

Press Release:**Shanghai Baosteel Gases and Warburg Pincus Announce Formation of Strategic Partnership**

August 19, 2014, Shanghai, China – Shanghai Baosteel Gases Limited (Baosteel Gases), China’s leading industrial gas producer, and an affiliate of Warburg Pincus, a global private equity firm focused on growth investing, today announced the formation of a strategic partnership to jointly explore and develop projects in the industrial gas field. Furthermore, under the strategic partnership, the two parties have reached agreement with Henan Jinkai Chemical Investment Holding Group to acquire its industrial gas assets for RMB3 billion.

Established in 2008, Baosteel Gases is a wholly-owned subsidiary of Baosteel Metal. Thanks to its experienced and expert management team, high professional standards and pioneering spirit, Baosteel Gases has quickly established its industry leadership and has become one of the key development areas among the diversified businesses of Baosteel Group, China’s leading steel conglomerate. Baosteel Gases cover a variety of areas in industrial gases, synthetic gases, packaged gases and new energy, operating through more than 10 subsidiaries in China’s Eastern, Northwest and Southern regions. Backed by the resources of Baosteel Group and the robust efforts of the management team, Baosteel Gases has built a strong set of core competitive advantages.

With currently more than \$39 billion in assets under management, Warburg Pincus has invested over \$50 billion in 720 companies globally. Since inception, Warburg Pincus has invested more than \$14.7 billion in over 110 energy and industrial companies, covering a wide range of industrial and energy areas such as aircraft, automobile, security equipment, refrigeration, oil and gas, power and renewable energy. Since entering the Chinese market in 1994, Warburg Pincus has invested more than \$4 billion (equivalent of more than RMB25 billion) into leading Chinese companies in the industrial, energy, consumer and retail, healthcare, real estate, and technology, media and telecommunications (TMT) industries.

Mr. Jia Yanlin, Chairman of Baosteel Metal, a subsidiary of Baosteel Group, commented, “Baosteel Gases is one of the key platforms and brands under Baosteel Metal. The strategic partnership with Warburg Pincus is a combination of the best players in their respective fields. I am confident that the cooperation will accelerate the growth of Baosteel Gases, in its efforts to become China’s most competitive industrial gas provider, and be able to compete with the world’s strongest multinationals in key fields in terms of scale of gases supply, air separation and integration, applied technology, pipeline construction and air liquification operation.”

Mr. Sheng Zhongke, CEO of Baosteel Gases, commented, “As one of the leading global private equity firms, Warburg Pincus has built a solid track record in investing and building energy and industrial companies both in China and globally. We look forward to working with Warburg Pincus to further expand and deepen our footprint in the industrial gas field at home and abroad, and to accelerate the

execution of our internationalization strategy.”

Mr. David Li, Managing Director of Warburg Pincus responsible for the firm’s investment activities in Asia, commented: “As China’s most competitive steel conglomerate, Baosteel Group has achieved impressive development in growing its diversified business platforms including Baosteel Metal. Warburg Pincus is committed to the long-term prospects and potential of the industrial gas industry in China. We are honored to partner with Baosteel Gases, enabling us to access the huge growth potential of China’s industrial gas industry. Our partnership with Baosteel Gases is of particular significance to both parties, demonstrating the latest progress in our firm’s efforts to participate in the ongoing Chinese SOE reforms, in the backdrop of the economic structure transformation and deepening reform in China.”

Dr. Bo Bai, Executive Director of Warburg Pincus responsible for energy and industrials investment in Asia, commented, “We like the industry leadership position and quality of assets of Baosteel Gases, as well as the excellent management team in our strategic partnership. We look forward to providing our support for Baosteel Gases’ future development by leveraging our international experience in the capital markets and our strong industry and investment knowledge in China.”

About Baosteel Gases

Baosteel Gases is one of the wholly-owned subsidiaries of Baosteel Metal, which has 15 subsidiaries across China. With core businesses covering from industrial gases to new energy products, the company has the capacity of comprehensive technology and development, marketing and logistics, M&A and full construction of air separation units and operation ability, with the biggest air separation units in South China. Baosteel Gases has a team of professional talents who are qualified in construction of air separation, business of operating, provides the stable and safe service to customers.

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$39 billion in assets under management. The firm’s active portfolio of more than 120 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 13 private equity funds, which have invested more than \$50 billion in over 720 companies in more than 35 countries.

Since the firm’s first investment in China in 1994, Warburg Pincus has invested in leading companies in various sectors in China, such as 58.com (NYSE: WUBA), AAG Energy Limited, Amcare Hospital Group, China Auto Rental, China Kidswant, China Red Star Macalline, China Southernpec and RDA Microelectronics. Warburg Pincus is also an experienced investor in working with Chinese SOEs, with investments or joint projects with Franshion Properties (HKSE 0817), a subsidiary of Sinochem, and China Resources Land.



WARBURGPINCUS
美国华平投资集团

The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo and Shanghai. For more information please visit www.warburgpincus.com.

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