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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)

ACCEPTANCE OF OFFER UNDER MOU SIGNED BY MR. SUN AND MR. STRUTT

Reference is made to the announcement of Yingde Gases Group Company Limited (the “**Company**”) dated 1 March 2017 in relation to the memorandum of undertaking (the “**MOU**”) entered into by Mr. Zhongguo Sun (“**Mr. Sun**”) and Mr. Trevor Raymond Strutt (“**Mr. Strutt**”) with PAG Asia Capital in respect of the shares in the Company (the “**Shares**”) holding by Mr. Sun and Mr. Strutt and their respective associates and to the offer document dated 10 March 2017 issued by PAGAC II-2 Limited (“**PAG**”) in relation to the voluntary conditional cash offers made by PAG (the “**PAG Offers**”) to acquire all issued shares of the Company (other than those already acquired or agreed to be acquired by PAG and parties acting in concert with it) (the “**PAG Share Offer**”) and for cancellation of all outstanding options of the Company (the “**PAG Option Offer**”).

On 31 March 2017, the Company was informed by Mr. Sun and Mr. Strutt that Baslow Technology Limited and Bubbly Brooke Holdings Limited have given irrevocable instructions to accept the PAG Offers in respect of 349,000,000 Shares (representing approximately 18.46% of the issued share capital of the Company as at the date of this announcement).

Mr. Sun and Mr. Strutt also confirmed to the Company that they will tender 208,352,957 of the remaining Shares held by them together with their respective associates (representing approximately 11.02% of the issued share capital of the Company as at the date of this announcement) for acceptance under the PAG Offers as soon as possible after completing the relevant administrative procedures (expected to be on or around 7 April 2017).

Based on the above understanding, it is expected that the PAG Share Offer will become unconditional as to acceptance after the above acceptances by Mr. Sun and Mr. Strutt take effect, and the PAG Option Offer will become unconditional after the PAG Share Offer becomes unconditional in all respect. Accordingly, the Company has instructed Morgan Stanley to suspend the sale process first announced by the Company on 13 February 2017.

By order of the Board
Yingde Gases Group Company Limited
盈德氣體集團有限公司
Zhongguo Sun
Chairman

Hong Kong, 31 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Zhongguo Sun and Mr. Trevor Raymond Strutt; and the independent non-executive directors of the Company are Mr. Zheng Fuya, Dr. Wang Ching, Mr. Jhi-Ho Mah, Mr. Rawen Zhi Hong Huang, Mr. David Chan and Mr. Deng Xipeng.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, 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.