



Canada Pension Plan Investment Board and Longfor Properties Company Form New Joint Venture for Mixed-Use Development Project in China

Toronto, Canada (January 12, 2015): Canada Pension Plan Investment Board (CPPIB) and Longfor Properties Company Ltd. (Longfor) announced today that they have formed a new joint venture for a major mixed-use development project in Suzhou, Jiangsu Province, China.

The new joint venture was formed on December 23, 2014 with CPPIB committing RMB 1,250 million (C\$234 million) to jointly develop the Times Paradise Walk project in Suzhou, the fifth most affluent city in China with a population of 10 million. The mixed-use development is an integrated project comprising residential, office, retail and hotel space covering a total gross floor area of 735,000 square metres. It is designed to be a top quality, one-stop commercial destination in Suzhou with completion scheduled in multiple phases between 2016 and 2019.

“This is CPPIB’s first direct joint venture in a mixed-use development in China and we are pleased to be doing this alongside Longfor, a well-respected and experienced developer in China,” said Jimmy Phua, Managing Director, Head of Real Estate Investments Asia for CPPIB. “We look forward to building a long-term strategic partnership with Longfor that will allow CPPIB to continue to invest in large scale mixed-use and retail projects in China, a market in which we see long-term growth potential.”

Located in the heart of the Central Business District of the Suzhou Gaoxin District with connections to the subway lines, Times Paradise Walk Suzhou, which started construction in 2013, has already received strong responses following two separate residential launches in 2014 with total contract sales of RMB 1.9 billion.

“One of Longfor’s key operating strategies is to expand joint venture initiatives with aligned partners. We look forward to forming a sustainable partnership with CPPIB to explore real estate opportunities in China over the medium to long term, leveraging each other’s strengths and resources,” said Zhao Yi, Finance General Manager, Longfor. “We believe partnering with organizations like CPPIB in these types of joint ventures will provide significant advantages in that it allows us to be more flexible in our resource allocation, improve capital efficiency and strengthen financial stability.”

Pinnacle Real Estate Capital Partners acted as the independent advisor for the investment and will have an ongoing role with CPPIB and Longfor. “This joint venture sets the stage for the beginning of a significant partnership between CPPIB and Longfor and they are ideal partners to capture the long term growth prospects for such large scale development projects in China,” said Kenny Tse, Managing Director for Pinnacle.



About Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 18 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, New York City and São Paulo, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At September 30, 2014, the CPP Fund totalled C\$234.4 billion, of which C\$25.4 billion represented real estate investments. For more information, please visit www.cppib.com.

About Longfor Properties Company Limited

Longfor Properties Company is a high quality Chinese real estate developer engaging in property development, property investment and property management with operations in 24 cities including leadership position in Beijing, Chongqing, Chengdu, Hangzhou and Xi'an. The company has a vast customer base covering high-end, mid-end and mass market for products in high-rise apartments, low-rise villas, town houses, detached villas, shopping malls and other commercial properties. For more information, please visit www.longfor.com.

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