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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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**

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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 1 June 2017 at 3:00 pm is set out on pages 16 to 20 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](http://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 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.

28 April 2017

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## DEFINITIONS

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*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 1 June 2017 at 3:00 pm and notice of which is set out on pages 16 to 20 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
“Board”	the board of Directors
“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”	25 April 2017, 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
“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% of the aggregate number of the issued Shares as at the date of passing of the relevant resolution

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“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 Code on Takeovers and Mergers, as amended from time to time
“%”	per cent

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## LETTER FROM THE BOARD

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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)

*Executive Director:*

Mr. Qiu Zhongwei (*Chairman and Chief Executive Officer*)

*Non-executive Directors:*

Mr. Wong Tak-Wai

Mr. Xiao Suining

Mr. He Hui David

*Registered office:*

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Mr. Zheng Fuya (Alternate: Dr. Wang Ching)

Dr. Wang Ching (Alternate: Mr. Zheng Fuya)

Mr. Rawen Zhi Hong Huang

Mr. David Chan

Mr. Deng Xipeng

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

Room 3212-13, 32/F., Tower 2

Times Square

Causeway Bay

Hong Kong

28 April 2017

*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.

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## LETTER FROM THE BOARD

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### 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. 4(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 20% of the aggregate number of the issued Shares 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 1,890,573,500 Shares. Subject to the passing of ordinary resolution no. 4(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 189,057,350 Shares. In addition, subject to a separate approval of the ordinary resolution no. 4(C), the number of Shares purchased by the Company under ordinary resolution no. 4(B) will also be added to the 20% general mandate as mentioned in the ordinary resolution no. 4(A). The Directors wish to state that they have no immediate plans to issue any new Shares 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 number of the issued Shares 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

Mr. Qiu Zhongwei, Mr. Wong Tak-Wai, Mr. Xiao Suining, Mr. He Hui David, Mr. Rawen Zhi Hong Huang, Mr. David Chan and Mr. Deng Xipeng were appointed to fill the causal vacancies or as new Directors (as the case may be) on the Board. In accordance with Article 83(3) of the Articles of Association, they will only hold offices until the first general meeting of the Company after their appointments and be subject to re-election at such meeting. Accordingly, Mr. Qiu, Mr. Wong, Mr. Xiao, Mr. He, Mr. Huang, Mr. Chan and Mr. Deng shall retire at the Annual General Meeting, and being eligible, have offered themselves for re-election as Directors at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Further, Article 84(1) of the Articles of Association provides that at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, and be eligible for re-election. Article 84(2) of the Articles of Association provides that the Directors appointed by the Board pursuant to Article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Therefore, in accordance with Articles 84(1) and 84(2) of the Articles of Association, Mr. Zheng Fuya shall retire by rotation, and being eligible, has offered himself for re-election at the Annual General Meeting.

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 16 to 20 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](http://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.

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## LETTER FROM THE BOARD

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### 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**  
**Qiu Zhongwei**  
*Chairman*



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## APPENDIX I      DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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*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. Qiu Zhongwei**

**Mr. Qiu Zhongwei**, aged 48, was initially appointed as a non-executive Director on 6 April 2017 and was subsequently appointed as the chairman of the Board, chief executive officer of our Company and an executive director, with effect from the conclusion of a Board meeting on 20 April 2017. He is a Managing Director with PAG Asia Capital. He previously worked with Hony Capital for 10 years, responsible for overall PE business management and investment execution. Mr. Qiu also worked with China Yintai Investments as its head of equity direct investments, where he built and led the Yintai's SOE buyout team. He also worked with Hua Neng Group and Goldpark China, responsible for mergers and acquisitions, business development, project planning and development. Mr. Qiu has a MBA from Kellogg School of Management, Northwestern University and Hong Kong University of Science and Technology, and a BS in Engineering from Xi'an Jiaotong University. Mr Qiu served as an executive director of Century Ginwa Retail Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 00162) from 15 November 2010 to 31 March 2015.

Mr. Qiu has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of Mr. Qiu will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

As at the Latest Practicable Date, Mr. Qiu does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Qiu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. Qiu which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

### **Mr. Wong Tak-Wai**

**Mr. Wong Tak-Wai**, aged 40, was appointed as a non-executive Director on 6 April 2017. He is a Managing Director with PAG Asia Capital. He was previously with TPG Capital from 2005 to 2010. He has also worked in Morgan Stanley's investment banking division in Hong Kong, San Francisco and Beijing. Mr. Wong received a Bachelor of Science degree and a Bachelor of Arts degree from University of California, Berkeley.

Mr. Wong has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of Mr. Wong will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

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## APPENDIX I      DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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As at the Latest Practicable Date, Mr. Wong does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Wong does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. Wong which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

### **Mr. Xiao Suining**

**Mr. Xiao Suining**, aged 69, was appointed as a non-executive Director on 13 April 2017. He is a Managing Director with PAG Asia Capital. He was previously the Chairman of Ping An Bank (formerly known as Shenzhen Development Bank) from 2009 to 2013 and President of Shenzhen Development Bank from 2007 to 2009. Prior to joining Shenzhen Development Bank, Mr. Xiao spent 17 years at Bank of Communications, including as President of its Shenzhen branch. Mr. Xiao is currently an independent non-executive director of Nan Hai Corporation Limited (a company listed on the Stock Exchange, stock code: 680) and Sino-i Technology Limited (a company listed on the Stock Exchange, stock code: 250). Mr. Xiao is also currently an independent non-executive director of Haitong Securities Company Limited (a company listed on the Shanghai Stock Exchange, stock code: 600837) and an independent director of Zhongrun Resources Investment Corporation\* (中潤資源投資股份有限公司 a company listed on the Shenzhen Stock Exchange, stock code: 000506) and Beijing SPC Environment Protection Tech Co., Ltd.\* (北京清新環境技術股份有限公司, a company listed on the Shenzhen Stock Exchange, stock code: 002573).

Mr. Xiao has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The Articles of Association provides at least one-third (or the number nearest but not less than one-third) of the Directors shall retire from office by rotation, and be eligible for re-election. The remuneration of Mr. Xiao will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

As at the Latest Practicable Date, Mr. Xiao does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Xiao does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. Xiao which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

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**APPENDIX I            DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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**Mr. He Hui David**

**Mr. He Hui David**, aged 56, was appointed as a non-executive Director on 13 April 2017. He is a Managing Director and Head of Operations with PAG Asia Capital. He was previously Head of Portfolio Management Group at Bain Capital Asia for 8 years until 2015. Prior to joining Bain Capital Asia, Mr. He spent 13 years at General Electric in its healthcare, advanced materials and corporate groups. Mr. He is currently a non-executive director of SinoMedia Holding Limited (a company listed on the Stock Exchange, stock code: 623).

Mr. He received his MBA degree from Kellogg School of Business at Northwestern University, Ph.D. in Applied Physics from The University of Michigan, Ann Arbor, MS in Physics from Chinese Academy of Science and BS in Physics from the Peking University in China.

Mr. He has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of Mr. He will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

As at the Latest Practicable Date, Mr. He does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. He which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

**Mr. Zheng Fuya**

**Mr. Zheng Fuya**, aged 50, was initially appointed as an independent non-executive Director of the Company on 12 September 2009 and was subsequently re-elected as a Director of the Company on 26 May 2011 and 9 May 2014. Mr. Zheng was a director of Cogo Group, Inc., a company listed on the NASDAQ and has since 1 January 2008 served as the chief financial officer of the same company. Mr. Zheng was previously vice president of travel service at eLong, Inc., one of the leading online travel service companies in China and listed on the NASDAQ, where Mr. Zheng was responsible for the overall operation of eLong Inc.'s travel services. Mr. Zheng has more than ten years' experience in the service industry. Mr. Zheng received a Bachelor of Business Administration majoring in accounting from City University of New York in 1994.

Mr. Zheng has entered into a letter of appointment which constitutes a service contract with the Company on 12 September 2009. Under the letter of appointment, Mr. Zheng is entitled to HKD180,000 in remuneration for the year ended 31 December 2016. His remuneration is determined by reference to the prevailing market conditions and his duties and responsibilities in the Company.

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**APPENDIX I            DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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As at the Latest Practicable Date, Mr. Zheng was not interested any of the Shares, pursuant to Part XV of the Securities and Futures Ordinance.

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

**Mr. Rawen Zhi Hong Huang**

**Mr. Rawen Zhi Hong Huang**, aged 32, was appointed as an independent non-executive Director on 12 March 2017. He is the founder and portfolio manager of Petrel Capital Management Limited which is the manager to Petrel Capital Greater China Fund, a private investment fund focusing on Greater China equities.

Prior to founding Petrel Capital in 2015, Mr. Huang worked as an investment analyst at Oasis, focusing on listed Chinese companies. Earlier in his career, Mr. Huang worked as an investment banking analyst at Morgan Stanley in New York, where he advised on a wide range of transactions including mergers, acquisitions, capital raising, and restructuring. Mr. Huang graduated from Yale University with a Bachelor of Arts in Economics and International Studies, and received his Masters of Business Administration from Harvard Business School.

Mr. Huang has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of Mr. Huang will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

As at the Latest Practicable Date, Mr. Huang does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Huang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. Huang which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

**Mr. David Chan**

**Mr. David Chan**, aged 51, was appointed as an independent non-executive Director on 27 March 2017. He is an independent business management consultant. Mr. Chan worked as the Head of Strategic Marketing at Linde Gas Greater China region from 2012 to May 2015, and as a Business Development Director at Linde Electronics Asia from 2010 to 2012. Mr. Chan worked in BOC Lien Hwa Industrial Gases Co., Ltd. (a joint venture company of the Linde Group) as the Head of Marketing from 2008 to 2010. He worked as a General Manager in BOC S&SE Asia from 2003 to 2007. Mr. Chan held various positions in BOC Process Plants from 1995 to 2002. Mr. Chan graduated from the University of Bradford with a Bachelor of Engineering degree in Chemical Engineering in 1989.

Mr. Chan has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of Mr. Chan will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

As at the Latest Practicable Date, Mr. Chan does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Chan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. Chan which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

**Mr. Deng Xipeng**

**Mr. Deng Xipeng**, aged 38, was appointed as an independent non-executive Director on 27 March 2017. He is an investment director and a member of the investment committee at Shengshi Jinqian (Tianjin) Equity Investment Fund Management Co., Ltd., where he advised on fund promotion, raising and issuance. From 2007 to 2010 Mr. Deng was a general manager assistant of the investment banking department of the Capital Securities Limited Liability Company. From 2005 to 2007, Mr. Deng was a manager at the Enterprise Risk Department of Ernst & Young Hua Ming Certified Public Accountants. From 2003 to 2005, Mr. Deng worked as a consultant at BiBo Management Consulting Co., Ltd.

Mr. Deng graduated from Capital University of Business and Economics in Beijing with a Bachelor's degree of Economics in Foreign Accounting in 2000 and received a Master's degree in Business Administration from Renmin University of China in 2007. Mr. Deng is a Certified Internal Auditor.

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**APPENDIX I            DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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Mr. Deng has not entered into any service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of Mr. Deng will be determined by the Board with reference to his duties and responsibilities in the Company, and the Company will provide updates in relation thereto in due course.

As at the Latest Practicable Date, Mr. Deng does not have any interests that are required to be disclosed under Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, Mr. Deng does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other information in relation to the re-election of Mr. Deng 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 1,890,573,500 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 189,057,350 Shares which represent 10% of the number of the issued Shares during the period ending on the earlier of the conclusion of the next annual general meeting 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 2016, 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 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**

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company 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>
<b>2016</b>		
April	3.19	2.71
May	2.95	2.57
June	2.90	2.58
July	3.11	2.74
August	3.49	2.61
September	3.65	2.93
October	3.42	3.04
November	3.44	3.04
December	3.38	2.84
<b>2017</b>		
January	4.90	2.98
February	5.42	4.50
March	6.79	5.50
April (up to the Latest Practicable Date)	6.05	5.40

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### **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, Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong on 1 June 2017 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 2016.
2. (a) To consider the re-election of the retiring directors of the Company:
  - (i) Mr. Qiu Zhongwei (*Chairman and Chief Executive Officer*);
  - (ii) Mr. Wong Tak-Wai;
  - (iii) Mr. Xiao Suining;
  - (iv) Mr. He Hui David;
  - (v) Mr. Zheng Fuya;
  - (vi) Mr. Rawen Zhi Hong Huang;
  - (vii) Mr. David Chan; and
  - (viii) Mr. Deng Xipeng.
- (b) To authorise the board of directors to fix the remuneration of the directors of the Company for the year ending 31 December 2017.

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## NOTICE OF ANNUAL GENERAL MEETING

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3. 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.

4. 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;
- (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 number of shares 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 20% of the aggregate number of shares of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 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 number of shares 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% of the aggregate number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(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.”

(C) “**That** conditional upon the resolutions numbered 4(A) and 4(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 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted by the directors of the Company pursuant to such general mandate an amount representing the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of passing of this resolutions.”

By order of the Board  
**Yingde Gases Group Company Limited**  
**Qiu Zhongwei**  
*Chairman*

Hong Kong, 28 April 2017

*Notes:*

- (i) Resolution numbered 4(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 4(A) and 4(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.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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), no later than 3:00 pm on 30 May 2017 (Hong Kong time), being 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.
- (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 25 May 2017 to 1 June 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 24 May 2017.
- (vi) In respect of ordinary resolution numbered 2 above, Mr. Qiu Zhongwei, Mr. Wong Tak-Wai, Mr. Xiao Suining, Mr. He Hui David, Mr. Zheng Fuya, Mr. Rawen Zhi Hong Huang, Mr. David Chan and Mr. Deng Xipeng, 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 28 April 2017.
- (vii) In respect of the ordinary resolution numbered 4(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.
- (viii) In respect of ordinary resolution numbered 4(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 28 April 2017.

As at the date of this notice, the executive director of the Company is Mr. Qiu Zhongwei; the non-executive directors of the Company are Mr. Wong Tak-Wai, Mr. Xiao Suining and Mr. He Hui David; and the independent non-executive directors of the Company are Mr. Zheng Fuya, Dr. Wang Ching, Mr. Rawen Zhi Hong Huang, Mr. David Chan and Mr. Deng Xipeng.