

May 2001

SATS TO TAKE 20% STAKE IN TAIPEI CARGO JOINT VENTURE

Singapore Airport Terminal Services Limited (SATS) today signed a sale and purchase agreement to acquire a 20% stake in Evergreen Air Cargo Services Corporation (EGAC) from its holding company, Singapore Airlines Limited (SIA). The acquisition comprises 16,000,000 shares of par value NTD10 each, for a total cash consideration of S\$8.79 million, based on fair market valuation.

EGAC is a subsidiary of Eva Airways Corporation and the joint venture vehicle of a consortium that was formed in January 1999, comprising SIA and eight Taiwanese companies. The consortium successfully bid to build a 500,000-ton airfreight terminal at Chiang Kai Shek International Airport (CKS Airport) in Taipei under a 30-year build-operate-transfer franchise agreement. The other major shareholder of EGAC is Far Glory Air Cargo Terminal with a 20% interest.

In compliance with the bid guidelines at that time, interested foreign investors had to be airlines. That restriction has now lapsed. As cargo handling is a core activity of SATS, SIA and SATS have decided that SATS should acquire SIA's shares in EGAC.

Mr Karmjit Singh, Chief Executive SATS Airport Services, said that with this new addition, SATS will be participating in three joint venture companies in Taipei with the Evergreen group, the others being Evergreen Sky Catering Corporation and Evergreen Airline Services Corporation. "SATS is well positioned to benefit from the sustained growth of the market at CKS International Airport," he said.

The EGAC cargo terminal is currently under construction, with operations scheduled to start in 2002. The joint venture is part of the Taiwanese Government's plan to promote CKS Airport as an air cargo transshipment hub for East Asia. CKS Airport has been experiencing rapid growth in air cargo traffic and air cargo volume over the last 10 years, reaching 1.2 million tons in 2000.

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EVERGREEN AIR CARGO SERVICES CORPORATION

長榮空運倉儲股份有限公司

FACT SHEET

1	Scope of services	:	air-cargo terminal related services at Chiang Kai Shek International Airport, Taipei
2	Handling Capacity	:	500,000 tons per year
3	Total Build-up Area	:	97,000 sq.m, including 2 basements for staging of pallet dollies and car parking, and offices at the 2nd, 4th and 5th storeys.
4	Warehouse area	:	35,200 sq.m
5	Estimated Investment Cost (NT\$'000)		
	Construction	:	1,976,879
	Warehouse equipment	:	767,206
	Ground handling equipment	:	44,154
	Cargo management system	:	38,671
	Furnitures and fixtures	:	55,718
	Working capital	:	133,908
			3,016,536
6	Franchise Period	:	30 years
7	Land Lease Period	:	20 years but extendable to end of franchise period
8	Shareholders & Shareholding	:	
	EVA Airways Corporation		57.725%
	Singapore Airport Terminal Services Ltd		20%
	Far Glory Air Cargo Terminal		20%
	Round-The-World Corporation		0.9375%
	Signet Express Co Ltd		0.9375%
	Morrison Express Corporation Ltd		0.1875%
	Marine-Land-Air Transportation Ltd		0.1875%
	Dimerco Express (Taiwan) Corporation		0.025%
9	Expected Operational Start-up Date	:	early 2002