



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!



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



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

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

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.

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 welcomed a new member of the family on July 15th. Solutia opened its Singapore Finishing Center right here at the DistriPark, where it has begun its manufacturing of Saflex PVB, an interlayer for laminated glass. We put our heads together and our noses to the grindstone to ensure a facility that met with top-class specifications for Solutia's special needs. The cutting of the ribbon was testimony to the potential of teamwork and the power of partnership.

Present for this special event were John Hunter III, President and COO, Solutia Inc., Rex Parker, Asia Pacific Business Director, Saflex Division and Guest of Honour, Mr. Ahmad Bin Mohamed Magad, M.P. for Pasir Ris GRC. It was an honour to have such distinguished guests at the Solutia Finishing Center and the YCH DistriPark for the occasion. All spoke on the importance of this event in Singapore and Robert Yap, our MD/CEO, along with the other partners, was given a plaque in recognition of our partnership. The ceremony was super and the tour was terrific (but the buffet was best!!).

This event was evidence of how YCH is reaching out into new areas. We are constantly on the move and opening new doors. In this newest partnership within the manufacturing sector, YCH is going where Solutia wants to be.



Robert too, shared his sentiments as he received his partnership plaque, "Partnership is the platform we stand on with all our clients. It is this commitment to partnership that allows our relationship with Solutia to be synergistic and dynamic. The value of this kind of partnership goes beyond the business agreement."



A glimpse of the processes in the Finishing Center.



The POWER of PARTNERSHIP

**SOLUTIA
YCH**

"With our new finishing center now up and running, we look forward to many, many years of growth, prosperity and partnership."

REX PARKER
Asia Pacific
Business Director,
Saflex Division



The power of partnership was evident not only in the operation, but also in the speeches given. John Hunter III spoke of YCH's contribution in his speech:

We are grateful and proud to be able to call YCH and Robert Yap our partner in this venture.

His contributions go far beyond the capital he has invested in the finishing center. We have also relied on his personal expertise and the skills of his entire organisation to bring this project to life much more quickly than we could have done on our own. Without question, Robert is a skilled business leader - and we are fortunate to have him as part of our team.

JOHN HUNTER III,
President & COO, Solutia Inc.



"Solutia's facility is interesting in that it resides in the premises of its logistics service provider, YCH. This innovative and mutually beneficial co-operation between Solutia and YCH serves as a good example for other companies to follow."

MR AHMAD BIN MOHD. MAGAD
M.P., Pasir Ris GRC



YCH is a company on the move and those hard working Operations people aren't just sitting back enjoying the ride. We've been seeing Operations expanding their roles in all aspects of the YCH organisation. From manpower to marketing, Operations can be seen fine tuning the YCH machine. In *Eye on Operations* we take a closer look at what's happening.

Muscle building

Operations has been slimming down and building up. Being on the lookout for ways to be more cost effective, Operations has found innovative ways to cut the costs. How do they do it? The answer is sharing! They are sharing manpower and equipment to maximise cost without cutting service. They share manpower when other CDC's need extra hands and forklifts have often become common equipment between Operations areas. The staff is also becoming more flexible by covering more areas of responsibility when there is a need for manpower. In this way, all duties are covered when there is absence for medical or annual leave, with no disturbance in the quality of service to our partners.



Marketing power

Recently you'll find the faces of Operations in the conference room! They are providing increasing support for our sales and marketing team by way of experience and expertise. They attend meetings with customers to gain more in-depth knowledge of their needs and to answer Operations questions. They also analyse processes to get a better understanding of our customers' requirements and lend advice as to space and warehousing costs. We can thank Operations for the role they're taking in business development.



Roger Yap
Director, Operations

"We are working every day towards a more enhanced and innovative Operations element at YCH. We are going the extra mile to provide our customers with intelligent and unique solutions because Operations is where logistics ideas become reality."

Value adding

Our customers are enjoying increased value-added service from YCH Operations. Mouse testing for Logitech, stamping, marking and scanning for Dystar as well as for our bonded product customers, strapping for Schick, and scanning for Sony; these are just a few of the ways that Operations is increasing the value to our customers.

What crisis?

What does the phrase "economic crisis" mean in Operations? It is something to be managed. And managing it they are. The recent economic crisis is being felt throughout Asia and indeed throughout the world. Operations' reaction? They are saving on things like electricity to make dollars go further. They turn off the lights during the day when they are not needed and you can even find staff members sharing computer terminals to reduce the amount of software ownership. At the same time, they are working harder to provide even better service in the face of the storm. We are pleased to announce 100% inventory accuracy for all customers in our ASRS (Automated Storage and Retrieval System).



Bhaskaran Nair - Assistant Manager, Warehousing & Distribution

"I believe that the best prize life offers is the chance to work at work worth doing. I am convinced that at YCH, if we are all prepared to work together to achieve one goal, with the crucial challenge of corporate spirit and are equally prepared to do something with what we learn, we can attain and sustain that level of corporate and individual excellence we all want. I am happy to say that I see that spirit alive in Operations everyday."



Tan Kok Keong - Assistant Manager, Operations

"Operations is about challenge. We have the challenge of competing in a time-based industry where competitive advantage is gained through speed and the maintenance of uncompromising quality. To meet the challenge, we blend manpower with mechanics, minds with machines. At YCH we are trained to use and develop the tools necessary to provide the best of service to our list of world class customers. That's the challenge. We meet it. We face it. We surpass it."



Vill Chan - Manager, Forwarding Services

"Forwarding is an integral part of Operations and of logistics as a whole. We are focusing on cost effectiveness to make us a better-run entity, as well as on team building to increase overall productivity and cohesion. These strengths add to our capacity to enlarge the YCH network and allow us to enhance customer service and support."

OPERATIONS



Operations Model Employee
New Swee Beng - Material Handler

Swee Beng is a helpful, self-driven, motivated and energetic person. He goes above and beyond his normal duties to help, even when not approached for assistance. He can quite often be seen working through breaks to meet deadlines or to load cargoes for waiting collectors. One of his most positive attributes is his sense of initiative. He assists the outbound team by spotting minor areas where errors can be prevented. "My job is to serve. I'm here to make sure we do everything we can for our customers."

YCH Annual Dinner & Dance

A TASTE OF ASIA

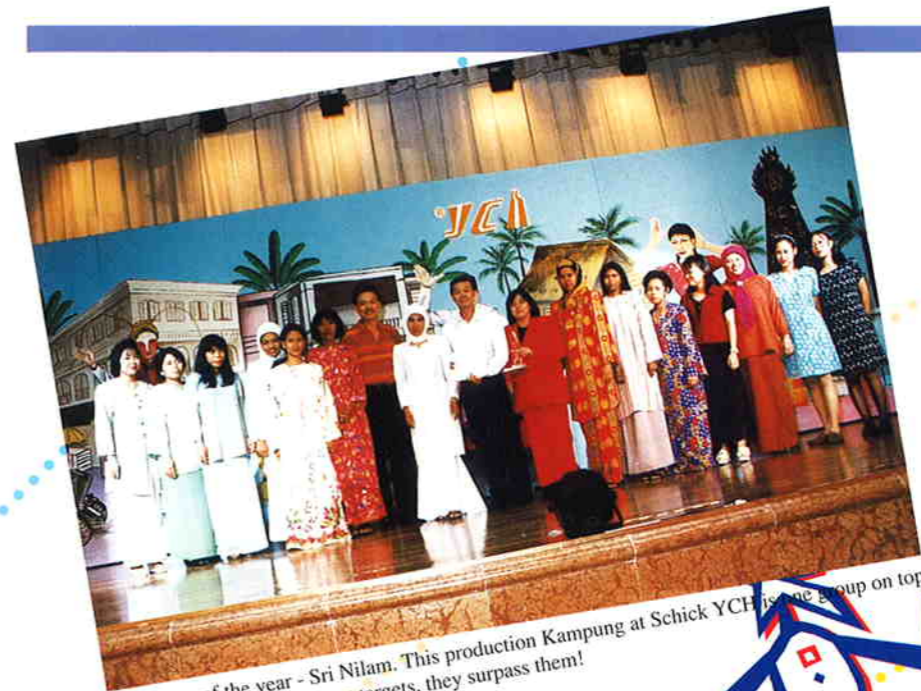
Saturday 7th February 1998 - Eden Garden Hotel, Johor Bahru

It was a night to remember. As members of YCH Singapore and Malaysia joined together for a night of fine dining and fun-filled entertainment, the festivities at the annual YCH Dinner and Dance got underway. The evening was ushered in by the Hari Raya Dance followed by the Lion Dance and after a delectable meal, the night was livened up with our Bingo game.

Our own YCHees became performers for a night. In light of the Asian Crisis, our most talented YCH staff members presented their versions of the year's news events. We were treated to star performances of the The Chicken Flu, The Haze Attack and The Stock Crisis. Our golden voice, Ian, provided us with a summary and his Asian rendition of Candle in the Wind.

To add to the festivities, there were giveaways galore. More than fifty special prizes were given over the course of the night and the highlight was the grand lucky draw. Masitach Waspan, Production Operator from YCH Malaysia turned out to be the lucky one as our grand prize winner. She went home with a free trip to Australia!

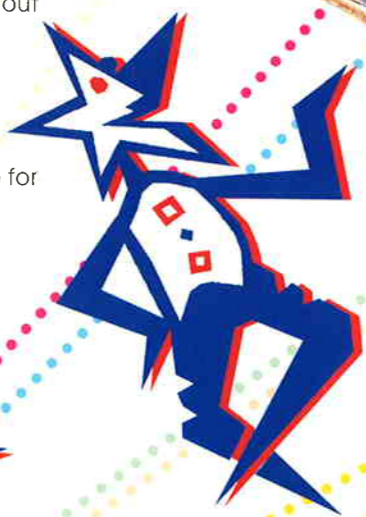
There were award presentations, a performance of MTV Singapore Sling (YCH Tuas style) and even "God of Fortune" dances. The evening ended with a disco dance for all. Everyone went home looking forward to the next YCH Dinner and Dance.



Kampung of the year - Sri Nilam. This production Kampung at Schick YCH is the group on top of the list. They not only set targets, they surpass them!

Award Presentations

One of the most important parts of the YCH Dinner and Dance is the awards ceremony. It's our chance to show off our best and to show our best just how much we appreciate their hard work and dedication. At the Dinner and Dance in February, the following special YCHees received recognition for their outstanding performance. Our MD, Robert Yap said "Congratulations!" to each one on their achievements as he gave them their "Best Employee" awards, a token of YCH appreciation.



Driver of the year - Lee Aik Guan. He is always an ambassador of YCH on the roads as well as at customers' premises. Aik Guan takes great pride in being part of the YCH traffic team.



Employee of the year (Malaysia) - Ivy Chiam. The entire Schick plant relies on Ivy's accurate scheduling to ensure line balancing and on-time delivery. Her forte - planning what's done and doing what's planned.



Employee of the year (Singapore) - Koh Yong Seng. He knows what logistics is all about. Yong Seng is a wealth of information and his service is appreciated by both customers and YCH alike.

Our most valuable asset is our human resources, the people that make YCH work. We come from many backgrounds and bring with us many skills and ideas. Some of us are just new comers at YCH, while others of us are seasoned veterans. In this edition of YCH Happenings, we say hello to some of the people who have been with us for the long haul.

LONG STANDING



5 Years
Kunju "Boy"
Traffic, Supervisor

He contacts a fleet of drivers to provide instructions... he does it via phone(s), mobile and even radiophone!

5 Years
Lim Tong Chun
Traffic,
Prime Mover Driver

He has driven on the PIE, AYE, CTE, BKE, SLE, ECP, TPE, KJE... anywhere it takes to deliver the cargo.



5 Years
Lee Aik Guan
Traffic,
Prime Mover Driver

Known as the YCH "Cowboy" no container is too difficult for him to handle...



5 Years
Maslinah
Human Resource,
Officer

She would most probably be the first person you meet when you first become a YCHee!

5 Years
Anwar B. Abu
Traffic,
Prime Mover Driver

The number to look out for: 9158... that's his lucky number.



5 Years
Masood B. Yusof
DuPont,
Material Handler

He may be a senior worker, but he still works as efficiently as the younger YCHees.

5 Years
Mason Tan
Forwarding,
Senior Officer

No cargo is too difficult for him to arrange... just give him the date and consider it done!



5 Years
Koh Yong Seng
Logistics
Coordinator

In the spirit of a true Logistician, Yong Seng has displayed marvellous knowledge and dedicated customer service.



5 Years
Margaret Toh
Human Resources,
Director

The enterprising "mother" to many YCHees... you're always welcome at her office.

DEDICATION



5 Years
Lee Swee Beng
Facilities,
Supervisor

He covers the entire DistriPark daily... making sure that everything works like clockwork.



10 Years
Yong Lai Hon
Administration,
Tea Lady

Also known as "Ah Soh" she ensures you will be served your favourite drink.



5 Years
Zainuddin
Traffic, Supervisor

The cargo is safe when Zainuddin is in the driver's seat!



10 Years
Mohd Jonid
Traffic,
Prime Mover Driver

10 years being a YCHee and still looking for more good years...

YCH BOWLING STRIKES! AGAIN.

On June 14, two YCH bowling teams embarked upon the NTUC bowling alley in Pasir Ris for a day of friendly competition in the NTUC Fun Fair. Team A consisted of Gary, Anu, Wang Lei, Ramhi and Jefry. Team B had members Michael Cheng, Khattab, Peter, Yu Ming and Zainuddin. Margaret Toh was also taking part in this YCH staff event.

YCH bowling is another of the fun-filled events given the support of the YCH fun concept. Be on the lookout for up and coming bowling events, especially the YCH Bowling Tournament slotted for September.



SOCCER 5-A-SIDE

YCH KICKS IT AT THE PASIR RIS RESORT

On March 15, "VLFC", YCH's esteemed soccer team took up the challenge at the Soccer 5-a-side competition at the Pasir Ris resort. Fighting tirelessly on the YCH side were Revi, Anu, Kunji, Katap and Zainuddin.

Our five aspiring footballers made it all the way to the quarter finals - good show! They also had a great time. This event was, of course, supported by the YCH FUN committee.

KICK OFF



The Sweet Smell of Success

YCHees are constantly following the YCH ideal of RISE. This year there is a long list of YCHees who are RISING to new challenges, RISING above the rest and RISING in the ranks of our organisation. Everyone at YCH would like to give warm congratulations to all our colleagues who have earned promotions. Hats off to:



CONGRATULATIONS TO OUR NEWEST YCHee

Profile of Ler Kuang Yuan, Winner of the PLE-EDB scholarship

In 1997, Ler Kuang Yuan was announced as the winner of the PLE-EDB (Promising Local Enterprise - Economic Development Board) scholarship, a joint project of YCH and EDB.

Kuang Yuan is a graduate of The Raffles Institution; both secondary school and junior college. After finishing his national service in 1998, he joined the YCH team. As our winner, he will receive an all expense paid university education at Berkley in California, which will commence in August. Kuang Yuan will be studying Business at Berkley and says he naturally took interest in logistics because of YCH. In the meantime, he can be seen working and learning the ropes around YCH facilities.

Kuang Yuan says he is quite happy about the prospects of studying in the U.S. because the curriculum at Berkley is flexible with broad topics incorporating liberal arts in his program. He is also anxious for economic and cultural exposure in the U.S. because it will help make him a well-rounded individual.

And as for YCH? Kuang Yuan says he is looking forward to a long relationship with YCH, especially when his studies are completed. When asked for his comments on YCH he said: "After being through YCH, I was impressed to find a good sense of harmony in such a diverse group. This is a strong pull for me to have a solid association with YCH."

YCH welcomes Kuang Yuan to the team and we all wish him the best of luck in California.

NAME	DEPT.	NEW TITLE
Jason Wong	ASRS	Executive
Wong Pee Luh	ASRS	Executive
Koh Yong Seng	Compaq	Senior Officer
Mohd Roslan B Bulat	Compaq	Ast Supervisor
Paidin B Suradi	Compaq	M H 4a
Virgil Joy Angelus	H P	Asst Manager
Eng Hoe San	Roche	Sr Executive
Lee Sor Hwa	IT	System Analyst
Raphael Chong	IT	Analyst Programmer
Michael Leong	Marketing	Sr Manager
Tan Hock Teck	IT	Sr Manager
Wu Jian	ASRS	Ast Supervisor
Anu John	Facilities	Executive
Komati Hari Prasad	Facilities	Executive
Gao Yu Ming	Roche	Supervisor
Isnin B Johari	HP	M H 4a
Anantha R Krishnan Murthy	HP	Executive
Lee Siew Liang	HP	Line Leader
Yoap Poh Yan	HP	Line Leader
Toh Siew Mui	Forwarding	Sr Asst
Jenny Huang	Forwarding	Officer
Lin Lee Ching	Finance	Sr Officer
Margaret Toh	HR	Director
Greg Bailey	Marketing	Sr Executive
Anandhan Subramaniam	IT	Analyst Programmer
Buhari Barakathulla	Compaq	Executive