



CEO's Message 2008



Dear YCHees,

Well done! Our performance for 2007 was remarkable; with several awards garnered last year, such as the Frost & Sullivan ASEAN 4 Best Domestic LSP and Best IT/Electronics LSP of Singapore, as well as the Supply Chain Asia 'Asian 3PL of the Year'. I thank all of you for contributing to these proud moments. On a personal note, I am also excited and honored to represent Singapore in the prestigious World Ernst and Young Entrepreneur of the Year in Monte Carlo in June this year. I couldn't have done it without your continuous support and heartwarming well-wishes.

We had, in the past years done well in North Asia, and 2007 was no exception, as we saw the development of many key accounts take flight. Our expansion plans into South Asia regions like India and Vietnam have also come to fruition. In fact we have performed exceptionally well in India - in slightly more than a year, we have today offices in 11 cities and an extensive distribution network of over 33 Indian cities (?). Riding on the back of a booming economy, India has recently emerged as a key production base and consumer market for foreign manufacturers, and is expected to attract US\$22 billion in foreign direct investments this year. Her growing demand for logistics according to the Datamonitor, is set to expand at a double-digit rate that will total US\$125 billion by 2010.

As the Indian government continues to improve its infrastructure as part of the nation's bullish growth strategy, opportunities for SCM firms will be tremendous. As the Founding Chairman of the India-Singapore CEO Forum, I'm also confident that the enhanced bilateral ties will serve to drive many new and exciting projects to increase greater flow of two-way investments. Our YCH India team's goal is to be ranked third in the country's list of preferred supply chain companies by 2010 so let us assist them to work towards this aspiration.

We also recognize the importance of continuously improving manpower development and organizational culture to fuel growth strategies. However, it is important that the organization remains lean and responsive to changes. While we should explore outsourcing of the various last mile functions, we aim to groom our current pool of talents into well-rounded individuals adept at problem-solving, thinking out of the box and exposed to

cross-functional training. Each and every one of you has a significant role to play and contribute to making YCH world-class in the SCM industry.

As we continue our march towards Goal 2010, it is crucial that we stay close to our corporate RISE philosophy and family values of open sharing and respect for others, so that we can collectively work towards innovating revolutionary SCM solutions in the industry! I'm also delighted that the company has started our own YCH workout, called YCHairobics that would bring more energy, fun and zest to revitalize the corporate family.

Being a 7PL™, YCH is able to leverage both its 3PL and 4PL™ capabilities by tailoring our services to fit seamlessly into our customer's business models. I reiterate the importance of being an effective freight manager and supply chain specialist in helping our MNC customers achieve increased value through streamlining and optimization of their logistics flows.

Lastly, I would like to wish everyone a fulfilling year ahead as we work towards being the best SCM brand in Asia!

Dr Robert Yap

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YCH STRATEGIC MANAGEMENT "ATTACK" 2008 IN BINTAN



Group photo at Angsana Bintan Resort



Enjoying the sea breeze during a BBQ dinner at the beachfront



Preparing to get into action during a teambuilding game



A serious moment of strategizing for one of the breakout groups



Cooperation, teamwork and cheers to a fantastic YCH year ahead!



Dinner at Tree Tops Restaurant in Banyan Tree

Deliberately named a strategic management "attack" (instead of using the term "retreat"), a three day getaway to Bintan, Indonesia was conducted for the key management team of YCH to establish the strategic direction and formulate growth plans for the company moving forward. Focal themes arising from the strategic management "attack" this year include the importance of acquiring cross-functional expertise and understanding, having a well-integrated centre of control and leadership, and building a strong network of customers and suppliers through sincere, engaging and mutually beneficial partnerships.

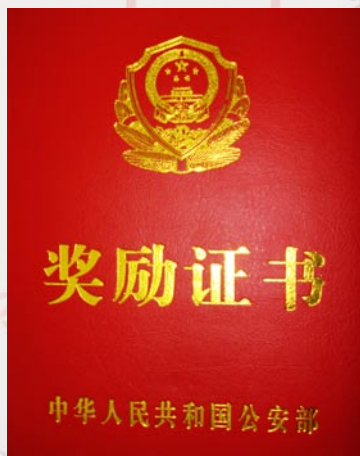
The "attack" which was held from January 25th to 27th this year, not only provided the team a great opportunity to analyze and discuss serious business-related matters, it also saw much fun and bonding through other group activities such as teambuilding games, seaside barbecue dinners and intensive breakout sessions structured on creating healthy and friendly competition to the various teams.

The ensuing overall strategy has also been finalized and communicated to the rest of the regional offices through the heads of the North Asia and South Asia regions since. The management team believes in the consistency of operations and implementation in one common voice throughout the entire YCH network.

2008 SECURITY EXCELLENCE AWARD FOR YCH TIANJIN

Over the years, YCH Group has been recognized for our innovative solutions as well as high service quality and operational standards. It was no surprise that the local Chinese authorities awarded the "Security Merit (Class 3) Award" to our facility in Tianjin Free Trade Zone ("FTZ") for our outstanding security standards and contribution and to the FTZ security environment.

With over a hundred companies under evaluation, YCH Tianjin emerged one of the top companies that were awarded the top tier award (over other Class 1 and Class 2 companies) as a testimony of the



local police authorities' satisfaction of our safety measures, surveillance system and overall security processes that were designed to incorporate the regulatory requirements. We have also received commendation from the local FTZ administration for the award.

YCH strongly believes that excellent security is a fundamental in Supply Chain Management and is consistently looking for innovative solutions to secure the high net worth supply chains of our customers. In the next few months, the company is also looking forward to be certified as the world's first logistics company that will receive the ISO28000 certification for supply chain security.

REGIONAL DEVELOPMENTS



YCH POWERS UP REGIONAL VALUE CHAIN WITH RFID INNOVATION

Shanghai, China, 21 Feb 2008 – YCH Deploys First RFID Enabled Warehouse in Lingang Logistics Park - Collaboration with Shanghai Lingang Economic Development Group is testament to YCH's pioneering and extensive experience in RFID implementation



Samuel Lee, General Manager (Shanghai) briefing the group at the launch of RFID at Shanghai Lingang Logistics Park

YCH recently launched another Radio Frequency Identification (RFID) project in China, this time in the Shanghai Lingang Logistics Park. As the industrial zone's first RFID project, it will bring about increased security as well as a more precise and visible inventory information system that will significantly improve productivity and efficiency for the region. Apart from enhanced real-time communication interface between warehouse management systems and Yangshan Free Trade Port Area Management System Platform for efficient workflow with the various government bureaus, the introduction of RFID serves as a standard middleware interface for warehouse management systems and the system interaction for a seamless management of inventory and movement of goods.

Mr. James Loo Wai Kheong, Chief Information Officer of the YCH Group and the Chief Operating Officer of Y3 Technologies was excited about the launch. "RFID has the potential to dramatically improve logistics business processes and very soon we will see the use of RFID technology throughout the complete supply chain. Logistics companies that are slow to adopt RFID technology may find that they lose out as it effectively enables real-time tracking and visibility like no other solutions," he said.

By bringing in best practices in RFID technology implementation and management to Lingang, YCH is also committed to developing local talent and expanding its base of supply chain professionals in the municipality. Mr. Zhu Weiqiang, President and General Manager of Shanghai Lingang International Logistics Development Co. Ltd, which manages the construction, investment promotion and development of the park, expressed that YCH has contributed significantly to the development of the Lingang Logistics Park by bringing in SCM and RFID expertise to set the standard for the management of other facilities within the park.



Staff administering the RFID system which enables real-time tracking and visibility like no other solutions

A significant step to creating a true real-time supply chain for our customers, the launch of the RFID project at Lingang Logistics Park in Shanghai "marks the next step forward for YCH in our ongoing expansion plans to strengthen our capabilities in China and North Asia" said CEO Dr Robert Yap.

YCH ANNUAL DINNER & DANCE 2008:

irresistible india



Welcoming YCHees from YCH India



Chairman & CEO Dr Robert Yap sharing YCH's growth in India and the region

The annual Dinner & Dance was held at the Marriott Hotel, Singapore on 23rd February this year. The theme for the evening was "India Night" – Most YCHees dressed in their colourful traditional Indian garbs of saris, dhotis and Punjabi suits, while others sashayed Bollywood style replete with chic fusion-inspired dresses and ethnic accessories. It was certainly an enriching cultural experience for all as they immersed in the specially planned games and programs throughout the night.

Celebrating our successful foray into the India market, in which we launched over 11 key locations in just over a year, the entire organization cheered on and gave our deserving colleagues their worthy encouragement for having achieved tremendous results in successfully building YCH India and its network during this short period of time.

The first highlight of the event was a special Bollywood Dance performance by eight of our very talented and charming YCH employees, whose professionalism and enthusiasm got the crowd moving and raving for more. There were also a comedy show, scavenger hunt and acting game that tickled the audience and sent them into fits of laughter.



Comedian Mustaffa and sporting YCHees performing a boogie



Launch of the YCHairobics by the Y-Talent Interns

The main crux of the Dinner & Dance however, was the special launch of the YCH Workout, also known as the YCHairobics exercise. The exercise, which comprised five basic steps to incorporate neck rotation exercises and stretching of the arms, legs, shoulders and back, was specially designed and choreographed by the YCH Interns under the Y-Talents program, in a bid to introduce a healthier way of living to YCHees during working hours. More information overleaf (?) on the YCHairobics.

Finally the annual Long Service Awards and Model Employee Awards were also presented to our dedicated employees. Congratulations, and our heartfelt admiration to all who were honoured at the event that night.



Dancing the night away after a very enjoyable dinner



Guests and Staff having a whale of a time at YCH India Night



Our heartiest congratulations to our award winners

AWARDS LIST



Best Employee (RISE) award goes to Ben Zhang of YCH Tianjin

9 Jan 2008

SOURCES OF COMPETITIVE ADVANTAGE IN FAMILY BUSINESSES



Chairman & CEO Dr Robert Yap was invited to address the strengths and dynamics of family-owned businesses at the Singapore Management University recently. The interactive session covered unique characteristics of a family enterprise in relation to topics such as the company's management of family relationships and governance, ownership and succession, as well as conflict and strategy in a family enterprise that has successfully sustained and flourished in today's environment.

Founded in 1955 by Robert's father, Mr Yap Chwee Hock as a passenger transportation business, YCH has evolved dramatically since, into an end-to-end SCM player in the Asia Pacific today. With over 50 years of pedigree, YCH Group has successfully ridden on the advantages of a family business with its strong values, unique culture and reinforced identity.

YCH Group takes pride in being a corporate family in two ways – it started off as a family business; and although it is professionally managed and run today, all YCH employees are treated as 'family members' of the large corporate family. This is what keeps the organization strong, with its open and caring culture that encourages bonding and frank communications among its employees.

Enterprises with a family history are increasingly being seen as a strategic resource in the global economy today. YCH takes pride in being one such key example of a distinctive knowledge-based organization that benefits from the best of both worlds, in gaining wisdom from family counselling as well as management consulting.

24 Jan 2008

CEO TALK SERIES



The SMU's CEO Talk Series programme is the educational institution's platform to invite significant CEOs in the Singapore business scene to share their thoughts on leadership and management strategies with the SMU students and academic staff. Highly acclaimed with a promise of broadening the school's perspectives on a variety of issues, the series was started in January 2003 to help students and their lecturers gain meaningful interaction with the business leaders and expand their learning on a variety of business issues.

Chairman & CEO Dr Robert Yap was invited to share with the audience on YCH's evolution and growth over the last 53 years, in particular its approaches in its journey to realise its vision of building the logistics superhighway by integrating the physical, information and financial flows.

To date, other CEOs who have been invited to share their stories at the Talk Series include Ron Sim of Osim, Richard Eu of Eu Yan Sang, Jannie Tay of The Hour Glass and Andrew Tjioe of Tung Lok Group.

ECONOMIC DISPARITIES ARTICLE



Business Times, 3 Jan 2008 (pg 21)

“TEAM YCH” SCORES AT THE TABLE TENNIS NATIONAL GRAND FINALE 2007

As part of YCH’s ongoing efforts to encourage sportsmanship in our journey towards SCM Excellence, we sponsored three paddlers to participate in the National Table Tennis Championship 2007 hosted by the Singapore Table Tennis Association (STTA) at the Table Tennis National Grand Finale 2007, Singapore’s most prestigious table tennis tournament. The tournament was indeed a good chance for the players, Jenn Lim Pei Xin, Tan Yan Zhen and Sim Kai Xin Zena to gain experience on the international front as they met with Chinese players in the final round of the competition. We were thrilled as Jenn and Zena emerged as Champions in the Women’s Doubles. On the singles court, Jenn and Zena also came in to sweep the top two spots for the Women’s Singles Finals.

YCH joins the nation’s celebrations with the award of the hosting rights for the world’s first Youth Olympics Games in 2010 to Singapore. This is a great honour and privilege as it is the first time that the Olympics flame will blaze in Singapore as well as Southeast Asia. YCH wishes the organizers success and looks forward to the increased buzz and dynamism that the event will bring to Singapore and the region.

Congratulations winners!



The trio displayed a terrific performance at the Table Tennis National Grand Finale 2007

SINGAPORE CHEMICAL INDUSTRY COUNCIL (SCIC)

At YCH, responsible care for both employees and partners has been a key value in our business and daily operations. We are committed to continuously improve our existing health and safety standards as well as proactively take steps to promote a greener environment. In this respect, we are proud to be recognized once again by the Singapore Chemical Industry Council (SCIC) as a responsible corporate company that has been awarded the Responsible Care® ‘Employee Health and Safety Code’ achievement award.

Responsible Care® is the chemical industry’s global voluntary initiative under which companies, through their national

associations, work together to continuously improve their health, safety and environmental performance, and communicate with stakeholders about their products and processes in the manufacture and supply of safe and affordable goods that bring real benefits to society. Other than encouraging SCIC Responsible Care® signatories to practice Responsible Care® management practices, the awards were implemented to recognize those who have performed well in health, safety and environment (HSE) through Responsible Care® implementation.

YCHAIROBICS FOR EVERYONE

A healthy worker is a happy worker. With that in mind, our Y-Talent Interns were put on a mission – to zest up the workplace!

A preliminary observation revealed that bad posture, tired eyes and some form of lethargy were a common impediment to work productivity in the office. Hence, the group came together to brainstorm on ways to resolve this problem – and since there’s no better way than exercise to rejuvenate one mentally and physically, the interns came up with a few simple and easy aerobic movements that can be done anytime and anywhere and are suitable for everyone – young and old. The steps of the workout are done to the tune of our YCH Corporate Song, “Just a Handshake” and can be performed either standing or seated on a chair.

As exercise releases endorphins – chemicals that leaves one feeling happier and more relaxed than before working out, we encourage all to take a few minutes’ break away from your screen at various times throughout the day, move about and enjoy a few simple exercise steps and laughs with your office neighbour!

Try it and feel the positive effects of higher energy levels, stress reduction and looking and feeling better during work.



YCHairobics was choreographed in the fortnight leading to its launch at the YCH Annual Dinner & Dance 2008

Fun fact: Did you know that simple stretching exercises can increase blood flow, metabolism and secretion of ‘happy’ enzymes?

STEPS OF THE YCHAIROBICS! - BE A YCHAIROBIC-ER TODAY!

Step 1



Handshake – right, left, point at yourself (Do this twice)
<Stretch our tired arm, hand and wrist muscles>

Step 2



Neck rotation - counter clockwise, clockwise, then clap twice
<Stretch the tense neck muscles>

Step 3



Raise your right leg and left hand, pretend to walk (9 times)
<Circulate the blood in our legs>

Step 4



Do the “Y”, “C”, and “H”
<Stretch our arms and back muscles>

Step 5



Swing both arms back and stretch yourself!
<Finally, some shoulder stretching!>

**YCHairobics takes place
10am and 3pm daily.**

To watch the video,
YCHees can log on to our Intranet at
<http://hrelearn.ych.com/blog/ychairobics/>