

Press Release

Warburg Pincus Receives CSRC Approval to Make Strategic Investment to Acquire 49% Stake of Fortune SG

Beijing, August 2, 2017 – Warburg Pincus, a leading global private equity firm focused on growth investing, announced today that an affiliate of the firm has received regulatory approval by the China Securities Regulatory Commission (CSRC) to make a strategic investment to acquire a 49% stake in Fortune SG. The transaction is subject to certain conditions and expected to close in the third quarter of 2017.

As one of China's first Sino-foreign joint venture fund management companies, Fortune SG has become a leading asset management company in China, offering a wide range of products and services, including domestic public equity fund products, overseas investment fund products and wealth management under separately managed accounts (SMAs). Recognized for its prudent operating style and forward-looking product and service coverage arrangement, Fortune SG holds a market-leading position in the common fund industry in overall competitiveness and performance. As of June 30, 2017, Fortune SG's managed public equity assets totaled RMB 122.5 billion.

Mr. Ben Zhou, Managing Director, Warburg Pincus, commented, "With the rapid growth of the Chinese economy and accumulation of family wealth in the past 30 years, people have become increasingly aware of the importance of wealth management and asset allocation. We are strong believers in the long-term prospects of China's asset management industry and public fund management industry. Our strategic investment into Fortune SG marks a significant move for Warburg Pincus into China's asset management industry."

Warburg Pincus will offer its resources and expertise to Fortune SG, from strategic planning to product development to financial technology, in order to help build Fortune SG into the most distinctive and competitive fund management company platform in China.

Mr. Zhou continued, "As the Chinese economy undergoes a critical transformational phase and the reform of the financial services sector further deepens, growing and strengthening the public equity fund industry in the country is of particular importance. With the strong support of its majority shareholder Baowu Group, and led by a visionary and highly competent management team, Fortune SG has become a leading Chinese fund management firm. As a strategic shareholder of 49% stake, we will support the growth of Fortune SG by fully leveraging our more than 50 years of experience in the asset management sector globally."

Fortune SG has three major business lines, including the industry/theme fund products, the "iFubao" quantitative financial innovation product and overseas investment business. Fortune SG has maintained solid mid-and-long-term investment track records through an array of star products like Fortune Baokang Consumer Products, Fortune Newly-Emerged Industry, Fortune Resource Optimization and Fortune Power Combo. It has repeatedly won industry awards such as "Golden Fund Firm" and "Golden Bull Company for Overseas Investment".

Fortune SG has a solid track record in the index quantification area as well. The company became the largest ETP manager in China as at the end of 2016 with its domestically-leading exchange-traded products (ETPs). Its flagship product, Fortune More Gains, is now the largest fund on both the Shanghai and Shenzhen Exchanges. Fortune SG will continue to follow the operating principle of fund holders' interests first and focus on building a wealth management center with diversified products.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$44 billion in private equity assets under management. The firm's active portfolio of more than 140 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 16 private equity funds which have invested more than \$60 billion in over 780 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai and Singapore. For more information, please visit www.warburgpincus.com.

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