



YCH GROUP QUALITY POLICY STATEMENT

We are committed to quality leadership through operations and service excellence with continuous improvements that exceed the expectations of our customers and the standards of our competitors.

BUILDING A LEGACY OF

Quality

YCH's dedication to quality has been a top job since the very beginning. In recognition of our quality we have been given a number of awards that display our excellence in the logistics industry and within our YCH community. Some of our achievements include:

- ~ National IT Award 1992
- ~ National Training Award 1994
- ~ ISO 9002 Certification 1995
- ~ Singapore Quality Class 1997
- ~ SIHRM Award 1997

So how does YCH maintain High Quality? We believe that quality is an evolving process. As soon as you are comfortable with your level of quality, you are surpassed. Therefore, we work diligently everyday, not only to provide the high quality service our customers are used to, but also to improve and build it; to evolve it to higher levels. It is our daily commitment to quality BUILDING that lays the foundation for leadership, for the logistics industry and for the customers we serve each and every day.



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YCH happenings
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When the going gets tough,



the tough get going!

Recently, Asia has fallen into tough economic times. That means we have to be tougher. This edition of YCH Happenings features some of the ways we are getting going when the economy gets tough.

- The Corian® Distribution Centre
- Schick reaches 50 million
- Solutia~YCH : The power of partnership
- Building a legacy of quality
- Lighting the team fire
- Eye on Operations

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Personally Speaking

Thus far, 1998 has been a year of economic and financial challenge for Asia. Singapore has, of course, felt ripples from the disturbance in the region and YCH has experienced the expected slow down of business as a result. In light of that, we have to determine the implications. As Singapore prepares for stormy weather to come, so must we at YCH be prepared for anything the economic climate throws at us.

We must examine ways to continue making our operations lean and cost effective. I am pleased to report that since the opening of our ASRS last year, we have been consistently maintaining 100% inventory accuracy, while incorporating cost improvements in all areas of operations. This is a model for us as we explore new and creative ways to slim down costs, while continuing to provide uncompromising quality to our customers.

Despite the adverse economic conditions in the Asia Pacific, we are still expanding our network into the region. In addition to our presence in Hong Kong, we are also to be found in Taiwan this year. We are augmenting our position in Malaysia, as well. We will be spreading more evenly across peninsular Malaysia, as YCH enters Malacca.

A downturn in the Asian economy does not necessitate a downturn in the enterprising spirit of YCH. Our concept of RISE becomes an even greater motivation in the face of adversity. We will give our customers increasing RELIABILITY, we will maintain our INTEGRITY in all that we do, our efforts will be based on SINCERITY and our spirit of ENTERPRISE will RISE to any new challenges.

When the going gets tough, the tough get going.

Robert Yap
CEO/MD
YCH Group

Schick-YCH Malaysia ~ 'BOLEH!'



SCHICK REACHES 50 MILLION!

Our manufacturing facility in Johor Bahru that serves Warner Lambert Schick in Malaysia has reached another pinnacle. In October 1997, our Schick team reached 30 million pieces produced and on May 05, 1998, reached 50 million pieces produced. Margaret Toh and Catherine Yap were on hand to join in the festivities, as Schick-YCH celebrated this milestone of productivity.

Schick-YCH is setting the standard for our YCH LOVAMAN® services. Our Schick members maintain the YCH high standard of quality and the proof is in the numbers. They have recently accomplished a level of 33 PPM defect and are aiming for more.



NEW LOOK FOR SCHICK

Out with the old..... On April 15, the employees of our Schick-YCH facility in Malaysia received a new look by way of new uniforms. Their new uniforms are more practical and better for working. The new working coats and hats prevent loose pieces of clothing from getting in the way. And they not only feel better, they look better too, in a new shade of blue.

LIGHTING THE TEAM FIRE



On May 9 and 10, YCHees from the Schick-YCH facility in Malaysia went on their second annual retreat in Pasir Gudang. They went in as TEN leaders and came out as ONE leading team.

This was definitely a learning retreat, but that didn't stop our Schick-YCHees from enjoying themselves every step of the way. Each session was spiced up with inventive group activities like "Golfing up the CCIP" and "Ultra Speedy Orange" which helped illustrate the benefits of dynamic teamwork. The YCH Fun Concept was everywhere to be seen.

Because of Wei Moon's planning, each session gave team members the chance to use their innovative skills. He was so well prepared, everyone was wondering if he ever SLEEPS! The entire weekend was a balance between learning and doing.

Thanks to the team members at Schick-YCH who participated, the retreat was a huge success. Everyone left thinking more like leaders and feeling more like members of the team. We'll be sure to see the Schick-YCH team fire burn just as brightly next year!





(L-R): Robert Yap, Keith McLoughlin, Edward D'Silva and Kent Smith making it official at the Distribution Centre ribbon cutting.

DuPont
Corian®
YCH and Corian® are building a partnership of growth and productivity and together we are casting our vote of confidence for Asia.

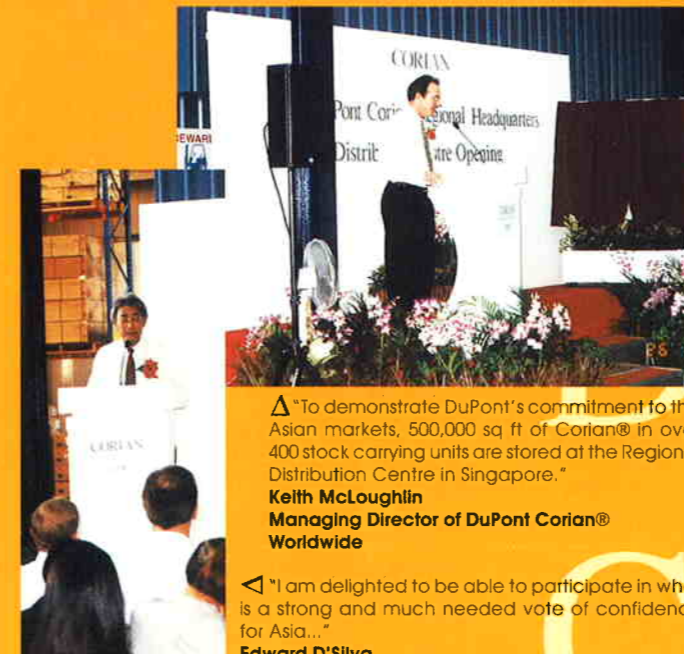
OPENING OF THE CORIAN® AT YCH DISTRI PARK

"I am delighted to be able to participate in what is a strong and much needed vote of confidence for Asia..." These are the words of Mr Edward D'Silva, President, Singapore Institute of Architects and guest of honour at the opening of the DuPont Corian® facility at the YCH DistriPark in Tuas.

On 26 February 1998, DuPont Corian® and YCH officially kicked off their logistics partnership together. DuPont Corian® is the world's leader in solid surface products. Corian® chose Singapore as the site for its Asian headquarters and YCH for its regional distribution centre and logistics partner.

YCH is proud to be working with Corian® and exploring new possibilities during a time of economic crisis in Asia. In the face of adverse economic conditions, YCH and Corian® are building a partnership of growth and productivity and together we are casting our vote of confidence for Asia.

Our CEO/MD, Mr Robert Yap, welcoming all distinguished guests to the opening of the DuPont Corian® Regional Headquarters and Distribution Centre at YCH DistriPark.



△ "To demonstrate DuPont's commitment to the Asian markets, 500,000 sq ft of Corian® in over 400 stock carrying units are stored at the Regional Distribution Centre in Singapore."

Keith McLoughlin
Managing Director of DuPont Corian® Worldwide

◁ "I am delighted to be able to participate in what is a strong and much needed vote of confidence for Asia..."

Edward D'Silva
President, Singapore Institute of Architects

DISTRIBUTION CENTRE

“ In line with DuPont's strategy to be a major player in the building and construction industry, it has made a significant investment of resources, in setting up first class logistics support needed for the rapid penetration of Corian® into the Asian markets. ”

Kent Smith, Director of DuPont Corian® ▷

YCH is providing complete logistics services to Corian® including

- ~ Warehousing
- ~ Transportation
- ~ Freight services
- ~ Inventory management
- ~ Order fulfillment
- ~ Fully customised trade/customs documentation

Under our new partnership, DuPont Corian® will benefit from shorter lead times, improved delivery reliability and improvement of stock availability. YCH is proud to be the newest partner of world class research and technology-based company, DuPont.

