

Press Release

Warburg Pincus Leads Investment into Ziroom, Expanding its Commitment into China's Apartment Rental Sector

Beijing, January 16, 2018 – Ziroom, China's largest decentralized apartment rental service provider and internet platform, announced today the company has completed the A-round financing of RMB4 billion, led by an affiliate of Warburg Pincus, a leading global private equity firm focused on growth investing, Sequoia Capital and Tencent. Other participating investors include China Renaissance Principal Investment, Sunac Capital, GA Capital, H Capital, Source Code Capital, Haixia Asset and New Hope.

This is the third investment made by Warburg Pincus in the institutional apartment rental sector in China. In 2012, Warburg Pincus invested in Mofang, China's first and leading centralized institutional apartment developer and operator, serving young white collars in first and second-tier cities. In 2015, Warburg Pincus co-founded Nova to 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 shared offices.

Ziroom was founded in 2011 by a team of senior professionals from HomeLink, the largest real estate agency in China, and was spun-off from the group in 2016. Through innovative online and offline platform, Ziroom leases and renovates apartments from individual owners to provide higher-quality apartments and services to renters.

Ziroom currently manages around 500,000 rooms entrusted by 200,000 apartment owners, and has served a total of over 1.2 million renters since inception. Ziroom currently has presence in nine cities in China including Beijing, Shanghai, Shenzhen, Hangzhou, Nanjing, Chengdu, Tianjin, Guangzhou and Wuhan.

Ziroom's innovative service-driven O2O (online to offline) model offers a one-stop solution for the apartment rental process, from apartment searching, contract signing, payment and maintenance services. Ziroom has invested heavily to continuously expand its services to renters, including cleaning, maintenance and house moving. The Company now has over 10,000 full-time staff and contract workers.

Furthermore, the Company looks to build Ziroom into a vibrant youth community, in which Ziroom renters are not only roommates but also friends with shared values. So far, Ziroom has organized nearly 1,000 community events for its renters since inception.

Mr. Hui Zuo, Chairman of Ziroom, commented, "We strongly believed in the growth potential of apartment rental sector since six years ago and remain committed. We are actively responding to the government's policy to promote apartment leasing by providing more and better rental properties to the market."

Mr. Julian Cheng, Co-head of Warburg Pincus China, commented, "The rapid urbanization in China in recent years have resulted in large urban rental population as over 70% of migrant population in major cities are choosing to rent. As China's largest long term rental apartment asset manager, Ziroom have significant advantages in client acquisition, mobile internet application, big data collection and day-to-day operation. Our extensive research and user interviews discovered that the NPS (net promoter score) of Ziroom is significantly higher than its peers."

“We decided to invest into Ziroom not only for its innovative business model, leading scale and brand premium, but also for its strong commitment to service and management teams’ operational capabilities. Warburg Pincus will leverage its experience in partnering with Chinese companies to support Ziroom’s growth. Ziroom does not only bring quality living condition to young people, but also warmth in the city,” added Mr. Cheng.

Mr. Lin Xiong, CEO of Ziroom, added, “We have embarked a challenging but righteous cause, which is full of fun and with great potential. Our team’s average age is 25.3 years old and we welcome more talents specializing in product management, services and IT to join us. In 2018, we will aim to be the preferred choice by owners and clients across the country.”

Warburg Pincus is a leading global private equity firm focused on growth investing. The firm has more than \$44 billion in private equity assets under management. Since entering the Chinese market in 1994, Warburg Pincus has invested over \$8 billion in more than 100 companies in China, including leading technology and internet companies 58.com, Uxin, Liepin and Weidian. The firm’s over 30 portfolio companies in China include Amcare, China Huarong, UCAR, Baosteel Gases, ZTO Express, Red Star Mecalline, Kidswant, Evercare, Mofang Apartment, Mobike, NIO, Souche and Yuanfudao.

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