(常州盈德); 孙彬(仪电部电气); 孙松楠; 孙毅; 申恩朋; 汪浩(铜陵); 王健; 王虎田; 王久朝; 王磊(CES); 王力(总裁助理); 王庆平; 王英梅; 汪勇; 韦鑫; 伍晓娟; 夏洪强; 夏秩; 肖桂林; 邢小赞; 徐根柱; 徐前进; 徐磊; 杨斌(日照); 杨建伟(总经理助理); 杨良; 杨擎宇; 尹必军; 尹康; 于建川; 俞国厅; 袁乐民; 曾苏荣; 章铭真; 张臣(河北); 张建业; 张建忠; 张建富; 张琳霞; 张磊; 张强(喀什); 张辉(天津); 张顺开; 张香全; 张新利; 赵厚伟; 赵艳平; 查惠清; 郑朋利; 钟斌; 钟明钢; 朱学良

主旨: YD-关于 2016 年 5 月、6 月份工资可能暂缓发放的通知

盈德气体各项目/运行经理、财务人员：

公司受短期融资还贷压力，有可能暂缓发放 2016 年 5 月、6 月份员工工资，目前公司正在努力运作，要求各位

项目/运行经理做好员工维稳工作。

另，要求各运行经理、财务人员提前与各税务部门及社保中心进行沟通，延缓各类税收及社保金缴纳事宜。

集团人力资源部

2016 年 6 月 2 日

To: project/operation manager, financing department colleagues:

The Company is facing tremendous short-term financial pressure to repay loans and therefore might be late in paying salary in May and June of 2016. The Company is working hard to operate as usual, and would appreciate all the projects/operation manager to calm and stabilize the employees.

On another note, all the operation manager, financial department staff should consult with the tax department and social security department to discuss about deferring tax payments and social security payments.

Human Resources Department of the Group

2 June 2016

**APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY
BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY
BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE
FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016**

**Exhibit — Notice requiring manager-level employees to raise financing by pledge of
equipment for the Company, with 2-month salary deduction as penalty for
failure to raise at least RMB5,000,000**



盈德气体

YINGDE GASES

2016【运行/财务/人事联字】1号

关于各运行工厂融资的通知

各运行工厂运行经理、财务：

即日起至 11 月 30 日，运行经理和财务根据所属工厂空分装置数量，完成融资目标。以每一套空分装置融资 500 万~1000 万为融资标准计算，融资 500 万以下，扣运行经理和财务 2 个月工资；融资 500 万~1000 万之间，属于完成融资目标；融资 1000 万以上，对运行经理和财务有奖励。

请各运行工厂财务人员在融资截止日前，将融资情况发邮件至人事部张金。

此通知自发布之日起执行。

集团人力资源部



签发部门：集团人力资源部

发：盈德气体各运行工厂运行经理、财务

抄：盈德气体集团高层领导

APPENDIX 9 MR. SUN AND MR. STRUTT ENJOYED CONSIDERABLE RISE IN DISCRETIONARY BONUS IN 2015 WHILE EMPLOYEES GENERALLY HAVE NOT RECEIVED ANY BONUS SINCE 2014, SUFFERED 25% PAY CUT SINCE FEBRUARY 2015 AND WERE FOREWARNED OF SALARY PAYMENT DELAY FOR MAY AND JUNE 2016

YINGDE GASES

2016[Operation/Finance/Human Resources Notice] No. 1

Notice in Relation to Fund Raising by Each Operating Factory

Operation Manager and Finance Officer of Each Operating Factory:

With effect from today to 30 November, operation manager and finance officer shall meet the fund raising targets based on the number of air separation plants in each of their corresponding factory. The basis of fund raising targets is RMB5 million to RMB10 million for each air separation plant, if the funds raised are less than RMB5 million, two month salaries shall be deducted by the Group for each operation manager and finance officer; if the funds raised are between RMB5 million to RMB10 million, the fund raising targets shall be regarded as being met; if the funds raised are more than RMB10 million, rewards will be granted to each operation manager and finance officer.

Finance officer of each operating factory please report progress of fund raising by email to Zhang Jin of Human Resources Department prior to the due date of the fund raising period.

This notice shall be in effect from the date of issue.

Human Resources Department

8 October 2016

Issued by: Jiao Zhen

Issuing Department: Human Resources Department

Issued to: Operation Manager and Finance Officer of Each Operating Factory of the Group

Cc: Senior Management of the Group

**APPENDIX 10 MR. STRUTT USED COMPANY’S CREDIT CARD TO PAY FOR FAMILY TRIPS
TO AUSTRALIA(WHERE THE COMPANY HAS NO BUSINESS WHATSOEVER)
AND HIS SON’S SCHOOL FEE FOR UNIVERSITY OF SUSSEX**

It recently transpired that Mr. Strutt has used the Company credit card to settle personal bills. Set out below are the selected expense items only.

	Date	Credit Card Items	Amounts
(a)	04.12.2014	University of Sussex	HK\$33,505.15
(b)	10.09.2015	www.sussex.ac.uk	HK\$246,896.48
(c)	21.09.2016	www.sussex.ac.uk	HK\$155,561.32
(d)	05.04.2016	Cathay Pacific airtickets of Mr. Strutt, his wife and his sons to Australia	HK\$95,620.00
(e)	24.08.2016	Cathay Pacific business class airticket of Mr. Strutt’s son to United Kingdom	HK\$47,436.00

The Majority Board has communicated its concern with Mr. Strutt who contested that all the expenses items are for legitimate purpose. The Majority Board considers that family trips and children school fee should not be reimbursed by the Company and will propose a board resolution to demand Mr. Strutt for refund.

One selected credit card monthly statement of around HKD250,000 was exhibited.

APPENDIX 10

**MR. STRUTT USED COMPANY'S CREDIT CARD TO PAY FOR FAMILY TRIPS
TO AUSTRALIA(WHERE THE COMPANY HAS NO BUSINESS WHATSOEVER)
AND HIS SON'S SCHOOL FEE FOR UNIVERSITY OF SUSSEX**

**Exhibit — Company's credit card statement showing the Company's payments for the
University of Sussex school fee for Mr. Strutt's son**

**MR. STRUTT USED COMPANY'S CREDIT CARD TO PAY FOR FAMILY TRIPS
TO AUSTRALIA(WHERE THE COMPANY HAS NO BUSINESS WHATSOEVER)
AND HIS SON'S SCHOOL FEE FOR UNIVERSITY OF SUSSEX**

HSBC 滙豐 The Hongkong and Shanghai Banking Corporation Limited
香港上海銀行有限公司

STATEMENT OF BUSINESS CARD ACCOUNT 公司卡戶口結單

Page 01/03

MR TREVOR RAYMOND STRUTT
RM 12-13 32/F BLK 2
TIMES SQUARE
CAUSEWAY BAY HK

M
05392
HCMS2

Account number 戶口號碼	
Card type 信用卡類別 World Business MC	Credit limit 信用限額 HKD300,000.00
Statement date 結單日 07 OCT 2015	Statement balance 結單結欠 HKD250,451.98

Post date 附單日期	Trans date 交易日期	Description of transaction 交易說明		(HKD) 金額
		OPENING BALANCE		10,825.15
92OCT	02OCT	PAID BY AUTOPAY - THANK YOU		10,825.15C
67OCT	07OCT	A/C ANNUAL FEE		785.00
		5592 4035 3445 3064 TREVOR STRUTT		
10SEP	16SEP	SMARTONE AUTOPAY		1,646.50
13SEP	20SEP	MNH_SUSSEX_A/C_UK	HK	
		KHUN TONG	GB	5,741.19
		01275678226	GBP	78,282.90
		EXCHANGE RATE: 12.22794		
11SEP	10SEP	MNH_SUSSEX_A/C_UK	GB	14,450.00
		01273678226	GBP	176,695.58
		EXCHANGE RATE: 12.22793		
14SEP	11SEP	TUB NETWORK VISION LTD	HK	148.00
16SEP	15SEP	PCCN (NETVIGATOR)/NON T	HONG KONG*	572.00
30SEP	29SEP	PCCN (FIXED LINE / IDD	HK	411.00
<p>*For credit card transactions effected in currencies other than Hong Kong dollars, the exchange rate applied includes a handling fee equivalent to 1.95% of each transaction. The fee relating to foreign currency transaction is not applicable to RMB Business Card.</p> <p>敘每項以非港元進行的信用卡交易，房加外幣匯率已包括交易金額 1.95% 的手續費。外幣交易所指買賣用不適用於人民幣公司卡。</p>				
***** REWARD CASH SUMMARY FOR CARD NUMBER 5592 4033 3445 3064 *****				
REWARD CASH EARNED :				999
REWARD CASH ADJUSTED :				999-
REWARD CASH REFERRED :				0

School fee of

*For credit card transactions effected in currencies other than Hong Kong dollars, the exchange rate applied includes a handling fee equivalent to 1.95% of each transaction. The fee relating to foreign currency transaction is not applicable to RMB Business Card.

XXXX REWARD CASH SUMMARY FOR CARD NUMBER 5592 4033 3445 3064 XXXX			
REWARD CASH EARNED	:		999
REWARD CASH ADJUSTED	:		999-
REWARD CASH REDEEMED	:		0

Note : See reverse side for important information about your account. For more information, please call our Credit Cards Customer Service Hotline on (852) 2748 8288.

注意： 訪多爾實頁有關於戶口的重要資料。如有任何，請聯絡本行
信用卡客戶服務熱線，電話：(852) 2748 8288。

Minimum payment summary	最低付款摘要	HKD
Current minimum payment due	目前最低付款額	3,277.00
Please pay by	須於此付款到期日前繳交	02 NOV 2015
Overdue / over limit due now	須立即繳交的過期款項 / 超額款項	0.00
Total minimum payment due	最低付款總額	3,277.00

HSBC 滙豐 Payment Slip 付款存根

Account number 戶口號碼	Card type 信用卡類別 World Business HC
Statement date 結單日 07 OCT 2015	Statement balance 結單結欠 HKD250,451.98
Cheque number 支票號碼	Amount enclosed 夾帶金額 BY AUTOPAY

☐ Tick box for change of correspondence address or telephone number.
See reverse side.
如地址或電話號碼有變更，請在此方格內打“V”，並向本局申報。

If you are paying by mail, please detach this payment slip and return it with a crossed cheque made payable to "The Hongkong & Shanghai Banking Corporation Limited" or "HSBC" at least three working days before the payment due date to our Centre, PO BOX NO. 73735, KOWLOON CENTRAL POST OFFICE HK. Please write your account number on the back of the cheque.

如以郵寄方式付款，請將此款項存根，於付款到期前三個工作天前，寄回「香港上海銀行有限公司」或「滙豐」為期的郵遞支票，寄回 PO BOX NO. 73735, KOWLOON CENTRAL POST OFFICE HK.

以上中心收，始是支票寄上主的工作完成。

After the Management Restructuring in November 2016, the Majority Board came to notice that the Company has paid salary to Mr. Strutt's son for the period between May 2015 and November 2016, while he has never reported duty.

The Majority Board has communicated its concern with Mr. Strutt who has denied any inappropriateness. The Majority Board will propose a board resolution to demand refund of salary and an explanation from Mr. Strutt.

Mandatory provident fund certificate for Mr. Strutt's son as employee was exhibited.

**Exhibit — Mandatory Provident Fund Certificate of Mr. Strutt's son who has received salary
from the Group from May 2015 to November 2016 but never reported duty**

中銀國際英國保誠信託有限公司 BOCI-Prudential Trustee Limited		 中銀國際 PRUDENTIAL BOCI INTERNATIONAL 英國保誠	
 Strutt William Raymond Flat 12-13 32/F Block 2 Times Square 1 Matheson Street Causeway Bay Hong Kong Yingde Gases (Hong Kong) Company Limited		發出日期 Issued Date: 03/07/2015	
ECMP/EE/20150703/0117/0189			
成員證明書 Membership Certificate			
計劃名稱	Name of Scheme	: 中銀保誠簡易強積金計劃	
計劃編號	Scheme No	: 00059428477	
BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme			
受託人資料 Details of Trustee			
受託人名稱	Name of Trustee	: 中銀國際英國保誠信託有限公司 BOCI-Prudential Trustee Limited	
通訊地址	Correspondence Address	: 香港銅鑼灣威非路道18號萬國寶通中心24樓2403室	
		Unit 2403, 24/F., Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong	
電話號碼	Telephone No.	: (852) 2929 3030	
傳真號碼	Facsimile No.	: (852) 2151 0999	
成員資料 Personal Details of Member			
成員姓名	Name of Member	: Strutt William Raymond	
身份證/護照號碼	HKID/Passport No.	: [REDACTED]	
出生日期	Date of Birth	: [REDACTED]	
受僱日期	Date of Employment	: 01/05/2015	
僱主名稱	Name of Employer	: 盈德氣體香港有限公司	
		Yingde Gases (Hong Kong) Company Limited	
<p>請檢查及核實在此成員證明書上所載閣下的個人資料及隨函附上的投資資料，如有差異，請即向受託人作出書面通知。為保障閣下首次登入互動電話系統/互聯網之個人密碼，您的香港身份證/護照號碼將不會完全披露在此證明書上（請參閱閣下之登入互動電話系統使用方法）。</p> <p>Please examine your personal details as stated in this Membership Certificate and your investment details as specified in the attached sheet. Kindly notify the Trustee immediately in writing of any discrepancies. In order to protect the first login PIN number of your IVRS/Internet account, your HKID/Passport number will not be shown in full (please refer to the attached login instruction).</p> <p>此成員證明書為電腦編印，無須簽署。</p> <p>This Membership Certificate is computer generated. No authorized signature is required.</p>			

Ref.: VIP/CS00002August07

中銀國際英國保誠強積金卡 BOCI-Prudential MPF Card		 中銀國際 PRUDENTIAL 英國保誠	
Strutt William Raymond 計劃編號 Scheme No. : 00059428477 成員編號 Member No. : 00014 卡編號 Card No. : (D0230)		持卡人簽署 Authorized Signature  此卡不得轉讓使用，持卡人簽署後即生效 (This card is valid only when signed by the Cardholder's signature)	
強積金客戶服務熱線 MPF Services Hotline 2929-3030 網址 Website: http://www.bocp.com		<p>* 此卡只發給中銀國際英國保誠強積金計劃之現時成員（「計劃成員」），並只作為享有指定特別優惠之用。持卡人收到此卡時應立即在卡上簽署及小心保管。</p> <p>* This Card will only be issued to the prevailing Member of BOCI-Prudential Easy-Choice Mandatory Provident Fund Scheme (the Member) for the sole purpose of enjoying special privileged offers. Cardholder should sign this Card immediately upon receipt and keep it safe.</p> <p>* 持卡人於付款前出示此卡享有有關機構提供之指定特別優惠，該等機構保留提供優惠予持卡人之最終決定權，並可隨時修改所提供之優惠。</p> <p>* Please present this Card prior to payment to enjoy special privileged offers provided by various companies. These companies reserve the right to reserve full discretion on giving such offers to Cardholders as well as making revisions on such offers from time to time.</p> <p>* 此卡屬中銀國際英國保誠信託有限公司所有，如有拾獲，請交回香港銅鑼灣威非路道18號萬國寶通中心24樓2403室。</p> <p>* This is the property of BOCI-Prudential Trustee Limited. If found, please return to Unit 2403, 24/F., Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.</p> <p>* 如持卡人已不屬計劃成員，應將此卡交還中銀國際英國保誠信託有限公司。</p> <p>* If the Cardholder has ceased to be the Member, please return this Card to BOCI-Prudential Trustee Limited.</p>	

Ref.: CS6 VIP/CS00002August07

In addition to the general 25% pay cut for employees whose monthly salary is more than RMB15,000 since February 2015, Mr. Sun also habitually ordered salary deduction by random email, sometimes all the employees assigned on the same project were subject to 50% salary deduction regardless of individual performance, and sometimes the matters leading to salary deduction could be an isolated incident such as a stranger entering into Mr. Sun's office.

As a result, it is only natural that employees were losing morale. The salary deduction was generally against the PRC labour laws and regulations and many employee victims left the Company.

Since 2014 to August 2016, at least 354 employees were subject to salary deduction ordered by Mr. Sun.

Recent examples of salary deduction in 2016 are shown as follows:

“主題: yd - 雅安項目

各位，

雅安項目一拖再拖，損失巨大！總部已經忍無可忍了！

焦總，所有和本項目有關的人員，扣除6月份50%的工資！

- 孫

Subject: yd - Ya'an Project

Dear All,

Ya'an Project is delayed repeatedly and we suffer great losses! The headquarters cannot bear it anymore!

Manager Jiao, the salaries of all the persons related to this project in June will be deducted by 50%!

- Sun”

“主題: yd - 擅自闖入辦公區域

焦總，

今晨發生了外人闖入辦公區域的事件，為了培養員工的防範意識，全體上海辦每人扣100元！

黨秘書扣200元，沒有因為沒有看好孫總辦公室。

- 孫

Subject: yd - Administrative Area Trespass

Manager Jiao,

There was a trespass incident in the administrative area this morning. To foster the precaution consciousness of the employees, the salaries of all the employees in Shanghai Office will be deducted by RMB100!

The salary of Secretary Dang will be deducted by RMB200, because of her failure to guard Chairman Sun's office.

- Sun"

The Majority Board does not agree with Mr. Sun's management philosophy with emphasis on salary deduction penalty, and condemned such random deduction which is against the law and also leads to employees losing morale and therefore affecting the Company's performance in recent years.

Since Management Restructuring in November 2016, there was no further incident of random salary deduction and the employees' morale has been improved accordingly.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Yingde Gases Group Company Limited

盈德氣體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02168)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Yingde Gases Group Company Limited (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 8 March 2017 at the office of Zhuhai Yingde Gases Co., Ltd., Dianchang South Road, Gaolangang Economic Zone, Zhuhai City, PRC to consider and, if thought fit, approve the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

The Board & Zhao Requisitions set out the following ordinary resolutions for Shareholders to consider, if thought fit, to pass the following ordinary resolutions:

1. THAT ZHONGGUO SUN be and is hereby removed as a director of the Company.
2. THAT TREVOR RAYMOND STRUTT be and is hereby removed as a director of the Company.

By order of the Board
Yingde Gases Group Company Limited
Zhao Xiangti
Chairman

Hong Kong, 9 February 2017

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) In order to be valid, a form of proxy must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting or any adjourned meeting thereof, if they so wish.
- (iv) For the purpose of determining members who are qualified for attending the EGM, the register of members of the Company will be closed from 3 March 2017 to 8 March 2017 (both days inclusive), during which period no transfer of the shares will be effected. In order to qualify for attending the above meeting or any adjournment thereof, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 2 March 2017.
- (v) As at the date of this notice, the executive directors of the Company are Mr. Zhao Xiangti, Mr. He Yuanping and Mr. Zhang Yunfeng, the non-executive directors of the Company are Mr. Zhongguo Sun, Mr. Trevor Raymond Strutt and Mr. Suo Yaotang; and the independent non-executive directors of the Company are Mr. Zheng Fuya, Dr. Wang Ching and Dr. Feng Ke.
- (vi) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.