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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 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.

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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)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an Annual General Meeting of Yingde Gases Group Company Limited (the "Company") to be held at The Executive Centre Hong Kong Limited, Level 3, Three Pacific Place, 1 Queen's Road East, Hong Kong on 29 April 2015 at 3:00 pm is set out on pages 14 to 18 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the meeting, 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 17M 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.

26 March 2015

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at The Executive Centre Hong Kong Limited, Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong on 29 April 2015 at 3:00 pm and notice of which is set out on pages 14 to 18 of this circular, or where the context so admits, any adjournment thereof
“Articles of Association”	the articles of association of the Company adopted on 12 September 2009 and effective on 8 October 2009, and as amended from time to time
“associate(s)”	has the meaning given to it by the Listing Rules
“Baslow”	Baslow Technology Limited, an investment holding company incorporated in the British Virgin Islands
“Board”	the board of Directors
“Bubbly Brooke”	Bubbly Brooke Holdings Limited, an investment holding company incorporated in the British Virgin Islands
“Cayman Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 March 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Mr. Nie”	Mr. Nie Kuang

DEFINITIONS

“Mr. Strutt”	Mr. Trevor Raymond Strutt, executive Director and chief operation officer of the Company
“Mr. Sun”	Mr. Zhongguo Sun, chairman, executive Director and chief executive officer of the Company
“Mr. Zhao”	Mr. Zhao Xiangti, executive Director
“Ms. Li”	Ms. Li Hongmei, Mr. Sun’s mother-in-law
“Peace & Smooth”	Peace & Smooth (Hong Kong) Investment Limited, an investment holding company incorporated in Hong Kong
“PRC”	The People’s Republic of China (excluding, for the purposes of this circular, Hong Kong, Macau and Taiwan)
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“Prospectus”	the prospectus of the Company dated 24 September 2009
“RMB”	Renminbi, the lawful currency of the PRC
“Rongton”	Rongton Investments Limited, an investment holding company incorporated in the British Virgin Islands
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“%”	per cent

LETTER FROM THE 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. Zhongguo Sun (*Chairman*)
Mr. Zhao Xiangti
Mr. Trevor Raymond Strutt

Independent Non-executive Directors:

Mr. He Yuanping
Mr. Zheng Fuya
Dr. Wang Ching

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

26 March 2015

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with an explanatory statement containing information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the following proposals to be put forward at the Annual General Meeting: (i) the grant of general mandates to the Directors to issue and repurchase Shares and (ii) the re-election of the retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and discretion to the Directors, in the event that it becomes desirable to issue any Share, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to issue Shares. At the Annual General Meeting, an ordinary resolution no. 5(A) will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with new Shares in the share capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company immediately after the passing of the resolution in relation to such general mandate. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,815,573,500 Shares. Subject to the passing of ordinary resolution no. 5(A) and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 181,557,350 Shares. In addition, subject to a separate approval of the ordinary resolution no. 5(C), the number of Shares purchased by the Company under ordinary resolution no. 5(B) will also be added to the 10% general mandate as mentioned in the ordinary resolution no. 5(A). The Directors wish to state that they have no immediate plans to issue any new Shares of the Company pursuant to such general mandate.

In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase of Shares by the Company, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to that purchase of its own securities, without the prior approval of the Stock Exchange.

GENERAL MANDATE TO REPURCHASE SHARES

In addition, an ordinary resolution will be proposed to approve the granting of a Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company immediately after the passing of the resolution in relation to such Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 84(1) of the Articles of Association, Mr. Zhao Xiangti and Dr. Wang Ching shall retire by rotation, and being eligible, have offered themselves for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 14 to 18 of this circular is the Notice of Annual General Meeting at which, *inter alia*, ordinary resolutions will be proposed to Shareholders to consider and approve the grant to the Directors of general mandates to issue and repurchase Shares and the re-election of the retiring Directors.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. 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 Annual General Meeting, 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 Annual General Meeting. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

VOTING BY POLL

All the resolutions set out in the notice of the Annual General Meeting will be decided by poll in accordance with the Listing Rules. The chairman of the Annual General Meeting will explain the detailed procedures for conducting a poll at the Annual General Meeting.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by 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.

RECOMMENDATION

The Directors consider that the proposed granting of the general mandate to the Directors to issue Shares and repurchase Shares and the proposed re-election of the retiring Directors are in the interests of the Group and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
By order of the Board
Yingde Gases Group Company Limited
Zhongguo Sun
Chairman

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.

Mr. Zhao Xiangti

Mr. Zhao Xiangti, aged 56, was initially appointed as an executive Director on 12 November 2007 and was subsequently re-elected as a Director on 15 June 2012. Mr. Zhao was one of the founders of our Group and has participated in our management, business development and expansion since October 2001. Mr. Zhao is responsible for domestic finance planning and support in the PRC within our Group. Mr. Zhao has years of experience in the industrial gas industry. Mr. Zhao received a Bachelor of Engineering from Hebei Science and Technology University in 1982.

Mr. Zhao entered into a service contract with the Company on 12 November 2007. The Articles of Association provides at least one-third (or the number nearest to but not less than one-third) of the Directors shall retire from office by rotation, and be eligible for re-election. Under the service contract, Mr. Zhao is entitled to RMB884,000 in remuneration for the year ended 31 December 2014. His remuneration is determined by reference to the prevailing market conditions and his duties and responsibilities in the Company.

As at the Latest Practicable Date, Mr. Zhao was interested in 234,196,585 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Zhao does not hold any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed, he has no other relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other matter concerning with Mr. Zhao that needs to be brought to the attention of the Shareholders and there is no information relating to Mr. Zhao's re-election which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

Dr. Wang Ching

Dr. Wang Ching, aged 60, was initially appointed as an independent non-executive Director on 4 December 2009 and was subsequently re-elected as a Director on 15 June 2012. Dr. Wang has more than 20 years of working experience in global financial industry specialising in asset management, direct investment, corporate finance, equity and fixed income trading/sales with particular focus in the U.S. and the Greater China region. Dr. Wang is currently the managing director of Shanghai International Asset Management (HK) Co. Ltd., a licensed corporation registered with Hong Kong Securities and Futures Commission, and the executive director of Shanghai International Shanghai Growth Investment Limited, an investment fund company listed on the Stock Exchange (stock code: 770). He also serves as an independent non-executive director of Minth Group Limited (stock code on the Stock Exchange: 425), a leading supplier of exterior automobile body parts in China as well as China Singyes Solar Technologies Holdings Limited (stock code on the Stock Exchange: 750), a fast growing professional thin-film BIPV building engineering company, in which he advises senior

APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

management on business strategies and financial development in the fast changing China market. Dr. Wang had served as the CEO of the Investment & Proprietary Trading Group for Jih Sun Financial Holding Co., Ltd. in Taiwan, Chairman of FENB Securities, Inc. in U.S., Managing Director of SinoPac Securities (Asia) Hong Kong, Managing Director of JS Cresvale International Securities, Director of Investment Banking of Standard Chartered Bank in Hong Kong, and Associate Director of Bear Stearns & Co., Inc. in New York. Dr. Wang received his Ph.D. in Finance from Columbia University in New York.

Dr. Wang entered into a letter of appointment which constitutes a service contract with the Company on 4 December 2009. The Articles of Association provides at least one-third (or the number nearest to but not less than one-third) of the Directors shall retire from office by rotation, and be eligible for re-election. Under the letter of appointment, Dr. Wang is entitled to RMB317,000 in remuneration for the year ended 31 December 2014. His remuneration is determined by reference to the prevailing market conditions and his duties and responsibilities in the Company.

As at the Latest Practicable Date, Dr. Wang was not interested in any of the Shares, within the meaning of Part XV of the Securities and Futures Ordinance.

Saved as disclosed above, Dr. Wang does not hold any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed, he has no other relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other matter concerning with Dr. Wang that needs to be brought to the attention of the Shareholders and there is no information relating to Dr. Wang's re-election which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,815,573,500 Shares of nominal value of US\$0.000001 each. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 181,557,350 Shares which represent 10% of the issued share capital of the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange with more flexibility. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association and the Cayman Companies Law. The Cayman Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company, out of the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase or out of capital subject to and in accordance with the Cayman Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Cayman Companies Law.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the current prevailing market value, it may not have a material adverse impact on the working capital and on the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company.

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates, as defined in the Listing Rules, currently intends to sell any Shares to the Company or its subsidiaries, in the event that the Proposed Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power pursuant to the Proposed Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, and the Articles of Association.

No core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Proposed Repurchase Mandate is approved by the Shareholders.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Saved as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Proposed Repurchase Mandate.

The following parties constitute the core group of Shareholders who are currently considered as exercising voting control over the relevant shares of the Group held through the relevant shareholding companies: Baslow, Bubbly Brooke, Peace & Smooth and Rongton.

As Baslow, Bubbly Brooke, Peace & Smooth and Rongton are currently considered to collectively exercise control over more than 30% of the voting power of our Company, accordingly, these entities together with Ms. Li, Mr. Strutt, Mr. Nie and Mr. Zhao are considered to comprise the group of controlling Shareholders of the Company and are therefore considered to be parties acting in concert for the purpose of the Takeovers Code. For further details, please refer to the section headed "Our History and Reorganization — Reorganization" in the Prospectus.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the interests or short positions under Securities and Futures Ordinance Part XV of Ms. Li, Mr. Strutt, Mr. Zhao, Mr. Nie, Baslow, Bubbly Brooke, Peace & Smooth and Rongton in the Shares are as follows:-

Name	Nature of interest	No. of Shares and underlying Shares interested	Approximately (%) of the issued share capital
Baslow	Beneficial owner	184,352,961 (long position)	10.15%
Mr. Strutt	Founder of a discretionary trust	184,352,961 (long position)	
	Beneficial owner	350,000 (long position)	
	sub-total	184,702,961	10.17%
Bubbly Brooke	Beneficial owner	373,000,000 (long position)	20.54%
Ms. Li	Founder of a discretionary trust	373,000,000 (long position)	20.54%
Rongton	Beneficial owner	233,129,585 (long position)	12.84%
Mr. Zhao	Deemed interest, interest of controlled company	233,129,585 (long position)	
	Beneficial owner	1,067,000 (long position)	
	sub-total	234,196,585 (long position)	12.90%
Mr. Nie	Deemed interest, interest of controlled company	2,540,000 (long position)	0.14%
Peace & Smooth	Beneficial owner	2,540,000 (long position)	0.14%

Ms. Li, Mr. Strutt, Mr. Zhao, Mr. Nie, Baslow, Bubbly Brooke, Peace & Smooth and Rongton are therefore taken to have an interest in a total of 794,439,546 Shares, representing approximately 43.76% of the issued share capital of the Company. In the event that the Directors should exercise in full the Proposed Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the deemed interest of Ms. Li, Mr. Strutt, Mr. Zhao, Mr. Nie, Baslow, Bubbly Brooke, Peace & Smooth and Rongton in the Company will be increased to approximately 48.62% of the issued share capital of the Company. The Directors consider that such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligations under the Takeovers Code for above parties considered to be acting in concert to make a mandatory offer. The Directors are not aware of any other consequence which would arise under the Takeovers Code as a consequence of any purchase pursuant to the Proposed Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARE REPURCHASE MADE BY THE COMPANY

Repurchase of Shares on the Stock Exchange has been made by the Company from time to time in the last six months preceding the Latest Practicable Date.

The table below sets out further details.

Date of Repurchase	Number of shares repurchased	Highest price per share HK\$	Lowest price per share HK\$	Aggregate consideration (excluding transaction cost) HK\$
10/6/2014	1,000,000	6.9899	6.9899	6,989,900
10/7/2014	1,000,000	6.91	6.88	6,898,100
10/30/2014	1,000,000	5.86	5.85	5,858,600
11/3/2014	1,000,000	5.98	5.93	5,950,700
11/4/2014	2,743,000	6.01	5.93	16,387,779
11/5/2014	257,000	5.92	5.92	1,521,440
11/6/2014	251,000	5.8	5.8	1,455,800
11/10/2014	1,944,000	5.78	5.6	11,191,950
11/11/2014	500,000	5.78	5.74	2,879,195
12/2/2014	500,000	5.33	5.3	2,658,700
12/3/2014	500,000	5.33	5.33	2,665,000
12/4/2014	500,000	5.3	5.26	2,637,650
12/5/2014	500,000	5.23	5.2	2,607,240
12/9/2014	100,000	5.19	5.185	518,990
12/10/2014	249,500	5.22	5.15	1,295,379
12/11/2014	174,000	5.25	5.14	902,500
12/15/2014	200,000	5.23	5.15	1,037,750
12/16/2014	111,500	5.23	5.15	578,565
12/17/2014	122,000	5.15	5.15	628,300
12/18/2014	200,000	5.15	5.11	1,026,000
12/19/2014	204,500	5.16	5.09	1,050,235
12/22/2014	200,000	5.15	5.11	1,025,820
12/23/2014	400,000	5.11	5.06	2,033,000
12/24/2014	200,000	5.04	5	1,004,000
Total	<u>13,856,500</u>			<u>80,802,593</u>

As at the Latest Practicable Date, all the Shares repurchased by the Company have been cancelled.

Save as disclosed above, neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company's listed securities during the six months preceding the Latest Practicable Date.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

	Highest traded prices <i>HK\$</i>	Lowest traded prices <i>HK\$</i>
2014		
March	7.42	6.39
April	8.22	7.3
May	8.5	7.75
June	8.65	8.22
July	8.74	8.26
August	8.5	7.83
September	8.51	7.11
October	7.3	5.77
November	6.69	5.51
December	5.82	4.97
2015		
January	6.1	5.01
February	5.84	5.12
March (up to the Latest Practicable Date)	5.80	5.25

NOTICE OF ANNUAL 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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Yingde Gases Group Company Limited (the “Company”) will be held at The Executive Centre Hong Kong Limited, Lavender Room, Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong on 29 April 2015 at 3:00 pm for the following purposes:

Ordinary Resolutions

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditor for the year ended 31 December 2014.
2. To declare a final dividend for the year ended 31 December 2014.
3. To consider the re-election of the retiring directors of the Company and authorise the board of directors to fix the remuneration of the directors of the Company.
4. To consider the re-appointment of KPMG as the auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.
5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) “**That:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “Listing Rules”), be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;

- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 10 per cent of the aggregate nominal amount of share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:-
 - (a) the “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:-
 - (1) the conclusion of the next annual general meeting of the Company; and
 - (2) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

 - (b) “Rights Issue” means an offer of shares in the capital of the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares in the capital of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or

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expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“That:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of and on behalf of the Company to repurchase issued shares or any other rights to subscribe shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the shares capital of the Company, which are authorised to be repurchased pursuant to the approval in paragraph (i) above during the Relevant Period (as defined below) shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company; and
- (b) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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- (C) “**That** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 5(B) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolutions.”

By order of the Board
Yingde Gases Group Company Limited
Zhongguo Sun
Chairman

Hong Kong, 26 March 2015

Notes:

- (i) Resolution numbered 5(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 5(A) and 5(B) are passed by the shareholders.
- (ii) 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.
- (iii) 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.
- (iv) 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.

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- (v) For the purpose of determining members who are qualified for attending the annual general meeting, the register of members of the Company will be closed from 24 April 2015 to 29 April 2015 (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 23 April 2015.
- (vi) For the purpose of determining members who are qualified for the proposed final dividend, conditional on the passing of resolution numbered 2 above, the register of members of the Company will be closed from 6 May 2015 to 11 May 2015 (both days inclusive), during which period no transfer of the shares will be effected. In order to qualify for the proposed final dividend, 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 5 May 2015.
- (vii) In respect of ordinary resolution numbered 3 above, Mr. Zhao Xiangti and Dr. Wang Ching, being eligible, have offered themselves for re-election at the above meeting. Details of the above directors are set out in Appendix I to the accompanied circular dated 26 March 2015.
- (viii) In respect of the ordinary resolution numbered 5(A) above, the directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders as a general mandate for the purpose of the Listing Rules.
- (ix) In respect of ordinary resolution numbered 5(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of the shareholders. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 26 March 2015.

As at the date of this notice, the executive directors of the Company are Mr. Zhongguo Sun, Mr. Zhao Xiangti and Mr. Trevor Raymond Strutt; and the independent non-executive directors of the Company are Mr. He Yuanping, Mr. Zheng Fuya and Dr. Wang Ching.