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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Yingde Gases Group Company Limited (the “Company”) will be held at Forum Room 1, B2 level, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 19 May 2010 at 2:30 p.m. for the following purposes:

Ordinary resolutions

1. To receive and adopt the audited consolidated financial statements of our Company and the reports of the directors and auditors for the year ended 31 December 2009.
2. To consider the re-election of the retiring directors of our Company and authorise the board of directors to fix the remuneration of the directors of our Company.
3. To consider the re-appointment of KPMG as the auditors of our Company and to authorise the board of directors of our Company to fix their remuneration.
4. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) **“That:**

- (i) subject to paragraph (iii) below, the exercise by the directors of our Company during the Relevant Period (as hereinafter defined) of all the powers of our Company to allot, issue or otherwise deal with additional shares in the capital of our Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of our Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of our Company) which may require the exercise of such powers, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the “Listing Rules”), be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of our Company and shall authorise the directors of our Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of our Company during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of our Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of its subsidiaries of shares or rights to acquire shares of our Company; or (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of our Company in accordance with the articles of association of our Company in force from time to time; or (4) any issue of shares in our Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by our Company or any existing securities of our Company which carry rights to subscribe for or are convertible into shares of our Company, shall not exceed the aggregate of 20 per cent of the aggregate nominal amount of share capital of our Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:-
 - (a) the “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:-
 - (1) the conclusion of the next annual general meeting of our Company; and
 - (2) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of our Company in general meeting; and
 - (b) “Rights Issue” means an offer of shares in the capital of our Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of our Company to holders of shares in the capital of our Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of our Company may deem necessary or

expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to our Company, any recognised regulatory body or any stock exchange applicable to our Company).”

(B) “That:

- (i) subject to paragraph (ii) below, the exercise by the directors of our Company during the Relevant Period (as hereinafter defined) of all the powers of and on behalf of our Company to repurchase issued shares or any other rights to subscribe shares in the capital of our Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of our Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the Listing Rules, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the shares capital of our Company, which are authorised to be repurchased pursuant to the approval in paragraph (i) above during the Relevant Period (as defined below) shall not exceed 10 per cent of the aggregate nominal amount of the share capital of our Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:-

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:-

- (a) the conclusion of the next annual general meeting of our Company; and
- (b) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of our Company in general meeting.”

(C) “**That** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the directors of our Company to exercise the powers of our Company to allot, issue and otherwise deal with additional shares of our Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of our Company which may be allotted by the directors of our Company pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of our Company repurchased by our Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of our Company in issue as at the date of passing of the this resolutions.”

5. To consider and if thought fit, pass the following resolution as ordinary resolution:

“**That** the Proposed Revised Annual Caps for the Supply-related Transactions for the year ending 31 December 2010 and thereafter, until 30 October 2029 as described in the circular dated 15 April 2010, be and are hereby approved, ratified and confirmed”.

By order of the Board
Yingde Gases Group Company Limited
Zhongguo Sun
Chairman

Hong Kong, 15 April 2010

Notes:

- (i) Resolution numbered 4(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 4(A) and 4(B) are passed by the shareholders.
- (ii) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of our Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

- (iv) In order to be valid, a form of proxy must be deposited at our Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of our Company from attending and voting in person at the above meeting or any adjourned meeting thereof, if they so wish.
- (v) The transfer books and register of members will be closed from Thursday, 13 May 2010 to Wednesday, 19 May 2010, both days inclusive, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with our Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 12 May 2010.
- (vi) In respect of ordinary resolution numbered 2 above, Mr. Zhongguo Sun, Mr. Zhao Xiangti, Mr. Chen Yan, Mr. Chen Dar Cin, Mr. Xu Zhao, Mr. Zheng Fuya and Dr. Wang Ching being eligible, have offered themselves for re-election at the above meeting. Details of the above directors are set out in Appendix I to the accompanied circular dated 15 April 2010.
- (vii) In respect of the ordinary resolution numbered 4(A) above, the directors wish to state that they have no immediate plans to issue any new shares of our Company. Approval is being sought from the shareholders as a general mandate for the purpose of the Listing Rules.
- (viii) In respect of ordinary resolution numbered 4(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of our Company in circumstances which they deem appropriate for the benefits of the shareholders. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by our Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 15 April 2010.

As at the date of this notice, the executive directors of our Company are Mr. Zhongguo Sun, Mr. Zhao Xiangti and Mr. Chen Yan; the non-executive director of our Company is Mr. Chen Dar Cin; and the independent non-executive directors of our Company are Mr. Xu Zhao, Mr. Zheng Fuya and Dr. Wang Ching.