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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)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-Allotment Option referred to in the Prospectus has been fully exercised by the Global Coordinator on behalf of the International Underwriters on 21 October 2009 in respect of the Over-Allotment Shares, representing 15% of the Offer Shares initially available under the Global Offering (assuming no exercise of the Over-Allotment Option), for the sole purpose of covering over-allocations in the International Offering.

The Over-Allotment Shares will be sold by the Over-Allotment Option Grantors at HK\$7.00 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

The Company announces that the Over-Allotment Option referred to in the Prospectus has been fully exercised by the Global Coordinator on behalf of the International Underwriters on 21 October 2009 in respect of 67,846,500 Shares (the “**Over-Allotment Shares**”), representing 15% of the Offer Shares initially available under the Global Offering (assuming no exercise of the Over-Allotment Option), for the sole purpose of covering over-allocations in the International Offering.

The Over-Allotment Shares will be sold by the Over-Allotment Option Grantors at HK\$7.00 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share in connection with the Global Offering.

Listing of and permission to deal in the Over-Allotment Shares have already been granted by the Listing Committee of the Stock Exchange.

As shown in the shareholding structure of the Company set out below, immediately before the sale of the Over-Allotment Shares by the Over-Allotment Option Grantors, approximately 31.74% of the issued share capital of the Company was held by the public. Such shareholding percentage will be increased to approximately 35.33% immediately upon completion of the sale of the Over-Allotment Shares by the Over-Allotment Option Grantors.

The shareholding structure of the Company immediately before and immediately after the sale of the Over-Allotment Shares by the Over-Allotment Option Grantors are as follow:

Shareholder	Immediately before the sale of the Over-Allotment Shares		Immediately after the sale of the Over-Allotment Shares	
	Number of Shares	Approximate % of issued share capital	Number of Shares	Approximate % of issued share capital
Substantial Shareholders				
Rongton Investments Limited ⁽¹⁾	306,830,639	16.96%	280,603,935	15.51%
Bubbly Brooke Holdings Limited ⁽²⁾	295,200,000	16.32%	295,200,000	16.32%
Baring Private Equity Asia III Holding (7A) Limited ⁽³⁾	252,768,977	13.97%	231,126,424	12.77%
Peace & Smooth (Hong Kong) Investment Limited ⁽⁴⁾	198,461,454	10.97%	181,498,231	10.03%
Baslow Technology Limited ⁽⁵⁾	181,661,461	10.04%	181,661,461	10.04%
Public Shareholders				
Deutsche Bank AG, acting through its Hong Kong Branch	48,800,000	2.70%	48,800,000	2.70%
Winford Global Investments Limited	37,938,445	2.10%	37,938,445	2.10%
Gold Stand Goal Limited	17,630,762	0.97%	16,123,752	0.89%
Pinpoint Capital 2006 A Limited	17,630,762	0.97%	16,123,752	0.89%
Other public Shareholders	452,310,000	25.00%	520,156,500	28.75%
	<u>1,809,232,500</u>	<u>100.00%</u>	<u>1,809,232,500</u>	<u>100.00%</u>

Note:

- (1) Mr. Zhao Xiangti and Mr. Yang Yonggang respectively controls 55% and 45% of the voting rights in Rongton Investments Limited and therefore, are respectively deemed to be interested in the Shares held by Rongton Investments Limited.
- (2) The entire issued share capital of Bubbly Brooke Holdings Limited is ultimately held by Equity Trustee Limited (“**Equity Trustee**”) Equity Trustee is a professional trustee company acting as the trustee of The LHM Family Trust. The LHM Family Trust is a discretionary trust set up by Ms. Li Hongmei (Mr. Zhongguo Sun’s mother-in-law) as settlor. The beneficiaries under The LHM Family Trust are family members of Ms. Li Hongmei. Ms. Li Hongmei as founder of The LHM Family Trust is deemed to be interested in all the Shares held by Bubbly Brooke Holdings Limited under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).
- (3) Baring Private Equity Asia GP III Limited is the general partner of a limited partnership (Baring Private Equity Asia GP III, L.P.), which is the general partner of another limited partnership (The Baring Asia Private Equity Fund III, L.P.1), which is one of the limited liability partnerships comprising The Baring Asia Private Equity Fund III and which controls more than one-third of the issued shares in Baring Private Equity Asia III Holding (7A) Limited. Jean Eric Salata is the sole shareholder of Baring Private Equity Asia GP III Limited. Each of Baring Private Equity Asia GP III Limited and Jean Eric Salata is therefore deemed to be interested in the Shares held by Baring Private Equity Asia III Holding (7A) Limited. Jean Eric Salata disclaims beneficial ownership of such Shares, other than to the extent of his economic interest in such entities.
- (4) Mr. Yang Yonggang and Mr. Nie Kuang each controls 50% of the voting rights in Peace & Smooth (Hong Kong) Investment Limited and therefore, are respectively deemed to be interested in the Shares held by Peace & Smooth (Hong Kong) Investment Limited.
- (5) The entire issued share capital of Baslow Technology Limited is ultimately held by Equity Trustee. Equity Trustee is a professional trustee company acting as the trustee of The TRS Trust. The TRS Trust is a discretionary trust set up by Mr. Trevor Raymond Strutt as settlor. The beneficiaries under The TRS Trust are family members of Mr. Trevor Raymond Strutt. Mr. Trevor Raymond Strutt as founder of The TRS Trust is deemed to be interested in all the Shares held by Baslow Technology Limited under the SFO.

As the Over-allotment Option is granted by the Over-allotment Option Grantors (and not the Company), the Company will not receive any proceeds from the exercise of the Over-allotment Option. Therefore, the amount of the net proceeds received by the Company from the Global Offering has not been affected by the exercise of the Over-allotment Option.

The Company continues to comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules. No new Shares or securities convertible into equity securities of the Company may be issued within six months from the Listing Date save for the situations set out in Rule 10.08 of the Listing Rules.

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

Hong Kong, 21 October 2009

As at the date of this announcement, our executive Directors are Mr. Zhongguo Sun (Chairman), Mr. Zhao Xiangti and Mr. Chen Yan, our non-executive Director is Mr. Chen Dar Cin, and our independent non-executive Directors are Mr. Xu Zhao, Mr. Zheng Fuya and Mr. Kam Son Leong.