

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Notice or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in Yingde Gases Group Company Limited, you should at once hand this Notice to the purchaser(s) or transferee(s), licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

The Offers were made for the securities of a Cayman Islands company and while the Offers were subject to Hong Kong disclosure and procedural requirements, investors should be aware that these requirements are different from those of the United States of America. For further information, please refer to previous public announcements concerning the Offers and the Offer Document for details.

PAGAC II-2 LIMITED

Notice of compulsory acquisition of the shares of

YINGDE GASES GROUP COMPANY LIMITED

Incorporated in the Cayman Islands with limited liability (Stock Code: 2168)

(Section 88(1) of the Companies Law (Cap. 22 (Law 3 of 1961) as consolidated and amended) of the Cayman Islands (the "Companies Law"))

Following
the voluntary conditional cash offers
by UBS AG Hong Kong Branch ("**UBS**")
on behalf of
PAGAC II-2 Limited ("**Offeror**"),
to acquire all of the issued shares of
Yingde Gases Group Limited ("**Company**")
(other than those shares already held by the Offeror)
and to cancel all of the outstanding share options of the Company

To: The Shareholders holding the Remaining Offer Shares (as defined below) ("**Remaining Offer Shareholders**")

INTRODUCTION

On 7 March, 2017, the Offeror issued an announcement in respect of a voluntary conditional cash offer by UBS on behalf of the Offeror to acquire all of the issued shares in the capital of the Company (the "**Shares**") (other than those Shares already held by the Offeror and parties acting in concert with it) (the "**Offer Shares**") and for the cancellation of all the outstanding share options of the Company. On 10 March 2017, the Offeror issued an offer document (the "**Offer Document**") pursuant to which UBS, on behalf of the Offeror, made a voluntary conditional cash offer for the Offer Shares for a consideration of HK\$6.0 per Offer Share (the "**Share Offer**"). As at the date of the Offer Document, (a) the total number of issued Shares was 1,890,573,500 Shares, (b) the Offeror was interested in 21,135,500 Shares, and (c) the number of Offer Shares was 1,869,438,000 Shares.

At 4:00 p.m. on 4 May, 2017, being the latest time for acceptance of the Share Offer, (a) the Offeror had received, pursuant to the Share Offer, valid acceptances in respect of 1,400,710,950 Offer Shares which represented approximately 74.93% of the Offer Shares; and (b) taking into account the 433,062,730 Shares acquired by the Offeror during the Offer Period (which represented approximately 23.17% of the Offer Shares), the valid acceptance in respect of 1,400,710,950 Shares under the Share Offer resulted in the Offeror and parties acting in concert with it having acquired and received acceptance in respect of an aggregate of 1,833,773,680 Shares (which represented approximately 98.09% of the Offer Shares) during the Offer Period. As disclosed in the joint announcement of the Offeror and the Company dated 4 May, 2017 (the “**Final Closing Announcement**”), the Offeror will privatise the Company by exercising its rights, pursuant to section 88 of the Companies Law, to compulsorily acquire (the “**Compulsory Acquisition**”) those Offer Shares not acquired by the Offeror under the Share Offer (the “**Remaining Offer Shares**”).

Unless otherwise defined, terms undefined herein shall have the meanings ascribed to them in the Offer Document and/or the Final Closing Announcement.

NOTICE OF COMPULSORY ACQUISITION

Pursuant to Section 88(1) of the Companies Law, the Offeror, having received approval of the Share Offer from the holders of not less than ninety per cent in value of the shares affected, hereby gives you notice that:

- (a) the Offeror desires to acquire all of the Remaining Offer Shares registered in your name at the date of this Notice; and
- (b) unless an application is made to the Grand Court of the Cayman Islands (the “**Court**”) by you (or another Remaining Offer Shareholder) within one month from the date of this Notice and the Court thinks fit to order otherwise, the Offeror will be entitled and bound to acquire your Remaining Offer Shares at HK\$6.0 in cash per Remaining Offer Share (the “**Compulsory Acquisition Consideration**”). The Compulsory Acquisition Consideration is the same as the Share Offer Price payable pursuant to the Share Offer.

The Remaining Offer Shares will be acquired by the Offeror at the date of completion of the Compulsory Acquisition (the “**Completion Date**”) free from all liens, claims, charges, pledges, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights attached thereto, including the right to receive all dividends (whether final or interim) and other distributions (if any) declared, made or paid thereon after the Completion Date.

Section 88 of the Companies Law is set out in the Appendix to this Notice.

Dissentient Remaining Offer Shareholders should consult their legal advisers on the law of the Cayman Islands in respect of the Compulsory Acquisition if they wish to exercise their rights under Section 88 of the Companies Law.

PROCEDURES FOR TRANSFER AND SETTLEMENT

If you wish to voluntarily transfer your Remaining Offer Shares to the Offeror for the Compulsory Acquisition Consideration, you must complete and sign the enclosed Form of Request and return it together with the share certificate(s) for your Remaining Offer Shares and/or transfer receipt(s) and/or any other documents of title (and/or an indemnity or indemnities required in respect thereof) for all your Remaining Offer Shares to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, (“**Registrar**”) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by post or by hand in an envelope marked “Yingde Compulsory

Acquisition” as soon as possible but in any event, at or before 4:30 p.m. (Hong Kong time) on Thursday, 10 August 2017. **If you do not complete and return the Form of Request by this date, there will be a delay in the payment of the Compulsory Acquisition Consideration to you as the Offeror will then be required to pay the Compulsory Acquisition Consideration to the Company rather than directly to you. Under the Companies Law, the Company is required to pay the Compulsory Acquisition Consideration into a separate bank account and hold it on trust for you. The Compulsory Acquisition Consideration will be held in the account 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 a 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 Completion Date.**

Unless indicated otherwise on the Form of Request, the Offeror will send all cheques in satisfaction of the Compulsory Acquisition Consideration by post in pre-paid envelopes addressed to Remaining Offer Shareholders who have completed the Form of Request at their respective addresses which appear in the register of members of the Company at 9:00 a.m. on the Completion Date or, in the case of joint holders, at the address appearing in the register of members of the joint holder who is first-named in the register of members in respect of the relevant joint holding.

Sellers’ ad valorem stamp duty arising in connection with the transfer of your Remaining Offer Shares to the Offeror will be payable by you at the rate of HK\$1.00 for every HK\$1,000.00 or part thereof of the Compulsory Acquisition Consideration and will be deducted from the Compulsory Acquisition Consideration due to you. If you do not sign and return the accompanying instrument of transfer, the Offeror or the Registrar will sign an instrument of transfer on your behalf for the purposes of stamping the document and paying stamp duty. Your execution of this Form of Request (whether or not such form is dated) will also constitute your irrevocable instruction and authority to each of the Offeror and/or the Registrar and/or such person or persons as any of them may direct for the purpose, on your behalf, to make and execute the contract note as required by Section 19(1) of the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) to be made and executed by you as the seller(s) of the Offer Share(s) and to cause the same to be stamped and to cause an endorsement to be made on the Instrument of Transfer in accordance with the provisions of that Ordinance. **You will not receive the Compulsory Acquisition Consideration until the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or a satisfactory indemnity or indemnities required in respect thereof) have been provided to the satisfaction of the Company.**

If you are unable to produce the certificate(s) for your Remaining Offer Shares, please complete the section on missing share certificate(s) in the Form of Request, sign the Form of Request and return it to the Registrar, requesting a form of indemnity, statutory declaration and other relevant information (including fees payable) to be sent to you for completion and return.

No acknowledgment of receipt of any Form(s) of Request, share certificate(s), transfer receipt(s) or other document(s) of title (or any indemnity or indemnities in respect thereof) will be given.

By Order of the Board

For and on behalf of
PAGAC II-2 Limited

David Jaemin Kim
Director
Dated: 11 July 2017

APPENDIX

SECTION 88 OF THE COMPANIES LAW (2016 REVISION) OF THE CAYMAN ISLANDS POWER TO ACQUIRE SHARES OF DISSENTING SHAREHOLDERS

- 88.(1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as “the transferor company”) to another company, whether a company within the meaning of this Law or not (in this section referred to as “the transferee company”) has, within four months after the making of the offer in that behalf by the transferee company, been approved by the holders of not less than ninety per cent in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire his shares, and where such notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given, the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company.
- (2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given or, if an application to the Court by the dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.
- (3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sum or other consideration were respectively received.
- (4) In this section –

“dissenting shareholder” includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company, in accordance with the scheme or contract.

Noted: “Court” is defined to mean the Grand Court of the Cayman Islands by Section 2(1) of the Companies Law.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about any aspect of this Document, you should consult a licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in Yingde Gases Group Company Limited, you should immediately hand this Document to the purchaser(s) or transferee(s) or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

FORM OF REQUEST

To: PAGAC II-2 Limited

Jayla Place, P.O. Box 216, Road Town Tortola, British Virgin Islands

COMPULSORY ACQUISITION OF THE SHARES OF
Yingde Gases Group Company Limited

All words and expressions defined or referred to in the notice of compulsory acquisition accompanying this Form of Request shall, unless the context otherwise requires, have the same meanings when used in this Form of Request.

How to complete this Form of Request

- (1) If you wish to voluntarily transfer your Offer Shares for the Consideration, you should complete and sign this Form of Request and then forward this form by post or by hand, marked “Yingde Compulsory Acquisition” on the envelope, to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (2) **You must complete and return this Form of Request as soon as possible but in any event at or before 4:30 p.m. (Hong Kong time) on Thursday, 10 August 2017. If you do not complete and return this Form of Request by this date there will be a delay in the payment of the Compulsory Acquisition Consideration to you as the Offeror will then be required to pay the Compulsory Acquisition Consideration to the Company rather than directly to you. Under the Companies Law, the Company is required to pay the aggregate Compulsory Acquisition Consideration into a separate trust account and hold it in trust for you. The Compulsory Acquisition Consideration will be held in the account 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 a 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 Completion Date.**

- (3) Please complete the instrument of transfer (excluding the date and the identity of the Transferee) and, if necessary, the section on missing share certificate(s), below.
- (4) Please insert your name and address if you do NOT wish the Compulsory Acquisition Consideration to be sent to you at the address which appears in the register of members of the Company:

Name:

Address:

REQUEST

I/We have:	Yes (Tick Box)
(i) enclosed share certificate(s) for my/our Offer Shares	[]
(ii) enclosed any other documents of title	[]
(iii) completed the instrument of transfer below	[]
(iv) (if necessary) requested a Form of Indemnity, Statutory Declaration and other relevant information	[]

I/We agree to the transfer of my/our Remaining Offer Shares to PAGAC II-2 Limited in return for payment of the Compulsory Acquisition Consideration to me/us. I/We authorise any director or officer of PAGAC II-2 Limited or the Registrar to date and complete the instrument of transfer, to make and execute the contract note, and any other documents delivered with this Form of Request and otherwise do all such matters as may be required to effect the transfer of my/our Remaining Offer Shares to PAGAC II-2 Limited.

I/We agree to the policies and practices of the Offeror and the Registrar in relation to the collection, holding and use of my/our personal data under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Signature(s) of Remaining Offer Shareholder(s):

Name(s) of Remaining Offer Shareholder(s):

Contact Telephone Number:

Date:

MISSING SHARE CERTIFICATE(S)

I/We hereby confirm that the share certificate(s) of Yingde Gases Group Company Limited dated *(insert date of share certificate(s))*

and numbered *(insert share certificate number(s))*

relating to the Remaining Offer Shares registered in my/our name(s) has/have been lost, mislaid or accidentally destroyed.

Please send me/us your Form of Indemnity, Statutory Declaration and other relevant information (including applicable fees).

Signature(s) of Remaining Offer Shareholder(s):

Name(s) of Remaining Offer Shareholder(s):

Address of Remaining Offer Shareholder(s):

Contact Telephone Number:

Date: