

Press Release

Warburg Pincus Makes \$183 Million Follow-on Investment to Nova to Build the Largest Institutional Residential For-rent Apartment Owner in China

Shanghai, China, September 4, 2017 – Warburg Pincus, a leading global private equity firm focused on growth investing, announced today that an affiliate of the firm has committed a \$183 million follow-on investment into Nova Property Investment Co. Ltd (“Nova”), China’s leading residential for-rent apartment owner, operator and asset manager. As a part of the transaction, the management team will also invest into the company on pro-rata basis.

Warburg Pincus made its initial investment of US\$170 million into Nova in 2015 which has been utilized to build up its best-in-class portfolio. With expanded capital base, Nova expects to accelerate and expand its asset portfolio aggressively across the first tier cities in China with a focus on the acquisition of aged and distressed properties in urban infill locations that are suitable for conversion into modern residential rental apartments with extensive amenities such as share office and other key amenities.

Co-founded by Warburg Pincus and Mr. Qian Wang in 2015, Nova has grown rapidly and merged with Shanghai-based Yicheng Property Investment, founded by Jerry Shen, in 2016. Nova currently has AUM (asset under management) of RMB 5 billion (approximately \$735 million) with 32 projects in operation and under development in Shanghai which spans rental apartments under the “base” brands (such as mid-high end “base living” and mid-end “base co-living”) as well as creative co-working and shared office space.

Mr. Qian Wang, Chairman and Co-CEO of Nova, commented: “In just two years since its inception, Nova has grown into the leading for-rent apartment owner and asset manager in China with a fully integrated platform that spans investment, acquisition, development, leasing and funds management. The follow-on investment of Warburg Pincus will provide strong support for us toward fulfilling our business targets as we continue to focus on expansion in the institutional for-rent apartment sector, a major force in the development and operation of aged and underutilized properties.”

Mr. Jerry Shen, Managing Director and Co-CEO of Nova, commented, “Through deep customer insight, unique product design and diversified service offerings, Nova differentiates itself from its peers, not only delivering good business returns but also creating value to improve the living and working environment for city residents. We will continue our expansion effort to solidify our market position through our brand ‘base’, Nova’s flagship creative residential and office property brand.”

Mr. Joseph Gagnon, Managing Director and Head of Asia Real Estate of Warburg Pincus, commented, “We are very impressed with Nova’s outsized growth in just two years since the company was founded. With a strong foundation in place, we believe there are significant future growth opportunities for Nova, driven by the increasing demand for better-served and quality for-rent apartment, creative and co-working office space in

China. We look forward to continuing to work with the Nova management team and our partners to further cement our market leading position in China."

Warburg Pincus has a proven track record as an experienced and successful investor in the real estate sector in China. The firm has invested over \$3 billion in more than 20 Chinese real estate companies, helping build successful businesses and leading brands such as ESR, Mofang Apartments, D&J China, 7 Days Inn, Sunshine 100 and Guangzhou R&F.

About Nova

Founded in 2015, Nova Property Investment Co. Ltd. is a professional property investment and management company, committed to acquisition of high-quality property asset and transform into for-rent apartments, offices and retail spaces. With a strong professional team in investment, development, re-design and operation management capabilities. Up to June 2017, Nova develops & operates 32 projects, with total areas of 190,118 SQM. Nova aims to expand product lines to meet the ever-changing market needs, and become a leading property investment and asset management platform in China. For more information, please visit www.novaasset.com / www.base-china.com

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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Nova

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