



RELIANCE TO BE ACQUIRED BY CHEUNG KONG PROPERTY HOLDINGS LIMITED

Toronto, March 31, 2017 – Cheung Kong Property Holdings Limited (“CKP”) via its subsidiary CKP (Canada) Holdings Ltd. has entered into a definitive agreement today with investment funds managed by Alinda Capital Partners (“Alinda”), a US-based private investment firm, to acquire Reliance Home Comfort (“Reliance”).

CKP’s largest shareholder is Canadian Victor Li’s Li family trust. CKP is rated A2 by Moody’s and A- by S & P and Fitch.

The transaction comprises an equity purchase price of C\$2.82 billion funded from cash on hand and an assumption of all of Reliance’s existing debt. The transaction will not involve the incurrence of any incremental indebtedness by Reliance. CKP intends to on-sell up to 25% of Reliance to CK Infrastructure (“CKI”), a company of which the largest shareholder is the Li family trust, upon obtaining the necessary approvals.

“We are thrilled to have CKP as our new investment partner. This acquisition will continue to support our offerings to our customers,” says Sean O’Brien, President & CEO, Reliance. “We believe that CKP will help accelerate the momentum we have generated over the last few years where Reliance experienced strong business results over that time.”

Chris Beale, Alinda’s Managing Partner, said, “We have been proud owners of Reliance since June 2007 when we took private the income trust UE Waterheater Income Fund. The company has been well led by its management team and its team members have provided exceptional customer service. We believe Reliance and its customers will be in great hands with CKP as the new owners.”

“I am very happy about the Reliance acquisition. With my close ties in the country, I have always been on the lookout for sizeable investments back in Canada,” said Mr. Victor Li, Managing Director of CKP and co-Chairman of Husky Energy Inc.

“For our Group, Canada has always been an important market. We have had very positive experiences nurturing Canadian businesses like Husky Energy and Park’N Fly. We hope that Reliance will also grow and succeed just like our other Canadian companies, creating value to Canadians and contributing to the growth and development of the country’s economy,” Mr. Li continued.

The Li family trust has a substantial investment portfolio in Canada. In addition to Husky Energy, other Canadian businesses in their investment portfolio include Park’N Fly, Canadian Power Holdings Ltd, Wex Pharmaceuticals and Santé Naturelle AG. Staff employed by businesses of this Canadian portfolio amounts to over 6,000. The Li family has also made a number of donations in Canada, totaling approximately C\$95 million, including to St Michael’s Hospital in Toronto, University of Alberta, and the Centre for Conservation Research at the Calgary Zoo.

Upon completion, CKP’s intention is that Reliance will continue to be based in Ontario with the existing executive team managing the business.

Completion of the acquisition is conditional upon customary approvals under the Investment Canada Act and the Competition Act.

Goldman, Sachs & Co. served as Alinda’s lead financial advisor and CIBC Capital Markets served as Alinda’s financial co-advisor on the transaction. Torys LLP served as Alinda’s legal counsel on the transaction.



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