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Yang Kee plans \$45m chemical logistics hub

Company awards BBR Hldgs a \$42m contract for Phase1 of the new project

By ABIGAIL KOR

YANG Kee Logistics Pte Ltd announced yesterday its plans to invest \$45 million in a new one-stop chemical logistics hub at Jurong Pier Road.

It awarded BBR Holdings Ltd a \$42 million contract to construct Phase 1 of the new hub, with the remaining \$3 million to be spent on equipment and technology.

The five-storey hub with a site area of four hectares will centralise current operations from Yang Kee's six warehouses.

Expected to be completed in early 2011, the hub will feature specialised chemical storage capabilities as well as new technologies and facilities.

This mutually beneficial arrangement is expected to allow both companies to reap significant gains.

The expanded chemical storage capabilities in the new hub will allow Yang Kee to gain a foothold in the chemical logistics sector.

The company also aims to expand its business scope in this niche segment through the provision of value-added services.

By combining different business sections in the one-stop hub, Yang Kee hopes to improve its working processes and boost productivity.

The company expects cost savings from operational workflow improvements to be about \$2.7 million per annum.

Yang Kee is also tapping on innovative green technologies to reduce costs. The new logistics hub will make use of wind turbines and solar panels for power generation, and LED lighting systems to lower power consumption.

It also strives to create a pro-employee work environment to attract and retain talent. In accordance with its pro-family policy, the company has set aside a dedicated floor with gym facilities and a childcare corner for employees.

For BBR, the project win will enhance its reputation in the private construction sector and allow it to showcase its technical expertise and capabilities.

This latest win will boost BBR's order book, which as at Sept 30, 2009 stood at \$381 million with projects lasting up to 2012.

Both companies are established names in their respective industries. Yang Kee Logistics provides a wide range of logistics services, including warehousing and inventory management, distribution and freight.

Currently servicing Asian markets such as Indonesia, Shanghai and Cambodia, the company has plans to move into Korea, Australia and the United States.

BBR continues to be busy with projects such as a \$104.2 million contract from the Housing and Development Board to build seven blocks of flats in Yishun, and a \$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of a common services tunnel.