SINGAPORE BUSINESS AWARDS 2011
ENTERPRISE OF THE YEAR

YCH GROUP

BACKGROUND OF LEADERSHIP

Robert Yap, Chairman and CEO of the YCH Group, has more than 30 years of experience in Logistics and Supply Chain Management (SCM). Robert obtained his Bachelor of Business Administration from the National University of Singapore in 1976 and graduated from the Harvard Business School Owner President Management (OPM) programme in 1994. He was awarded Doctor of Philosophy (Ph.D), honoris causa, in Business Administration by Wisconsin International University in 2001 and was recently appointed as Honorary Adj. Professor by the College of Business, City University of Hong Kong, in 2009.

Mr Yap joined YCH in 1977 and has over the last few decades, transformed the humble local passenger transportation company into a dynamic home-grown MNC and regional industry leader in the field of providing integrated logistics services and end-to-end supply chain management solutions to world-class companies such as Dell, Motorola, Samsung, LG, ExxonMobil, LVMH, Unilever and Royal FrieslandCampina,..

He serves various consultative appointments and advisory roles to numerous national & regional government strategic committees, more notably advising regional Heads of Government in the ASEAN-Business Advisory Council since 2003, where he was also appointed Chairman from 2007 to 2009. Currently, he is also a Council Member of the
Singapore Business Federation, in which he was appointed as Chairman, ASEAN Business Group, and is also the elected SBF representative on the Asean SME Advisory Board.

Recently appointed as Board Member of International Enterprise Singapore (IES) and Maritime & Port Authority of Singapore (MPA), he is also member of the Customs Advisory Committee (by Singapore Customs), member of the inaugural Board of Advisors, SMU School of Information System, and Honorary Advisor to the Singapore Computer Society (SCS). He is also the Founding Chairman of Supply Chain Asia – a community of more than 17,000 supply chain professionals based in the Asian region.

In terms of personal achievements, Mr Yap has received numerous awards in recognition of his passion and contributions to the logistics industry. He was inducted into the Hall of Fame in the 2nd Asia Logistics Award in 2003 for his thought-leadership in the SCM field, and was bestowed the IT Leader Award in 2003 by the Singapore Computer Society for his contribution to the IT industry in innovating and implementing world-class SCM Solutions. He was also named Ernst & Young Entrepreneur of the Year Singapore 2007.

**BACKGROUND OF YCH GROUP PTE LTD**

Established since 1955, YCH is Singapore’s largest privately-owned homegrown SCM company with operations across Asia Pacific, including Malaysia, Thailand, Indonesia, Philippines, Hong Kong, Australia, China, India, Vietnam and Korea.

Its core business is in the provision of integrated logistics services such as warehousing and inventory management, transportation and distribution management, and freight management services. It also offers global end-to-end supply chain management through a suite of innovative, award-winning supply chain solutions to manage the three key logistics processes within a supply chain, namely Intribution™ for raw materials management, Intrabution™ for consumer goods distribution and Retrogistics™ for service and returns management. Together with other cutting edge web-technologies that are best-in-class across industry clusters from consumer and electronics to chemical and healthcare, YCH aims to deliver powerful competitive advantages for its customers to facilitate their growth and scalability.

A strong proponent of innovation, YCH is recognized for its 7PL™ approach in seamlessly integrating supply chain strategy with execution to attain success in the SCM industry. YCH is founded on a philosophy that thrives on overcoming challenges. This is embodied in the corporate philosophy using the Chinese Character 升, meaning to RISE. RISE is the acronym for Reliability, Integrity, Sincerity and Enterprise. With RISE complementing the organization’s focus on developing the core strategic pillars of ‘Quality & Innovation’, ‘Talent & Human Capital’, as well as ‘Networks & Infrastructure’, this foundation empowers its people to create value and innovations to shift paradigms in Supply Chain Management.
YCH’s vision is “The Logistics Superhighway™”, which will be achieved through the integration of three critical flows – Physical Flow, Information Flow and Financial Flow. The Group’s mission is to be the number one Supply Chain Solutions Company with a comprehensive network both in terms of breadth and depth into the Asia Pacific region.

RECENT Achievements

Expansion Activities and Partnerships

In 2007, YCH announced the opening of its S$25 million Tianjin Airport Logistics Park, its second facility in the municipality in three years. The 5.2 hectare facility supports the growing requirements of the company’s world-class customers as they scale and expand their manufacturing capabilities in China and North Asia.

In July 2008, YCH Group announced plans for aggressive growth in Asia with the help of a newly-expanded senior management team. It said it was focusing on India, China, Korea and Indonesia, which are expected “to provide vast opportunities for logistics and supply chain management as next engines of growth”.

In November 2008, YCH announced a collaboration with Chengdu Sino-Singapore South West Logistics Co. Ltd, a subsidiary of Frasers Centrepoint Ltd, to operate and manage A-Space, a 200,000 square metres logistics hub to be built in Gaobei, Wuhou District that will have a state-of-the art refrigeration system for cold rooms, and with YCH handling logistics services such as storage, handling, processing, distribution and other value-added services in the entire supply chain management.

In September 2009, YCH Group opened an office in South Korea to strengthen its pan-Asian network. The Korean office will leverage on the company’s knowledge of the Asian supply chain industry, comprehensive regional network and solutions to help Korean multinationals compete effectively in the export market. It will also enable the company to tap growing demand for logistics and supply chain management services driven by the increasing trade between Asean countries and Korea. YCH supported its regional expansion by enhancing its freight forwarding capability and aligning with its distribution hubs in emerging markets such as China, India and Vietnam, and has since set up Korea desks in various country offices throughout its Asia Pacific network.

Later, at the end of 2009, YCH started operating in Vietnam, fulfilling yet another milestone in YCH’s strategy to expand regionally across the Asia Pacific. YCH will also develop a state-of-the-art DistriPark in Binh Duong Province, which is just 20km away from Ho Chi Minh City. The US$20 million investment, jointly undertaken by YCH and Protrade Corporation, will cater to the supply chain requirements of industry clusters from electronics manufacturing to fast-moving consumer goods.
YCH’s foray into Vietnam under Dr. Yap’s leadership will enable their world-class MNC customers to tap on its immense potential as both a production base and a consumer market, fulfilling their complex logistics and supply chain requirements in the country. This will also strengthen YCH’s regional network and propel YCH towards becoming the region’s leading end-to-end SCM solutions provider.

In May 2010, YCH expanded its presence in India with the Official Inauguration of its 525,000 square feet YCH DistriPark in the Sriperumbudur area of the Chennai Special Economic Zone (SEZ). Endorsed by the local government as the very first green warehouse facility in India, the YCH DistriPark supports manufacturing logistics and pioneers true Vendor Managed Inventory (VMI) operations for MNC manufacturers and suppliers tapping on the growing potential of SEZs in India.

In the same year, as part of a joint venture with the Xiamen Port Development Co. Ltd, a subsidiary of the Xiamen International Port that specializes in freight, transshipment, multimodal transportation and logistics information management, YCH will see an additional 609,000 sq. feet state-of-the-art, two-storey ramp-up logistics facility being developed to service the various MNC manufacturers and suppliers located within and nearby Xiamen city through its unique All-In-One (“AIO”) advantage of superior air, land and sea connectivity.

In October 2010, YCH officially opened its hi-tech 465,000 square feet YCH DistriPark located within the Lingang Logistics Park of Shanghai’s famous Yangshan Free Port, providing unrivalled value to brand owners and manufacturers that require the convenience of integrating multiple supply chain services and value-added activities such as manufacturing, assembly, storage and export processing within a single location.

**Strategic Partnerships**

In 2008, YCH launched the industrial zone’s first Radio Frequency Identification (RFID) project at the Shanghai Lingang Logistics Park. This project, developed in collaboration with Shanghai Lingang Economic Development (Group) Co. Ltd., provides a standard framework for the future implementation of RFID technology in other warehouses in Lingang. Motorola and Y3 Technologies have also formed a strategic alliance with YCH to develop RFID solutions for logistics and supply chain management customers to enhance operational efficiencies.

In October 2009, YCH forged a strategic partnership with various Chengdu City government agencies to establish an advanced, sustainable logistics framework for the city by managing a special fleet of green trucks to increase the efficiency of last mile deliveries, optimize distribution and shorten lead times. This addressed the issues of traffic congestion and air pollution, as well as growing concerns on food safety, hygiene and freshness of perishables within Chengdu’s consumer market.
Beginning January 2010, YCH Group entered into a new segment of the consumer goods industry as it began servicing the logistic needs of its new MNC client, cosmetics giant Mary Kay China. Under this partnership, YCH will work with Mary Kay China throughout Northern China to fulfill distribution in various Chinese cities by leveraging Beijing as the Regional Distribution Centre (RDC).

YCH has also introduced a new logistics flow solution, specially customized to cater to Mary Kay’s direct sales business model. Apart from the usual warehousing storage, transportation and distribution services, YCH’s use of sophisticated IT systems also enable the provision of various value-added services as well as a customised “pick-to-light” (P2L) system. This facilitates the highest level of accuracy and real-time feedback which is crucial for complex sorting and picking requirements.

Strengthening capabilities and improving efficiency

Apart from end consumer fulfillment, in 2009, YCH Group strengthened its Vendor Management Inventory and Original Design Manufacturer (ODM) supply chain capabilities, given the increasing trend of global Electronics and Hi-Tech companies outsourcing their manufacturing to ODMs in Taiwan and China. YCH’s solutions will enable ODMs to reap benefits such as improved product lifecycle management, flexibility, speed-to-market and reduced costs in their bulk production and contract manufacturing activities.

FINANCIAL SUMMARY (GROUP) – YCH GROUP

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<th>Million $</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Unaudited 2010</th>
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<td>Turnover</td>
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<td>232.4</td>
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<td>Profit before tax</td>
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<td>1.8</td>
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<tr>
<td>NAV (cents)</td>
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<td>Shareholders’ Fund</td>
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<td>81.9</td>
<td>87.9</td>
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RECENT Awards
2010
• Supply Chain Asia Logistics Awards - Asian 3PL of the Year
• ASEAN Business Awards – Most Admired (Large) Enterprise for Innovation
• Top Winner of IDC-Enterprise Innovation Awards

2009
• Supply Chain Asia Logistics Awards - Asian 3PL of the Year
• Received CIO 100 Awards for demonstrating excellence in delivering business value through IT

2008
• Became first Logistics and Supply Chain Management company in the world to receive ISO 28000:2007 certification
• Supply Chain Asia Logistics Awards - Asian 3PL of the Year
• Received Singapore’s highest IT industry accolade - National Infocomm Award (NIA) - Winner of the Most Innovative Use of Infocomm Technology, for its High Performance Supply Chain Nerve Centre.
• Awarded Frost & Sullivan Best Domestic Logistics Service Provider and Best IT/Electronics Logistics Service Provider in Singapore

2007
• Robert Yap – Ernst and Young Entrepreneur of the Year Singapore
• Supply Chain Asia Logistics Awards - Asian 3PL of the Year
• Awarded Frost & Sullivan Best Domestic Logistics Service Provider and Best IT/Electronics Logistics Service Provider in Singapore

March 2011