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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) DESPATCH OF COMPULSORY ACQUISITION NOTICES
IN RESPECT OF THE COMPULSORY ACQUISITION OF
THE REMAINING OFFER SHARES
AND
(2) CLOSURE OF REGISTER OF MEMBERS**

Financial adviser to the Offeror



DESPATCH OF COMPULSORY ACQUISITION NOTICES

On 11 July 2017, the Offeror despatched the Compulsory Acquisition Notices, each accompanied by a form of request for payment of consideration, pursuant to section 88 of the Cayman Islands Companies Law to the Remaining Offer Shareholders.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

For the purpose of finally determining the Remaining Offer Shareholders whose Remaining Offer Shares are to be acquired by the compulsory acquisition, the register of members of the Company will be closed from Friday, 11 August 2017 to Thursday, 17 August 2017 (both dates inclusive).

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; and (iv) the announcement jointly issued by the Company and the Offeror dated 4 May 2017 in relation to, amongst others, close of the Offers and the results of the Offers (the “**Final Closing Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Offer Document and/or the Final Closing Announcement. Unless otherwise stated, all time references contained in this joint announcement are to Hong Kong times.

DESPATCH OF COMPULSORY ACQUISITION NOTICES

As disclosed in the Final Closing 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 the Remaining Offer Shares and proceed with the privatisation of the Company.

On 11 July 2017, the Offeror despatched the Compulsory Acquisition Notices, each accompanied by a form of request for payment of consideration, pursuant to section 88 of the Cayman Islands Companies Law to the Shareholders holding the Remaining Offer Shares (the “**Remaining Offer Shareholders**”). A copy of the Compulsory Acquisition Notice is available on the Stock Exchange’s website.

The Offeror will be entitled and bound to acquire the Remaining Offer Shares at HK\$6.00 per Remaining Offer Share (the “**Compulsory Acquisition Consideration**”) (i.e. on the same terms as the Share Offer) on the expiration of one month from the date on which the Compulsory Acquisition Notices are despatched (i.e. 11 August 2017 (Cayman Islands time)), unless any dissenting Remaining Offer Shareholder files an application to object to the compulsory acquisition with the Grand Court of the Cayman Islands (“**Court**”) within one month from the date of the Compulsory Acquisition Notice and such objection is ultimately upheld by the Court.

The Remaining Offer Shareholders whose Remaining Offer Shares are to be acquired by compulsory acquisition should note that they will not receive the Compulsory Acquisition Consideration (less seller's ad valorem stamp duty) for the Remaining Offer Shares until after the completion of the compulsory acquisition (which is expected to be on or around Friday, 18 August 2017, assuming that no dissenting Remaining Offer Shareholder has filed an application to object to the compulsory acquisition with the Court within one month from the date of the Compulsory Acquisition Notice). The cheques for the payment of the amounts due to the Remaining Offer Shareholders (the "**Compulsory Acquisition Cheques**") will be despatched by ordinary post at the risk of such Remaining Offer Shareholders in around September 2017.

If the Remaining Offer Shareholders do not complete and return the form of request for payment of consideration (as mentioned above) by 4:30 p.m. on Thursday, 10 August 2017, there will be a delay in the payment of the Compulsory Acquisition Consideration as the Offeror will then be required to pay the Compulsory Acquisition Consideration to the Company rather than directly to the relevant Remaining Offer Shareholders. Under the Cayman Islands Companies Law, the Company is required to pay the Compulsory Acquisition Consideration into a separate bank account and hold it on trust for these Remaining Offer Shareholders until the earlier of: (i) a claim being made and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) being provided to the satisfaction of the Company, and (ii) the expiry of six years from the date of completion of the compulsory acquisition.

Remaining Offer 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, they should consult a solicitor or other professional adviser qualified to advise on matters of Cayman Islands law.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

For the purpose of finally determining the Remaining Offer Shareholders whose Remaining Offer Shares are to be acquired by the compulsory acquisition, the register of members of the Company will be closed from Friday, 11 August 2017 to Thursday, 17 August 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 Thursday, 10 August 2017.

Assuming that no dissenting Remaining Offer Shareholder has filed an application to object to the compulsory acquisition with the Court within one month from the date of the Compulsory Acquisition Notice, the Remaining Offer Shareholders who have completed and returned the form of request for payment of consideration (as mentioned above) by 4:30 p.m. on Thursday, 10 August 2017 will be entitled to receive the Compulsory Acquisition Cheques in around September 2017. The register of members of the Company will be reopened on Friday, 18 August 2017 and updated to reflect the transfer of the Remaining Offer Shares to the Offeror.

SUSPENSION OF TRADING AND WITHDRAWAL OF LISTING OF THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 5 May 2017 and will remain suspended up to the date of withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

An announcement will be made to inform the public about the completion of the compulsory acquisition and the withdrawal of listing of the Shares from the Stock Exchange as soon as practicable.

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, 11 July 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 and Mr. Rawen Zhi Hong Huang.

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.