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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)

TRADING HALT HOLDING ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

At the request of Yingde Gases Group Company Limited (the “**Company**”), trading in the shares of the Company (stock code: 2168) and the debt securities issued by the Company’s wholly-owned subsidiary and guaranteed by the Company (stock codes: 5926 and 5793) on The Stock Exchange of Hong Kong Limited was halted with effect from 10:24 a.m. on December 23, 2016 pending the publication of an announcement in relation to a letter of interest (“**Second Letter**”) for a possible general offer from StellarS Capital (Hong Kong) Limited (星瑞(香港)投資管理有限公司) (“**Stellars**”) which was sent to each director of the Company at around 11 p.m. on December 22, 2016 (Hong Kong time) and the possible implications thereof under the Takeovers Code.

A similar letter of interest (“**First Letter**”) was sent from Stellars to the directors of the Company at around 2 p.m. on December 18, 2016. The board of directors of the Company (the “**Board**”) (excluding Mr. Zhongguo Sun and Mr. Trevor Raymond Strutt) takes the view that neither the First Letter nor the Second Letter was a bona fide offer under Rule 4 of the Takeovers Code, but given the Second Letter was received from Stellars within such a short time frame after the First Letter, it would be prudent to hold a board meeting on an urgent basis to discuss and consider the subject matter. However, as stated in the announcement (“**Announcement**”) dated December 22, 2016, the Company is wary of the order of the Grand Court of the

Cayman Islands which, inter alia, restrained the Company to hold any board meeting on less than seven (7) clear days' notice ("**Minimum Notice Period**") to BBH (as defined in the Announcement) and BTL (as defined in the Announcement), and therefore will dispatch a board meeting notice today proposing to convene a board meeting ("**Board Meeting**") on December 31, 2016, the first calendar day upon expiry of the Minimum Notice Period.

The Company has therefore applied for suspension of the trading of shares in the Company from 10:24 a.m., December 23, 2016 until the Board Meeting.

The Company shall make further announcement, as and when appropriate, according to the Takeovers Code and Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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

Hong Kong, December 23, 2016

As at the date of this announcement, 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.

All directors of the Company (excluding Mr. Zhongguo Sun and Mr. Trevor Raymond Strutt) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement in any material respect, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading in any material respect.