

happenings

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JAN – MAR 2010

YCH Tianjin Receives
**Customs 'AA'
Class Status**

YCH CEO Dr Robert Yap
invited to participate in
**Singapore
Budget
Forum 2010**

YCH wins the prestigious
CIO 100 Award



**PRODUCTIVITY
+ INNOVATION**

Annual D&D
GO FOR GOAL!

YCH Stays Resilient Due to
**Long-Term
Business Strategy**

**Celebrating 4 years of
strategic collaboration:**
Shanghai Lingang Free Trade Port Group
visits YCH HQ

YCH Overcomes Complexities and
**Grows from Strength-
to-Strength in India**

NEWSLETTER OF THE YCH GROUP

Celebrating 4 years of strategic collaboration:

Shanghai Lingang Free Trade Port Economic Development Group visits Corporate Headquarters

Singapore – On 7th March 2010, key members of the Shanghai Lingang Free Trade Port Economic Development Group paid a visit to our Corporate Headquarters, commemorating 4 years of strong partnership. Since the start of the collaboration in 2006, the group's expertise in the planning and programming of Lingang's transport and port systems have aided YCH in building up our facilities and further expanding our presence in Shanghai.

Likewise, YCH is happy to have contributed to enhancing Lingang area's accessibility and attractiveness, by launching the industrial zone's first Radio Frequency Identification (RFID) project at the Shanghai Lingang Logistics Park in March 2008. This project, developed in collaboration with the Shanghai Lingang Economic Development (Group) Co. Ltd., provides a standard framework and benchmark for the future implementation of RFID technology in other warehouses in Lingang. Additionally, the platform also provides a uniform communication interface between warehouse management systems and Yangshan Free Trade Port Area Management System Platform for efficient workflow with the various government bureaus.

The Lingang Logistics Park's adjacency to Yangshan Deep Water Port (which is slated to become the No.1 port in the world), and proximity to Pudong International Airport, makes it a strategic location for YCH to integrate best practices in innovative cutting-edge technology implementation and knowledge of the Asian economic landscape to benefit our MNC customers' supply chain requirements in the region.

The Yangshan Free Trade Port Area is the first free port zone in China, which enjoys the favorable policies of a Free



From L-R: YCH Vice-President of ASEAN Business Mr Philip Tan, YCH Director of Corporate Development Mr Lun Kai Shen, Shanghai Lingang Economic Development Group Vice-Chairman Mr Zhu Wei Qiang, YCH Chairman & CEO Dr Robert Yap, Shanghai Lingang Economic Development Group Chairman Mr Liu Jiaping, YCH Vice-President of Global Operations Mr Roger Yap, Shanghai Lingang Economic Development Assistant General Manager Mr Joseph Chen, YCH Director of Operations Mr Joshua Lee

Trade Zone (FTZ), Export Processing Zone (EPZ), and a Bonded Logistics Park (BLP). Customers keen to establish operations in the area will be able to leverage on this unique 3-in-1 advantage to facilitate the implementation of sophisticated programmes like Vendor Managed Inventory (VMI) and innovative SCM solutions such as Virtual Hubbing, as well as the provision of value-adding services such as postponement, configuration, merging, repackaging, and so on.

With the expected completion of the project and upcoming official opening of our Lingang facility later this year, we look forward to continuing this winning partnership with the Shanghai Lingang authorities to jointly create better value for our MNC customers looking to operate and expand within the region.



The YCH team showing our guests around the Automated Storage Retrieval System (ASRS) facility in our 7.8 hectare DistriPark.

YCH wins the prestigious CIO 100 Award for 2010!



The team behind the development of 'Project Cloud Hub'



YCH CIO Mr James Loo, accepting the award on behalf of YCH.

WHAT MAKES A CIO 100 HONOUREE

The judging panel looked at how value was added to the enterprise based on the following criteria:

- A. STRATEGIC IMPACT**
 - ✓ Penetration of new markets
 - ✓ Changing the rules of competition in the market
- B. CUSTOMER IMPACT**
 - ✓ Wider choice of products & services
 - ✓ Delivering faster and better service
- C. FINANCIAL IMPACT**
 - ✓ Cost savings & increased profits
 - ✓ Raised productivity
- D. OPERATIONAL IMPACT**
 - ✓ Better intra & extra-supply chain collaboration
 - ✓ Faster turnaround times & improved time-to-market
- E. SOCIAL IMPACT**
 - ✓ Improved quality of life
 - ✓ Environmental friendliness

Singapore – YCH has won the CIO 100 Award for our latest project 'Initiative SCM II: Project Cloud Hub'. As one of the Top 5 winners of the CIO 100 index, YCH has once again proven our mettle in delivering high-end supply chain innovations to empower our employees as well as create better business value for our clients!

This year, leading innovative companies from 14 countries in the Asia Pacific region participated in the competition, and they come from a diverse range of industries such as banking, hospitality, manufacturing, education, aviation and medicine/pharmaceutical. Held in Singapore at the Marina Mandarin, on 9 March 2010, the 4 other top winners were CIMB Bank, Top Glove, Excelsior Medical and Global Blue; while other worthy contenders include Starwood Hotels, Banyan Tree, Molex, GlaxoSmith-Kline, CreditSuisse AG, HDB, Keppel Land and Melco Crown Entertainment.

The journey towards creation of YCH's Project Cloud Hub started back in 2004 with the increasing demand for rapid deployment of business applications – web-savvy management users wanted quicker and easier deployment models where software applications could be quickly provisioned when required, scaled



up when demand went up or torn down once no longer needed. Hence, the situation called for a brand new initiative for end-to-end delivery and a comprehensive environment to enable seamless delivery of the 3 key InfoComm Technology services – Infrastructure, Software and Systems to the business. This led to the birth of Project Cloud Hub which is set to be implemented in Singapore, Malaysia, China, India, Thailand, Australia, Indonesia and South Korea.

With Virtualization and Cloud computing slated to revolutionize the IT/infocomm industry, receiving this award for our Project Cloud Hub certainly reaffirms our efforts in staying at the forefront of the supply chain management by being the first in the industry to deploy a real production platform of this nature.

YCH Tianjin receives Customs 'AA' Class Status



YCH Tianjin Country Manager Mr Lee Cheok Pin (2nd awardee from left) receiving the Customs 'AA' Class Status certificate on behalf of YCH.

Tianjin, China – YCH Tianjin has been awarded the 'AA' Class Status by Tianjin Customs. This certification comes as an acknowledgement of our outstanding track record in management of customs declaration and documentation-related processes in Tianjin for the past few years. Receiving this 'AA' Class Status further reinforces our capabilities in all relevant activities associated with Customs Trade Licensing (CTL). In addition, this also means an expedited and more efficient service for our customers as their goods pass through our Tianjin hubs.

We first received a similar accolade, the 'Double A Enterprise Certificate' in March 2009 for YCH Xiamen hub when it was introduced by the Xiamen Customs, and are thankful to the local authorities in China for their high level of trust in YCH towards our professional management of goods and cargo.



YCH contributes to Supply Chain Asia in training industry professionals

Chairman and CEO of YCH Group, Dr Robert Yap was interviewed on Channel News Asia's (CNA) 'Singapore Business Tonight' on 18 February 2010, in which he spoke about how Supply Chain Asia (SCA), a non-profit community of which he is the Founding Chairman, is taking the lead to start an academy to train professionals within and outside the industry with real, practical skills, to raise productivity and attract talent for the Logistics & Supply Chain Management (SCM) industry.

In line with YCH's active approach towards corporate social responsibility initiatives especially in knowledge sharing, our company is continuously looking at ways to support SCA through providing informal and open platforms for networking and mutual learning for industry professionals. By leveraging on the company's extensive knowledge of

SCM best practices, we also aim to help SCA grow its network and offerings as it collaborates with industry players and schools in Singapore and China to develop syllabus that will give students on-the-job training and relatively deeper industry knowledge than typical academic courses.

Noting the significance and impact of private companies contributing to such communities, Robert said, "We hope this momentum continues as more companies and capabilities are being built, so that we can actually connect among us not just within Asia but with the



rest of the world, to make it more efficient for people who are investing here or are doing business here in Asia."

More info on Supply Chain Asia is available on www.supplychainasia.com

SCIC awards YCH with Responsible Care accolade

Singapore – YCH has been honoured with the Singapore Chemical Industry Council's (SCIC) Responsible Care achievement award for Employee Health and Safety Code once again in 2010, displaying our care for the environment and commitment to maintaining high standards of operations for our chemicals, healthcare and pharmaceutical sectors. This year, we have additionally won the Community Awareness and Emergency Response Code, representing the added reassurance we are able to provide our stakeholders in terms of rapid and effective response in the case of any emergencies.

Here at YCH, we pride ourselves in continuously improving our operations in terms of Health, Safety and Environmental standards, and are elated to receive this nod of recognition once again from the chemical industry's global initiative.



Staying Resilient Through a Long-Term Business Strategy



In another interview on CNA's 'Asia Business Tonight' segment on 10th March 2010, Chairman and CEO of YCH Group, Dr Robert Yap shared on how YCH was able to stay resilient and continue growing through the economic peaks and troughs over the last few decades.

Explaining YCH's overall business strategy, Robert said, "Apart from remaining focused on our core competencies and maintaining symbiotic partnerships with our customers, YCH has always believed in strategic, long-term investments as we widen our presence in Asia."

In addition, Robert also touched on YCH's latest plan to develop "City Supply Chain Hubs" to address the emerging consumption needs of growing, populous cities in the areas of food safety, hygiene and sustainability.

Please contact YCH Corporate Communications Dept. at corporate@ych.com if you would like to view the news clips



Singapore - YCH's Annual Dinner & Dance on 27th February saw over 300 YCHees from our corporate headquarters as well as key partners and friends of YCH gather at the Raffles Town Club for an annual time of celebration. Themed "Olympic Night", fellow colleagues witnessed to their surprise and delight, Maria Sharapova look-alikes and professional Muay Thai boxers that evening, as some of our staff came sportingly dressed in different athletic attires to suit the occasion.

The slogan that night, "Go for Goal!", served as an apt punchline for Chairman and CEO of YCH Group, Dr Robert Yap's opening speech, as he shared how YCH had braved through the storm during the economic recession, and is now poised to reach its goals for 2010 with the increase of "YCHunters" throughout its extensive Asia Pacific network to better address the needs of current and potential customers.

True to YCH's fun-loving, vibrant culture, the event started off with a bang as the entire crowd was roused to their feet to dance in unison under the encouragement of the emcee. Yet, that was only a warm-up to a night of endless fun and excitement as a series of sports-related challenges were dished out throughout the event. From pop quizzes relating to sports, to cheerleading-inspired dancing and athletic relay games, our YCHees displayed much enthusiasm and courage in rising to each challenge.

That evening was also testament to YCH being a melting pot of multi-talented individuals as colleagues from different departments teamed up to perform a vibrant dance routine they had mastered in just a few weeks. Combining modern ballet, hip-hop and salsa dance moves, the group grooved to a medley of Olympic-based, high-energy songs which ended up with the cheering crowd in standing ovation.

The night of celebration came to a splendid closure along with our last YCH Family bonding activity, which saw the crowd tossing four balls of wool throughout the ballroom and holding on to these interconnected strings, before our senior management representatives were asked to "pull" the connected crowd to the front of the stage for our final dance – a symbolic display of YCH as an organization where supplychain connects™!

All decked out in sporting attire and ready to "Go For Goal!"



The threads that bind us – YCHees being linked to one another not only with the balls of yarn, but also through the strong family ties we share in the company



Our "RISE" Award winner Ms June Teo from Singapore!



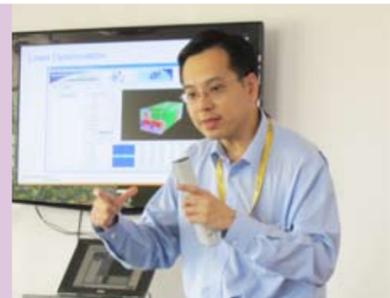
Our 20-year long service award winners – Risk Management General Manager Ms Noormah Othman and Y3 General Manager Ms Koh Lee Kiow

Apart from our usual Long Service Awards (LSA) presentation, one of the key highlights of the yearly Dinner & Dance is the prestigious YCH 'RISE' award. The nomination for YCH's highest accolade saw 8 finalists from different offices throughout our Asia Pacific network being flown in to attend the special event this year. Each nominee was awarded a country recognition award for their exceptional sense of Reliability, Integrity, Sincerity and Enterprise. Votes were then cast by a judging team made up of various management and department heads for the ultimate 'RISE' award winner.

Country Recognition Award Winners:

- YCH Malaysia:**
Jonh Chan, Senior Manager, IT
- YCH Indonesia:**
Lukas Marhdi, Operations Manager
- YCH Shanghai:**
Peggy Chen Qian, Asst. Manager, Operations
- YCH Tianjin:**
Zhang Lei, Global Kitting Executive
- YCH Hong Kong:**
Shirley Shum, Asst. Manager, Operations
- YCH Korea:**
Albert Kim, Sales & BD Manager
- YCH India:**
Mohan Narayanasamy, Operations Manager
- YCH Singapore:**
June Teo, Operations Manager – Winner of 'RISE' Award 2010

Our Heartiest Congratulations to All!



YCH Intelligent Enterprise Forum

Singapore – On 24th February 2010, students from the National University of Singapore (NUS) School of Design & Environment came to YCH DistriPark to participate in the 'YCH Intelligent Enterprise Forum' as part of their request to learn more about our company's IT architecture and innovations that make YCH a knowledge-driven organization.

True to YCH's corporate social responsibility mantra of 'teaching a man to fish rather than giving him a fish', our YCHees took time out their busy schedules to share on YCH's technology infrastructure, warehouse and transport

management systems and how these make up an intelligent architecture which improves our company's internal processes, customer service and partner relationships. Dr Yap Chih Nam, Senior Manager of Product Development, gave an insightful presentation on YCH's evolution of information systems and our successful and scaleable IT projects such as the award-winning High Performance RFID Supply Chain Nerve Centre implementation. This was followed by a lively Q&A session where Dr Rajasekaran Govindasamy, YCH Infrastructure Specialist, pitched in to help answer queries on YCH's IT network.



At the end of the session, the participants found the forum to be both interesting and informative, as they learned about how well-designed infrastructure and suitable innovations could really make a difference to business operations.

Three cheers as YCH continues to mould the young talents looking to forge into the supply chain industry!

YCH welcomes and nurtures Korean talents



From L-R: Kim Jin Yung, Yoon Seon Young and Liu Yu Ting, our interns from Korea who are in Singapore for the first time and keen to learn about SCM best practices

Singapore – YCH Group welcomes three interns from South Korea into our YCH family. Liu Yu Ting, Kim Jin Yung and Yoon Seon Young are at YCH Corporate Headquarters for a six-month learning stint following the recent opening of YCH Korea in September 2009. Hailing from Chonnam International University, Daegu University and Kyung Pook National University respectively, the three young ladies are here in Singapore for the first time and are eager to be at YCH to learn all they can about supply chain management best practices.

"The atmosphere here in a Singaporean company is very good and we are excited to have real-time experience working here at YCH," said Seon Young. Apart from enjoying the diversity and enthusiasm the young ladies bring with them, we also look forward to their contributions with the Korean consumer goods market growing to become a significant force in Asia!

Moments to Recap: Strategic Management Retreat 2009 and Annual Work Plan Meeting 2010

Singapore – The end of 2009 saw YCH's management team gather for their usual annual management retreat from December 18-21. However, this time round, the team departed from their usual meetings held on land, in exchange for 3 days of fun onboard the Royal Caribbean International Cruise: Legend of the Seas. Besides strategizing for the year ahead, the trip was a refreshing time of bonding and relaxation for the team as they let their hair loose and enjoyed buffets, evening shows, land trips and even Karaoke sessions together!

An even larger group of YCHees including key representatives and second liners came together in January 2010 for YCH's 2009 Annual Review cum 2010 Work Plan meeting, held at our Corporate Headquarters from the 22nd to 24th. The atmosphere was charged with exuberance and camaraderie as almost 60 YCHees from various offices all over our Asia Pacific network congregated together, many of whom were meeting each other for the very first time despite having worked together frequently over other communication channels. Despite our different cultures, the end of the three-day event saw all YCHees bonding as part of a big family and having a common solidarity towards reaching our corporate goals and objectives for the year ahead.



Strategic Management Retreat 2009: December 18-21, 2009



2009 Annual Review cum 2010 Work Plan Management Meeting: January 22-24, 2010

Did You Know?

Most large companies are running **4 – 6** different supply chains – whether they know it or not. That based on a recent AMR Research study, shows how complex the supply chain management scene has become over the years.

The best **3** airports in the world come from Asia—with Singapore's Changi Airport topping the list. Voted by travellers of over 100 nationalities, the annual SkyTrax World Airport Awards cover more than 210 airports worldwide, and evaluate traveller experiences across 39 different airport service and product factors. Seoul's Incheon Airport came in a close 2nd and Hong Kong's International Airport rounded off the top 3.

9 of the 10 largest ports in the world are in Asia – 5 of them being in China. Indeed, the annual volume of the third largest port in Shenzhen, China alone exceeds the combined annual volume of all the ports in Germany. The combined annual volume of the two largest ports, Singapore and Shanghai, now exceeds the volume of the entire world in 1985.

8 in 10 ICT companies see growth in 2010 – according to a survey by the Singapore Infocomm Technology Federation (SITF). Nearly half the respondents polled expect their business to grow by more than 10 per cent this year. Looking ahead, cloud computing, mobile applications, software as a service, virtualisation and green ICT were picked as the top five technologies for 2010.

Singapore ranks **2nd** in how efficiently we trade goods around the world – In the latest World Bank Logistics survey, Germany retained top spot out of the 155 economies, while the lion city snagged the top spot in Asia, with Japan and Hong Kong coming in at 7 and 13 respectively. High income economies typically dominate top logistics rankings; however certain countries like China, India, Vietnam, Thailand, the Philippines, Uganda and South Africa, performed especially well in the interim.

YCH CEO Dr Robert Yap invited to participate in Singapore Budget Forum 2010

Singapore – Singapore's Budget 2010 was recently announced on 22nd February, and our CEO Dr Robert Yap was invited to participate in a forum discussion session aired on Channel News Asia the same evening. Hosted by Channel News Asia Executive Editor Melvin Yong and chaired by Finance Minister Tharman Shanmugaratnam, the 5 panelists exchanged views on the implications of the budget and how they would assist the Singapore government's new growth plans moving forward. Here we are keen to share some key highlights of the Budget as well as Robert's insights and some relevant YCH examples that were contributed live on national TV:

PRODUCTIVITY

Productivity was the buzz word of the evening as Budget 2010 was focused on increasing the productivity growth of the nation. While S\$5.5 billion has been allotted over the next 5 years to growing productivity, Robert believes that increasing productivity should go beyond that of simply the worker, firm or industry; but orchestrated across industry sectors. This can be well facilitated if Singapore's entire supply chain can be coordinated efficiently across main sectors with the government's aid.

In fact, YCH has already begun partnering with city governments in foreign markets to introduce efficient world class city supply chain practices to help address growing concerns on pollution, traffic congestion as well as food safety and hygiene concerns, to increase production efficiency and boost productivity in each particular city.



COMMERCIALIZATION OF R&D

The commercialization of R&D was another key initiative introduced in this year's budget. Innovation in a company (and a long withstanding culture at YCH) will now be rewarded by the government in terms of monetary grants per R&D project. While this move is certainly welcomed, Robert shared that R&D should not be fuelled simply by cash incentives but by the want to do things innovatively in order to scale business growth. This gives a more sustainable and strategic approach in enhancing a company's value propositions and deliverables over the long term.



REDUCING DEPENDENCE ON FOREIGN LABOUR

This was yet another hot topic of discussion as the government identified the need to slow the growth of foreign workforce in our country. With YCH's foreign worker ratio standing at approximately 30% in Singapore, Robert pointed out the importance of foreign employees to drive productivity for labour-intensive businesses/industries like ours, in order to remain sustainable.

While YCH continues to manage manpower variability and increase the value-addedness per employee through ongoing innovations and automation, the other focal point then falls on the amplified need for training and continuous requirement for our local employees to hone their skills.

CONTINUING EDUCATION AND LEARNING (CET)

S\$2.5 billion will be pumped into the CET programme over the next 5 years to encourage companies to send their workers for upgrading.

In view of this, Robert expressed that there should be more engagement by the respective industries in this aspect, because it involves mastery of specific industry skills. Actual practitioners should be more involved in creating the curriculum to improve knowledge of those trying to go into a particular line or sector. As such, industry initiatives that will drive such knowledge and practical-based sharing, should be given the necessary support.

At YCH, employees are also given constant opportunities for learning and skills development through various OJT (On-The-Job) trainings and external courses to enhance their job proficiency and productivity levels. YCH's belief in developing our people to their fullest potential also translates to a progressive culture that truly takes pride in innovation and knowledge sharing. And on the external front, YCH has been ardent in shaping the supply chain industry through frequent hosting of educational site tours and even volunteering our own facilities and premises to be used as real-life training grounds for industry practitioners to undergo hands-on training through the proposed courses by the Supply Chain Asia community.

In all, Budget 2010 has been dubbed a bold one in terms of long-term strategic planning. With much focus going into productivity and encouraging business innovation and expansion, YCH is ready to take advantage of these measures to further enhance our stance on constant learning, innovation and scalability to advance the SCM industry both locally and across the region!