



PRESS RELEASE

21 June 2001

**New Partnership of Chevalier and PRS
Brings "No-Dig" Pipe Rehabilitation Technology to Hong Kong**

Chevalier formed a joint venture today with PRS Rohrsanierung GmbH ("PRS"), an expert in pipe rehabilitation from Germany, for the global pipe rehabilitation market. A signing ceremony cum technology introduction was held today at the Conrad Hotel, to announce the new partnership and to promote the advanced "No-Dig" pipe rehabilitation technology.

The agreement for the new partnership was signed by Mr Dietmar Preus, Chairman of PREUSS GmbH (a main shareholder of PRS); Mr Edmund Luksch, Managing Director of PRS; Dr Y C Chow, Chairman of Chevalier Group and Mr H S Kuok, Deputy Managing Director of Chevalier Group. Mr Luksch gave an introductory presentation to explain the pioneering "No-Dig" pipe rehabilitation technologies, their application in Hong Kong environment, and their market potential in Asia and other parts of the world.

During the ceremony, Dr Chow pointed out that the "No-Dig" technology is most suitable for Hong Kong, as Hong Kong has a complicated underground piping network and a busy traffic system. Such technology can greatly reduce the time and occupied area during the repair of the aged or damaged underground piping network, and most importantly, it can minimize the obstruction and disturbance to both traffic and the public.

According to the information from the Water Supplies Department, water leakage due to damaged or broken pipeline is increasing. 45% of the potable water pipelines in Hong Kong are over 30 years old. Last year, fresh water loss from leaking water pipes was 240 million cubic metres. To improve the situation, the government plans to spend over HK\$11 billion in the coming 20 years to repair or replace the pipelines.

PRS, from Germany, an expert in the rehabilitation of various pipe systems, including water networks, sewage and drainage networks, gas networks and oil pipelines, has established itself over Europe with its patented technologies and engineering techniques. In 1999, Chevalier formed a joint venture company called "Preussag Pipe Rehabilitation Hong Kong Limited (PPRHK)" with PRS. The company has implemented these proprietary technologies and has completed numerous pipe projects successfully for the Water Supplies Department, Drainage Services Department, Housing Department and Highways Department in Hong Kong.

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