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PAGAC II-2 LIMITED
*(Incorporated in the British Virgin Islands
with limited liability)*

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)

JOINT ANNOUNCEMENT

**VOLUNTARY UNCONDITIONAL CASH OFFERS BY UBS AG,
HONG KONG BRANCH
ON BEHALF OF PAGAC II-2 LIMITED
TO ACQUIRE ALL ISSUED SHARES OF
YINGDE GASES GROUP COMPANY LIMITED (OTHER THAN THOSE
ALREADY ACQUIRED OR AGREED TO BE ACQUIRED BY PAGAC II-2
LIMITED AND PARTIES ACTING IN CONCERT WITH IT)
AND
FOR CANCELLATION OF ALL OUTSTANDING OPTIONS
OF
YINGDE GASES GROUP COMPANY LIMITED**

**(1) CLOSE OF THE OFFERS
(2) RESULTS OF THE OFFERS
(3) CLOSURE OF REGISTER OF MEMBERS
AND
(4) SUSPENSION OF TRADING AND
WITHDRAWAL OF LISTING OF THE SHARES**

Financial adviser to the Offeror



Reference is made to (i) the March 1 Announcement issued by the Company dated 1 March 2017; (ii) the Rule 3.5 Announcement issued by the Offeror dated 7 March 2017; (iii) the Offer Document issued by the Offeror dated 10 March 2017; (iv) the announcement issued by the Offeror dated 6 April 2017 (the “**Unconditional Announcement**”); and (v) the announcement issued by the Offeror dated 20 April 2017 (the “**Extension Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Offer Document.

All time references contained in this joint announcement are to Hong Kong times.

1. CLOSE OF THE OFFERS AND RESULTS OF THE OFFERS

As disclosed in the Unconditional Announcement, the Offers were declared unconditional in all aspects on 6 April 2017. As disclosed in the Extension Announcement, the Share Offer had been extended until 4:00 p.m. on 4 May 2017 by the Offeror. The Offeror hereby announces that the Share Offer closed at 4:00 p.m. on 4 May 2017 (being the Final Closing Date), and was not revised or extended.

As at 4:00 p.m. on the Final Closing Date, valid acceptances of (i) the Share Offer have been received in respect of 1,400,710,950 Shares (representing approximately 74.09% of the issued share capital and voting rights of the Company as at the date of this joint announcement); and (ii) the Option Offer have been received in respect of 3,832,500 Options (representing 100% of all outstanding Options). As at 4:00 p.m. on the Final Closing Date, taking into account the 454,198,230 Shares already held by the Offeror (representing approximately 24.02% of the issued share capital and voting rights of the Company as at the date of this joint announcement), the valid acceptance in respect of 1,400,710,950 Shares under the Share Offer during the Offer Period would result in the Offeror and its Concert Parties holding an aggregate of 1,854,909,180 Shares (representing approximately 98.11% of the issued share capital and voting rights of the Company as at the date of this joint announcement).

Immediately prior to the commencement of the offer period under the Takeovers Code, the Offeror and its Concert Parties (excluding EFM and EPT of UBS) held, controlled or directed or had rights over 13,135,500 Shares, which represents approximately 0.69% of the then issued share capital and voting rights of the Company. Save for the acquisition of an aggregate of 441,062,730 Shares during the Offer Period and the acceptance of the Share Offer described above, the Offeror and its Concert Parties (excluding EFM and EPT of UBS) have not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. None of the Offeror nor any of its Concert Parties (excluding EFM and EPT of UBS) has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company during the Offer Period.

2. SETTLEMENT OF THE OFFERS

Payment of cash consideration for the Offer Shares (after deducting the seller's ad valorem stamp duty) or Options tendered for acceptance under the Offers will be despatched to the accepting Shareholder(s) (to the address specified on the relevant Shareholder's WHITE Form of Share Offer Acceptance) or the accepting Optionholder(s) (to the address specified on the relevant Optionholder's PINK Form of Option Offer Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the date on which relevant documents of title of the Shares or the Options (as the case may be) are received by the Registrar to render each of such acceptance of any of the Share Offer or the Option Offer complete and valid in accordance with the Takeovers Code, the Offer Document and the relevant Form(s) of Acceptance.

3. EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event that there is any change to the following timetable.

Event	Hong Kong Time
Final Closing Date	4:00 p.m. on Thursday, 4 May 2017
Suspension of trading in the Shares on the Stock Exchange	9:00 a.m. on Friday, 5 May 2017
Last date for lodging transfers to enter into the register of members of the Company	4:30 p.m. on Wednesday, 5 July 2017
Closure of register of members of the Company	Thursday, 6 July 2017 to Tuesday, 11 July 2017
Despatch of the Compulsory Acquisition Notices (as defined below)	Tuesday, 11 July 2017
Completion of compulsory acquisition	September 2017
Date of withdrawal of listing of the Shares	September 2017
Despatch of cheques for payment for the Remaining Offer Shares (as defined below)	September 2017

A further announcement will be made by the Company in relation to the detailed timetable for completion of the compulsory acquisition, the withdrawal of the listing of the Shares from the Stock Exchange and payment for the Remaining Offer Shares.

4. COMPULSORY ACQUISITION

As mentioned in the Extension Announcement, as the level of acceptances has reached to the level that the Compulsory Acquisition Condition (as required under Section 88 of the Cayman Islands Companies Law and Rule 2.11 of the Takeovers Code) is met, the Offeror has decided to compulsorily acquire those Offer Shares not acquired by the Offeror under the Share Offer (the “**Remaining Offer Shares**”) and proceed with the privatisation of the Company.

Pursuant to section 88 of the Cayman Islands Companies Law, the process of compulsory acquisition may only commence four months after the date of the Offer Document. Accordingly, the Offeror will issue notices in relation to the compulsory acquisition of the Remaining Offer Shares pursuant to section 88 of the Cayman Islands Companies Law (the “**Compulsory Acquisition Notices**”) to the Shareholders holding the Remaining Offer Shares on 11 July 2017. Once the Compulsory Acquisition Notices are despatched, the Offeror will be entitled and bound to acquire the Remaining Offer Shares on the same terms as the Share Offer (i.e. at the same Share Offer Price of HK\$6.0 per Offer Share) on the expiration of one month from the date on which the Compulsory Acquisition Notices are given, unless the Grand Court of the Cayman Islands makes an order to the contrary upon the application of any dissenting Shareholders holding any Remaining Offer Shares.

A further announcement will be made on or around 11 July 2017 to inform the Shareholders on the despatch of the Compulsory Acquisition Notices and the details of the compulsory acquisition, including the timetable on completion of the compulsory acquisition, withdrawal of listing of the Shares and payment for the Remaining Offer Shares.

Shareholders whose Remaining Offer Shares are to be acquired by compulsory acquisition should note that they will not receive the consideration (less seller’s ad valorem stamp duty) for the Remaining Offer Shares until after the completion of the compulsory acquisition which is currently expected to be in September 2017 in accordance with the Cayman Islands Companies Law.

Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser. If they are in doubt as to their rights and obligations under the Cayman Islands Companies Law in respect of the compulsory acquisition of the Remaining Offer Shares, they should consult a solicitor or other professional adviser qualified to advise on matters of Cayman Islands law.

5. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

In order to facilitate the despatch of the Compulsory Acquisition Notices, the register of members of the Company will be closed from Thursday, 6 July 2017 to Tuesday, 11 July 2017 (both dates inclusive). Any person wishing to lodge a share transfer for entry into the register of members of the Company must lodge such transfer, accompanied by the relevant share certificates with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible, but in any event it must reach Computershare Hong Kong Investor Services Limited by no later than 4:30 p.m. on Wednesday, 5 July 2017.

As the Offeror intends to despatch the Compulsory Acquisition Notices during the closure of the register of members of the Company, and owing to the closure of the register of members of the Company, no further transfers of the Offer Shares or other documents submitted by the Shareholders or any other persons will be accepted or considered in any way to be effective after 4:30 p.m. on Wednesday, 5 July 2017 until the register of members is reopened on Wednesday, 12 July 2017.

6. SUSPENSION OF TRADING AND WITHDRAWAL OF LISTING OF SHARES

The Company will apply to the Stock Exchange for the suspension of trading in the Shares on the Stock Exchange (the "**Trading Suspension**") with effect from 9:00 a.m. on Friday, 5 May 2017 up to the date of withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules. The last day of trading of the Shares on the Stock Exchange was Thursday, 4 May 2017.

An application will be made to the Stock Exchange for the withdrawal of the listing of the Shares from the Stock Exchange following the completion of the compulsory acquisition, which is currently expected to be in September 2017, pursuant to Rule 6.15 of the Listing Rules. A further announcement will be made to inform the public about the timing and other details of completion of the compulsory acquisition and the withdrawal of the listing of the Shares from the Stock Exchange.

The Company would like to inform the holders of the debt securities issued by the Company's wholly-owned subsidiary and guaranteed by the Company (stock codes: 05926 and 05793) (the "**Debt Securities**") that the application for the Trading Suspension only relates to the Shares and does not extend to the Debt Securities. The Debt Securities will continue to be listed and traded on the Stock Exchange in accordance with their respective terms of listing and after the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Trading in the Shares on the Stock Exchange will be suspended from 9:00 a.m. on Friday, 5 May 2017 up to the date of withdrawal of listing of the Shares from the Stock Exchange.

Immediately following the close of the Offers, approximately 1.89% of the entire issued share capital of the Company is held by the public who are independent of the directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective close associates (as defined in the Listing Rules). Accordingly, the Company is not able to fulfill the minimum public float requirement set out under Rule 8.08(1)(a) of the Listing Rules.

By order of the board
PAGAC II-2 Limited
David Jaemin Kim
Director

By order of the board
Yingde Gases Group Company Limited
盈德氣體集團有限公司
Qiu Zhongwei
Chairman

Hong Kong, 4 May 2017

As at the date of this joint announcement, the directors of the Offeror are Mr. David Jaemin Kim, Mr. Anthony Miller, Mr. Peter Rioda and Ms. Tamara Williams.

(a) Mr. David Jaemin Kim, Mr. Anthony Miller, Mr. Peter Rioda and Ms. Tamara Williams, being the directors of the Offeror, and (b) Mr. Jon Robert Lewis, Mr. Derek Roy Crane, Mr. Peter Rioda and Ms. Tamara Williams, being the directors of PAG Asia Capital GP II Limited (the general partner of the limited partnership which wholly-owns the Offeror), jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror and its Concert Parties), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.