

Warburg Pincus-backed Nova Increases Investment in Yicheng Two Companies to Deepen Strategic Cooperation

Shanghai, China, May 3, 2016 – Nova Property Investment Co. Ltd. (Nova) and Yicheng Asset Management Co. Ltd. (Yicheng, 835235.OC) announced today that the two companies have entered into a strategic cooperation that includes an increased investment by Nova into Yicheng and deeper cooperation on both investment and operational levels. Following the increased investment, Nova will become the second largest shareholder in Yicheng. Warburg Pincus, a leading global private equity firm focused on growth investing, is the strategic investor in both Nova and Yicheng. Nova focuses on the investment and asset management of for-rent apartments and commercial properties, while Yicheng is primarily engaged in the creative design, conversion and operation of niche real estate properties.

Nova, jointly founded by an affiliate of Warburg Pincus and Chinese entrepreneur Qian Wang in early 2015, acquires properties with high growth potential and converts them into apartments or commercial properties for rental and operation, targeting China's growing professional class that prefers the flexibility and freedom of renting. To date, Nova has already acquired two properties in Shanghai and Tianjin and is pursuing further opportunities in Shanghai, other first-tier economic centers within the Beijing-Tianjin-Hebei region and Pearl River Delta area.

Yicheng was founded by Wei Shi and Kaimin Shen in 2008 and specializes in the conversion and operation of unique real estate properties. Its current offerings include creative office spaces, boutique creative parks and boutique for-rent apartments and hospitality products. Yicheng was listed on Chinese National Equity Exchanges and Quotations (NEEQ, commonly referred to as “New Third Board”) on January 8, 2016. To date, Yicheng has 24 projects under operation and construction in Shanghai, such as the Shanghai FengLink Creative Park and Yongjia Lu Project. Projects in the pipeline include urban renewal properties located in top-tier cities such as Shanghai and Beijing, second-tier provincial capital cities such as Hangzhou, and an upcoming hospitality project in Wuyi Mountain in Fujian Province. The company expects to add over 120,000 square meters of new projects in 2016.

The strategic partnership between Nova and Yicheng brings together their respective strengths in the investment, design, conversion and operation of for-rent apartments and commercial properties. Through this collaboration, both Nova and Yicheng aim to create a comprehensive suite of creative, quality living and working spaces to meet the needs of people in pursuit of a good quality of city life. Yicheng will also become Nova’s preferred operator for the properties that it acquires.

Joseph Gagnon, Managing Director and head of real estate for Warburg Pincus in Asia, commented, “Warburg Pincus is confident about the long-term growth prospect of for-rent apartments and creative office spaces in China. Good quality for-rent apartments and creative office spaces is an underserved market in China, as more professionals adopt flexible and quality renting options, especially in the first-tier cities in China. The founders of both companies share the same vision for the future development of the business and their teams proved to be highly complementary.

We believe that a strengthened collaboration between Nova and Yicheng will better align both companies' interests and maximize their respective value propositions."

Following the rapid growth of cities in China, many properties in prime city locations remain underutilized as their original designs and functions can no longer meet the evolving needs of the city's residents. Through novel design concepts, advanced green building technologies and professional operations, Nova and Yicheng are able to unlock the potential and value of such properties.

Mr. Qian Wang, Founder, Chairman and President of Nova commented, "Our vision is to build Nova into the largest 'multifamily' owner and operator in China. In just a year since its founding, Nova has successfully acquired two projects which are now under renovation. We have a strong pipeline of projects and expect to accelerate our pace of acquisition in 2016. Over the past few months, Nova and Yicheng have had productive project-level cooperation and we are looking forward to bring the cooperation of the two companies to a new level following the signing of the strategic cooperation agreement."

Mr. Wei Shi, co-founder of Yicheng, commented, "Yicheng is committed to the revolution of city residents' life styles, as well as setting examples for building sustainable societies, creating new revenue for local governments, improving city planning and supporting the growth of service industries. Yicheng's core competitiveness lies in upgrading and renovating underutilized properties and providing subsequent value-add operations and services. On the operational level, our cooperation with Nova will strengthen our capabilities in the entire real estate development value chain, from investment to renovation and operation of these assets."

Mr. Kaimin Shen, co-founder of Yicheng, added, "Our popular product 'base' covers a wide range of innovative products, starting from creative working space – base OFFICE, quality living space – base LIVING, co-working office solution – base CO, to a series of new products to be launched soon. Going forward, Yicheng will work closely with Nova to bring more innovative projects to the market, create more networking platforms for professionals, and improve the overall quality of living and working spaces for local communities."

About Nova

Nova Property Investment Co. is a professional commercial property investment and asset management company. The company is engaged in the acquisition and conversion of high growth potential properties into for-rent apartments and other commercial spaces.

Nova is committed to become one of China's best commercial property investor and asset manager, through integrating the experience and expertise of the best talents in the financing, investment, development and conversion of commercial properties in the first and second-tier cities in China.

About Yicheng

Founded in 2008 by Mr. Wei Shi and Mr. Minkai Shen, Yicheng is a boutique operator specialized in designing, renovating old buildings for subsequent operations as good quality for-rent apartments,

creative and co-working office spaces and boutique hospitality products.

“base”, a main product brand under Yicheng, includes innovative spaces created for all purposes, such as base LIVING, base CO (a co-working office solution), base GO (a tailor-made, short-distance transportation solution for base tenants) and base ESCAPE (a boutique hospitality product to be launched in 2016).

About Warburg Pincus

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$40 billion in private equity 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 15 private equity funds, which have invested more than \$55 billion in over 750 companies in more than 35 countries. Warburg Pincus is one of the leading global private equity investors in China with over \$6.5 billion invested in over 90 Chinese companies since 1994.

Warburg Pincus has a strong track record in investing China’s property sector. The firm has invested in more than \$2.4 billion equity in 20 companies and projects in China across developers, operators, asset managers, and asset/project portfolio joint ventures in all major asset types. The firm’s notable investment in real estate sector include 7 Days Inn, e-Shang Redwood Group (ESR), Greentown, Guangzhou R&F, Franshion Properties, Mofang Apartment, Red Star Macalline and Sunshine 100.

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