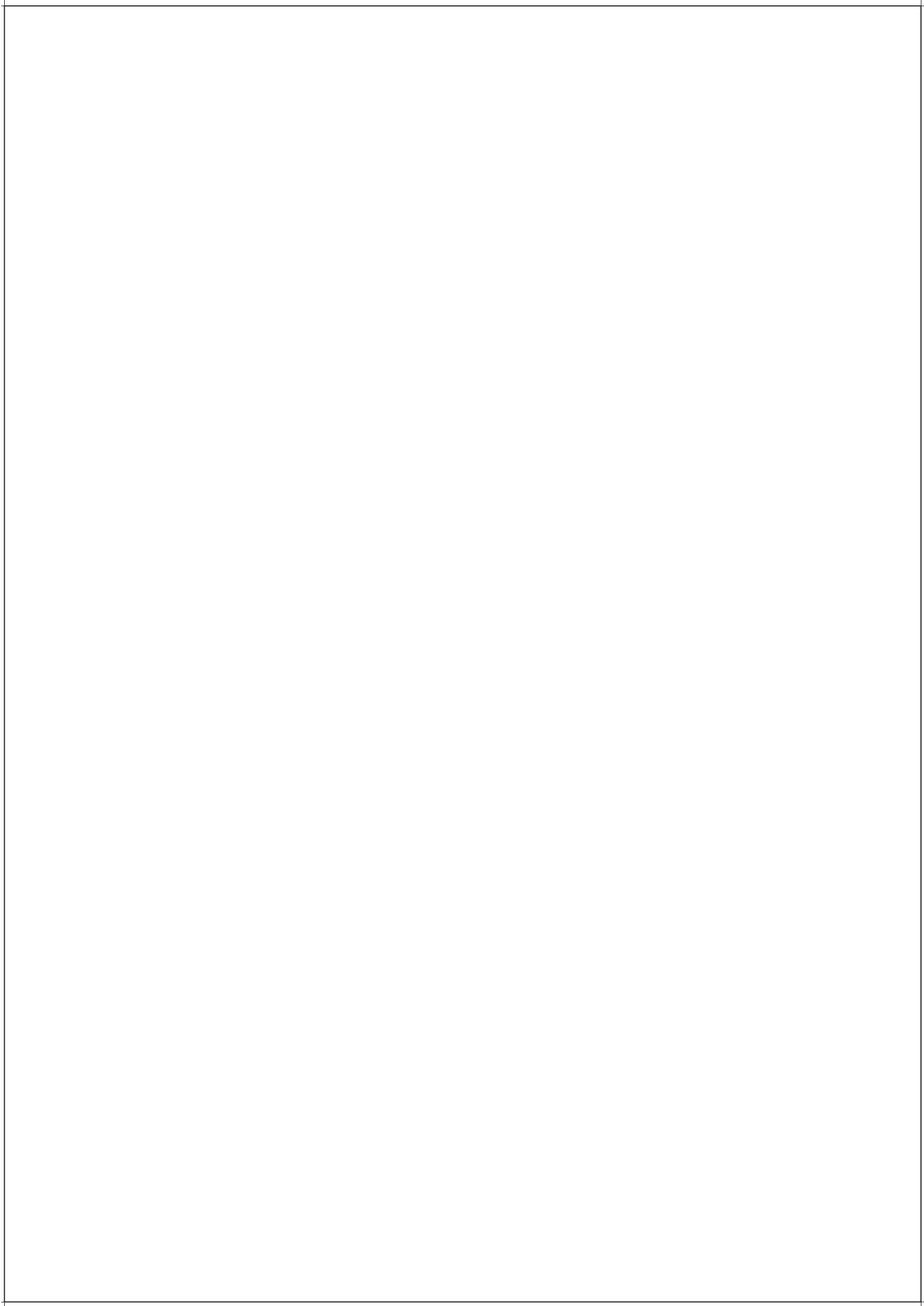




Operating Guide Book
Account Receivable Purchase (ARP) Facility





DBS Account Receivable Purchase Facility Guide Book

The DBS Account Receivable Purchase (ARP) facility guidebook has been specially prepared to assist you in the operation of your ARP facility which encompasses the following services that are designed to support your business needs:

Turning Your Invoices into Cash

A healthy cash flow is crucial to the performance and profitability of every business.

Despite the efforts made by businessmen to ensure smooth cash flow, funds are often tied up in trade debts. With DBS ARP facility, we can help you to manage your cash flow by turning your invoices into cash.

Credit Protection Facility – Up to 100% Bad Debt Protection

You can enjoy up to 100% protection against bad debts on all approved invoices. If your customer defaults on the payment and the debt is not disputed, DBS can pay up to 100% of the approved outstanding invoices.

Working Capital Facility – Instant Cash

You are assured of a steady cash flow as you get instant access to your earnings without the need to wait the usual 30, 60, 90, 120 days or longer for your customers' payments.

Collection and Receivable Management Facilities

DBS will undertake the task of debt collection, freeing your resources to focus on sales and service. In addition, you will receive assistance in receivable management with the help of our weekly and monthly debtor payment and management reports.

Table of Contents

I.	Procedures Following Acceptance of the ARP Facility	1
	1. Setting Up of Your Customers' Record with DBS	
	2. Transferring of Your Sales Ledger to DBS	
	3. Notifying Your Customers	
	4. Confirmation of Initial Debts	
II.	Submission of Invoices and Credit Notes to DBS	4
	1. Invoices	
	2. Credit Notes	
	3. Schedule of Invoices and Credit Notes	
III.	Payment of Funds	9
IV.	Follow-up Actions with Your Customers	10
	1. Collection of Receivables	
	2. Sending of Statement of Account	
V.	Special Situations	13
	1. Trade Disputes Raised by Your Customers	
	2. Payments Received Directly from Your Customers	
VI.	Statements to Assist in the Management of Your Accounts	15
	1. Debtor Payment Report	
	2. Ageing Analysis Report	
	3. Client Statement	
VII.	Changes in Sales Pattern	18
VIII.	Recording of Transactions	19
	1. Sales of Book Debt Accounting Method	
	2. Financing Accounting Method	
IX.	Additional Features of DBS ARP	22
	1. Corporate Terminal Scheme	
	2. DBS IDEAL™ Account Receivable	
	3. Statement of Account on Your Company's Letterhead	

I. Procedures Following Acceptance of the ARP Facility

Upon receiving your acceptance of our offer for the ARP facility, the following procedures will take place:

1. Setting Up of Your Customers' Record with DBS

Upon acceptance of the facility, details of your customers should be provided to DBS. This information will be entered into our system and a *Customer Address List* (see sample 1) will be provided for your confirmation. We will keep you informed of any subsequent change in the details of your customers by sending you a new customer address list.

2. Transferring of Your Sales Ledger to DBS

An appointment at your premises will be arranged to start the transfer of your sales ledger to DBS. To facilitate the transfer, all unpaid invoices and the relevant supporting documents (e.g. delivery orders and unapplied credit notes) should be batched according to each customer. These invoices are termed as initial debts. It is important to ensure that the net amount unpaid by each customer reconciles with your ledger balance.

The transfer process involves the recording of all the details of your invoices and credit notes on the prescribed *Schedule of Offer* (see sample 5) and *Credit Note Listing* (see sample 7). The signed schedule and listing, together with the invoices, supporting documents and credit notes should be provided to DBS and these will be entered into our system. Upon assignment of the invoices, all customers' payments which you may receive must be forwarded to DBS with the relevant remittance advice forms as soon as possible.

3. Notifying Your Customers

You will prepare *Notification Letters* (see samples 2 and 3) to inform your customers that all invoices have been assigned to DBS and any future payment should be made to DBS. (*This is for notification cases only.*)

The notification letters will be printed on your company's letterhead and these should be signed by an officer authorised by you.

Note: Consent must be obtained from customers with prohibition against assignment of debts.

4. Confirmation of Initial Debts

Once DBS has checked and reviewed the initial debts, we will prepare a statement of account for each of your customer. The statements will be sent with accompanying cover letters to your customers for confirmation of the initial debts.

Sample 1: Customer Address List

CLIENT CODE : SUCCOL T1
 ACCOUNT TYPE : DO DOMESTIC
 CLIENT NAME : SUCCESS COMPANY LTD
 10 SUCCESS ROAD
 SINGAPORE 623999

CUSTOMER ADDRESS FORM

NATURE OF BUSINESS : SUPPLY FOODSTUFFS

DEFINITION OF TERMS

CREDIT LIMIT : THE AMOUNT OF CREDIT COVER THAT IS AVAILABLE WITHOUT REFERENCE TO US ON ACCOUNTS WITH "NORMAL" STATUS.

NORMAL : AN ACCOUNT THAT IS IN GOOD ORDER.

SOA : SPECIFIC ORDER APPROVAL.

SUSPENDED : CREDIT LIMIT SUSPENDED. ALL OUTSTANDING SOA'S ARE CANCELLED. NO ADDITIONAL ADVANCE WILL BE GIVEN.

LEGAL : ACCOUNT IN LEGAL HANDS. CREDIT LIMIT WITHDRAWN. ALL OUTSTANDING SOA'S ARE CANCELLED. NO ADDITIONAL ADVANCE WILL BE GIVEN.

DOUBTFUL : PROBABLE BAD DEBT. CREDIT LIMIT WITHDRAWN. ALL OUTSTANDING SOA'S ARE CANCELLED. NO ADDITIONAL ADVANCE WILL BE GIVEN.

REJECT : NO APPROVAL SHOULD BE SOUGHT AS THIS IS AN ACCOUNT WE DO NOT WISH TO ACCEPT FOR FACTORING.

FREEZE ACCOUNT : ADVANCE LIMIT AND CREDIT LIMIT SUSPENDED.

ACKNOWLEDGED LETTER OF NOTIFICATION : THE LETTER OF NOTIFICATION HAS BEEN ACKNOWLEDGED BY THIS ACCOUNT.

MAXIMUM ADVANCE LIMIT (MAL) : THE MAXIMUM AMOUNT OF ADVANCE THAT IS AVAILABLE ON ACCOUNTS WITH "NORMAL" STATUS.

FM261-1
 DBS BANK LTD - FACTORING
 CUSTOMER ADDRESS LIST

OPERATOR ID : UBILLED
 PRINTED ON : 13/09/08
 TIME : 11:56:47
 PAGE : 1

CLIENT CODE : SUCCOL T1
 ACCOUNT TYPE : DO DOMESTIC

CUSTOMER CODE/ INVOICE CURRENCY/ DEBTOR NO/	CUSTOMER NAME/ ADDRESS	LAST SCH DATE/ CUST ADV LMT (SGD)/ CREDIT TERM/ FACTOR CODE, NAME	STATUS/ DUNNING CYCLE, PRD/ DISCOUNT PRD, PCT	CREDIT LIMIT 1/ CREDIT LIMIT 2/	EXPIRY EXPIRY
PROCOPR101 SGD	PROSPER CONSUMER PRODUCTS (S) PTE LTD 10 PROSPER ROAD SINGAPORE 405060	20/05/2008 90	NORMAL 9 15, 15,15,15 0.000000	0 0	0 0
REDELPT102 SGD	REDAR ELECTRONICS PTE LTD 10 REDAR ROAD SINGAPORE 205600	20/05/2008 90	NORMAL 9 15, 15,15,15 0.000000	0 0	0 0
STRCOPT101 SGD	STRONG COMPONENTS PTE LTD 10 STRONG ROAD SINGAPORE 051300	20/05/2008 90	NORMAL 9 15, 15,15,15 0.000000	0 0	0 0

NUMBER OF RECORDS PRINTED : 3 ----- E N D O F R E P O R T (1 1 : 5 6 : 4 7) -----

Sample 2: Notification Letter without Consent

SUCCESS COMPANY LTD

New World Engineering Pte Ltd
No. 5 Engineering Road Ave 1
New World Industrial Park #08-08
Singapore 423888

Attn: Finance Manager

Dear Sirs,

1. We are pleased to inform you that we have entered into a Receivables Purchase Agreement (the Agreement) with DBS Bank Ltd.

2. The Agreement with DBS Bank Ltd provides for the assignment of all our trade debts so that although you will continue to receive invoices directly from us, you will in future receive statements of account from DBS Bank Ltd.

3. Please note that all amounts due both now and in the future, in respect of invoices, must be paid only to DBS Bank Ltd. Payments by cheques and drafts are to be made payable to DBS Bank Ltd - Factoring. Kindly forward your payment to the following address:

DBS Bank Ltd
Factoring
6 Shenton Way
DBS Building
Singapore 068809

For bank transfer, kindly remit payment for the beneficiary of DBS Bank Ltd - Factoring, swift address: DBSSSGSG. Our account numbers are as follows:

SGD - 001-072477-0
USD - 0003-000467-01-6-022
EUR - 0003-000467-02-6-022
JPY - 0003-000467-03-6-022
GBP - 0003-000467-04-6-022
AUD - 0003-000467-05-6-022
HKD - 0003-000467-06-6-022

4. We look forward to be of better service to you.

Yours faithfully,

c.c. DBS Bank Ltd - Factoring

Sample 3: Notification Letter with Consent

SUCCESS COMPANY LTD

New World Engineering Pte Ltd
No. 5 Engineering Road Ave 1
New World Industrial Park #08-08
Singapore 423888

Attn: Finance Manager

Dear Sirs,

RE: Consent to the Assignment of Invoices to DBS Bank Ltd

1. We are pleased to inform you that we have entered into a Receivables Purchase Agreement (the Agreement) with DBS Bank Ltd. The Agreement with DBS Bank Ltd provides for the assignment of all our trade debts so that although you will continue to receive invoices directly from us, you will in future receive statements of account from DBS Bank Ltd. Under the Agreement, all amounts due shall be paid to DBS Bank Ltd.

2. Kindly forward your payment to the following address:

DBS Bank Ltd
Factoring
6 Shenton Way
DBS Building
Singapore 068809

For bank transfer, kindly remit payment for the beneficiary of DBS Bank Ltd - Factoring, swift address: DBSSSGSG. Our account numbers are as follows:

SGD - 001-072477-0
USD - 0003-000467-01-6-022
EUR - 0003-000467-02-6-022
JPY - 0003-000467-03-6-022
GBP - 0003-000467-04-6-022
AUD - 0003-000467-05-6-022
HKD - 0003-000467-06-6-022

3. We noted from your purchase order that consent from your company should be obtained for any assignment of interest. We would therefore like to seek your consent to the assignment of the invoices due from your company to DBS Bank Ltd.

2

4. We would appreciate if you could sign and return the duplicate copy of this letter to DBS Bank Ltd as soon as possible.

Thank you.

Yours faithfully,

c.c. DBS Bank Ltd - Factoring

To: DBS Bank Ltd
Factoring
6 Shenton Way
DBS Building
Singapore 068809

**RE: Assignment of Invoices to DBS Bank Ltd
Supplier – New World Engineering Pte Ltd**

We consent to the above arrangement.

Name & Authorised signature	Date	Company Stamp
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II. Submission of Invoices and Credit Notes to DBS

1. Invoices

Only invoices that are despatched to your customers should be submitted to DBS. For notification cases, all invoices should bear our notification stamp and terms of payment should be stated clearly.

Invoices (see sample 4) and relevant supporting documents should be submitted to DBS with the accompanying *Schedule of Offer* (see sample 5) for domestic receivables or *Notification and Transfer of Receivables* (see sample 6) for export receivables. The invoice submission can be done on either a weekly basis or as often as required.

Sample 4: Invoice

S/No.	Description	Qty	UOM	Unit Price	Total Amount (S\$)
1	Connector Parts	10	pieces	16.727	167.27
Remarks:				Subtotal	167.27
				GST	11.71
				TOTAL	178.98

Success Company Ltd
10 Success Road
Singapore 623999

Tax Invoice

Tax Invoice No: 3562878
Date: 15-Oct-08
P.O. Number: 91455
Terms: 30 days

Bill To: New World Engineering Pte Ltd
No. 5 Engineering Road Ave 1
New World Industrial Park #08-08
Singapore 423888

Tax Registration Number 19-8234567-C

This invoice has been assigned to and must be paid only to DBS Bank Ltd.
If this invoice is incorrect, DBS Bank Ltd must be notified immediately.
For cheque payment, kindly make cheque payable to DBS Bank Ltd - Factoring
and forward to: DBS Bank Ltd - Factoring, 6 Shenton Way, DBS Building, Singapore 068809.
For bank transfer, kindly remit payment for the beneficiary of DBS Bank Ltd - Factoring,
SWIFT address: DBSSSGSG. Our account numbers are as follows:
SGD - 001-072477-0
USD - 0003-000467-01-6-022
EUR - 0003-000467-02-6-022
JPY - 0003-000467-03-6-022
GBP - 0003-000467-04-6-022

Sample 6: Notification and Transfer of Receivables (Export)

To: **DBS Bank Ltd**
 Factoring
 6 Shenton Way
 DBS Building
 Singapore 068809
 Facsimile: 65-6224 6190

NOTIFICATION and TRANSFER of RECEIVABLES
 FCI-form No. 4.A.86

Serial No: **23935**

SG 00100

COPY 1: EF FILE COPY

IF's name INTERNATIONAL CORP	No. US00600	Debtor's country USA	Currency US\$	Currency code USD	Seller's name SUCCESS COMPANY LTD	No.	Notification date 06/10/08	No.
---------------------------------	----------------	-------------------------	------------------	----------------------	--------------------------------------	-----	-------------------------------	-----

INVOICES

Debtor's name	No.	Invoice No.	Invoice date	Term of payment/Due date	Invoice amount	Value date
ACE CORPORATION		7140	22/09/08	30 DAYS FROM INVOICE DATE	US\$81,821.75	
		7158	25/09/08	"	US\$3,126.70	
		7164	26/09/08	"	US\$615.00	
total number of invoices:			total amount.....US\$85,563.45			

CREDIT NOTES

Debtor's name	No.	Cr. Note No.	Cr. Note date	Invoice Reference	Credit Note Amount
total number of cr. notes:			total credit note amount.....		

Pursuant to the Agreement between us we hereby notify you of transactions entered into by us with our debtors as represented by the hereinafter mentioned invoices. We hereby also assign and transfer to you all rights, title and interest in and to all the debts under or relating to the said invoices. Copies of the invoices are attached. Credit Notes are listed in a separate group.

FOR IF's use	FOR EF's use
--------------	--------------

Company stamp and authorised signature of seller
 Date: Ref

06-09-008 (06/2004)

3. Schedule of Invoices and Credit Notes

Weekly reports in the form of a *Schedule of Invoices and Credit Notes* (see sample 8) which show the invoices and credit notes that have been assigned to DBS will be sent to you. You should check this schedule of invoices and credit notes against the schedule of offer and credit note listing that you have submitted to DBS and inform us immediately should there be any discrepancy.

Sample 8: Schedule of Invoices and Credit Notes

FM416-1 DBS BANK LTD - FACTORING SCHEDULE OF INVOICES/CREDIT NOTES FROM 28/12/2008 TO 31/12/2008							OPERATOR-ID : DRCONLMM PRINTED ON : 31/12/08 TIME : 20:26:23 PAGE : 1	
BRANCH CODE : 001 MAIN BRANCH								
CLIENT CODE : SUCCOL T1 NAME : SUCCESS COMPANY LTD ADDRESS : 10 SUCCESS ROAD SINGAPORE 623999								
BATCH CODE	CURR	CUST CODE	DOC TYPE/REF	DOC DATE	DUE DATE	DOC AMOUNT	EXCHANGE RATE	LOCAL EQUIVALENT
2008-12-29-0001	SGD	KEPSHLT104	INV KSLT/08/497 INV KSLT/08/498	23/12/2008 23/12/2008	23/03/2009 23/03/2009	28,981.34 13,302.68		
BATCH CODE TOTALS						INVOICE VALUE:		42,284.02
2008-12-30-0004	SGD	KEPSHLT102	CR CN/2008/032	24/12/2008		802.50		
BATCH CODE TOTALS						CR NOTE VALUE:		802.50
2008-12-31-0015	SGD	KEPSHLT104	INV KSLT/08/450 INV KSLT/08/451 INV KSLT/08/499	30/12/2008 30/12/2008 30/12/2008	30/03/2009 30/03/2009 30/03/2009	2,266.73 1,314.43 13,494.84		
BATCH CODE TOTALS						INVOICE VALUE:		17,076.00
CLIENT TOTALS (SGD)						INVOICE VALUE:		59,360.02
						CR NOTE VALUE:		802.50
NUMBER OF RECORDS PRINTED : 6 END OF REPORT (20:26:23)								

III. Payment of Funds

Once invoices and supporting documents which are submitted are confirmed to be in order, you can request for an advance of funds. Funds may also be made available from payments received from your customers.

You may request for advances of funds from DBS by using the *Prepayment Form* (see sample 9). Alternatively, for your convenience, you can provide us with a *Standing Instruction* (see sample 10) to authorise us to grant advances as and when there are funds available in your account.

Sample 9: Prepayment Form

<p>To: DBS Bank Ltd Factoring 6 Shenton Way DBS Building Singapore 068809 Fax: 65-6224 6190</p>	<p style="text-align: right;">Serial No. A 33662</p> <p>From: SUCCESS COMPANY LTD 10 SUCCESS ROAD SINGAPORE 623999</p>
<p>Date: 3 NOV 2008</p> <p>REQUEST FOR PREPAYMENT</p> <p>Will you please pay the sum of \$ 100,000.00 to our company against the above prepayment.</p> <p>* Please arrange for the cheque to be * posted/collected on _____ 20 ___ at _____ * am/pm. * Please credit our account with our bankers as indicated below. * This confirms our telephone request of * Advance request no. Date:</p> <p style="text-align: right;">Yours faithfully,</p> <p>* DELETE AS APPROPRIATE</p>	
<p>Banker's Name & Address: (Fill in if applicable)</p> <p><u>DBS BANK LTD</u> <u>SHENTON WAY BRANCH</u> <u>001-0013536-0</u> _____ Account No: _____</p>	<p>Company Stamp: _____</p> <p>Authorised Signature: _____</p>
<p>BANK'S COPY</p> <p style="text-align: right; font-size: small;">06-09-018 (03/2006)</p>	

Sample 10: Standing Instruction

<p>Date</p> <p>DBS Bank Ltd Factoring 6 Shenton Way DBS Building Singapore 068809</p>	
<p>Dear Sirs,</p> <p>RECEIVABLES PURCHASE AGREEMENT</p> <p>1 We hereby authorise you to transfer any fund available at all times to our account (no: _____) with your (_____) Branch.</p> <p>2 This authorisation shall remain unless you are notified by us otherwise in writing.</p>	
<p>Yours faithfully,</p> <p>_____</p> <p>Authorised Signatory</p> <p>_____</p> <p>Name of Authorised Signatory</p>	

IV. Follow-up Actions with Your Customers

1. Collection of Receivables

At DBS, we have a team of collection staff who are trained in the collection function. You can be assured that your collection tasks will be carried out professionally and efficiently.


For export receivables, collection will be undertaken by trained personnel of our overseas factor correspondents.

For overdue invoices, *Reminder Letters* (see sample 11) will be sent to your customers at intervals mutually agreed between DBS and your company.

Note: Reminder letters will only be sent for notification cases.

Sample 11: Letters for 1st Reminder, 2nd Reminder, 3rd Reminder and 4th Reminder

Letter for 1st Reminder


DBS BANK LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809

01/12/2008

SUCCCOL T1


REDAR ELECTRONICS PTE LTD
10 REDAR ROAD
SINGAPORE 205600

DEAR SIRs,

SUPPLIER: SUCCESS COMPANY LTD

1. Kindly note that the invoices stated in the attached appendix are due for payment.
2. We look forward to your early settlement or alternatively, please advise us of your reason for withholding payment.
3. Please ignore this letter if payment has been made.
4. Please contact our Customer Service Department at 6878 6128 / 6878 6156 should you require clarification.

Yours faithfully,
Manager
#1
This is a computer generated letter and requires no signature.


DBS BANK LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809

DATE : 01/12/2008

SUPPLIER: SUCCESS COMPANY LTD

LIST OF OVERDUE INVOICES

INVOICE NO.	DATE	DUE DATE	INVOICE AMOUNT
*3562878	15/10/08	15/11/08	S\$ 178.97
5785488	15/10/08	15/11/08	5689.07
TOTAL:			5868.04

*INVOICES UNDER DISPUTE

Letter for 2nd Reminder



DBS BANK LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809

15/12/2008

SUCCOL T1

REDAR ELECTRONICS PTE LTD
10 REDAR ROAD
SINGAPORE 205600

DEAR SIRs,

SUPPLIER: SUCCESS COMPANY LTD

1. Kindly note that the invoices stated in the attached appendix are overdue.
2. We would appreciate an early settlement from you. Alternatively, please advise us of your reason for withholding payment.
3. Please ignore this letter if payment has been made.
4. Please contact our Customer Service Department at 6878 6128 / 6878 6156 should you require clarification.

Yours faithfully,

Manager

#2

This is a computer generated letter and requires no signature.

Letter for 3rd Reminder



DBS BANK LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809

30/12/2008

SUCCOL T1

REDAR ELECTRONICS PTE LTD
10 REDAR ROAD
SINGAPORE 205600

DEAR SIRs,

SUPPLIER: SUCCESS COMPANY LTD

1. Despite our previous reminders to you, invoices outstanding as stated in the attached appendix have remain unpaid.
2. We would appreciate it if you could settle the arrears without further delay, or contact us if there is any reason whatsoever for withholding payment.
3. Please ignore this letter if payment has been made.
4. Please contact our Customer Service Department at 6878 6128 / 6878 6156 should you require clarification.

Yours faithfully,

Manager

#3

This is a computer generated letter and requires no signature.

Letter for 4th Reminder



DBS BANK LTD
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809

15/01/2009

SUCCOL T1

REDAR ELECTRONICS PTE LTD
10 REDAR ROAD
SINGAPORE 205600

DEAR SIRs,

SUPPLIER: SUCCESS COMPANY LTD

1. In our previous reminders, we request that you arrange to settle your overdue account as stated in the attached appendix. However, we note that no payment has been received.
2. We would therefore appreciate your early settlement of the sum owing. Please inform us without further delay if there is any reason whatsoever for withholding payment.
3. Please ignore this letter if payment has been made.
4. Please contact our Customer Service Department at 6878 6128 / 6878 6156 should you require clarification.

Yours faithfully,

Manager


#4

This is a computer generated letter and requires no signature.

2. Sending of Statement of Account

At the end of each month, a *Statement of Account* (see sample 12) will be sent to each of your customer to inform them of the outstanding invoices that are due. Invoices that are paid or credit notes which are utilised during the month will also be reflected in the statement.

Sample 12: Statement of Account

 <small>DBS BANK LTD (INCORPORATED IN THE REPUBLIC OF SINGAPORE) 6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809</small>		STATEMENT OF ACCOUNT				
		PAGE NO. 1	Date 31/12/2008			
SUCCOL T1 SUCCESS COMPANY LTD 10 SUCCESS ROAD SINGAPORE 623999		NOTICE OF ASSIGNMENT The indebtedness as shown on this statement has been assigned to DBS Bank Ltd. Only DBS Bank Ltd can give a valid discharge for the indebtedness. Any claim or query must be referred to DBS Bank Ltd within seven (7) days of receipt.				
ATTN: ACCOUNTS						
DOCUMENT			DESCRIPTION	REMARKS	AMOUNT	BALANCE
DATE	TYPE	REFERENCE				
16/10/2008	IN	0810-001	INVOICE SETTLED	RF253231	22,444.52	0.00
11/11/2008	IN	*0811-001	INVOICE O/S	030	27,598.53	27,598.53
12/12/2008	IN	0812-001	INVOICE O/S	030	31,368.90	31,368.90
25/11/2008	CN	CN-0811-001	CREDIT NOTE O/S		289.65 -	289.65 -
01/12/2008	RP	RF253231	RECEIPT SETTLED		22,444.52 -	0.00
ALL AMOUNTS STATED ARE IN SINGAPORE DOLLAR					TOTAL	58,677.78
NUMBER OF DAYS OVERDUE						
CUR. BALANCE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	CREDIT	
31,368.90	27,598.53				289.65	
CODE AD : Adjustable IN : Invoice/Debit Note * : Overdue Invoices Dt : Discount RP : Receipt CN : Credit Note # : Invoice Under Dispute						
CUSTOMER COPY * Payment received after 25 th of each month may not be shown on this statement. * DBS Bank Ltd is to be notified of any discrepancy within 7 days upon receipt of statement. * Invoices marked with an asterisk are due on or before the date of this statement and have remained unpaid. * We would appreciate that all overdues are settled immediately. * To ensure proper credit to your account, please indicate your company and supplier in the Remittance Advice and attach it to your payment to us.						
FM544L1.DBSC.311208225011_PG1(52124)/ 578/ 1					Co. Reg. No. 196800306E	



V. Special Situations

1. Trade Disputes Raised by Your Customers

Trade disputes which may result in customers' short payment or non-payment could arise due to various reasons such as issues with the quality of goods delivered, short delivery or billing error.

Should your customer raise any dispute on the invoices, DBS will send you a *Dispute Notice* (see sample 13) to inform you of the reasons for the dispute. Upon receipt of our dispute notice, you should reply to us immediately so that we can take the appropriate action.

Sample 13: Dispute Notice

 <small>DBS BANK LTD (INCORPORATED IN THE REPUBLIC OF SINGAPORE) 6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809</small> 01/12/2008 SUCENPT100 SUCCESS COMPANY LTD 10 SUCCESS ROAD SINGAPORE 623999 DEAR SIRs, SUPPLIER: NEW WORLD ENGINEERING PTE LTD Dispute Notice Number: D039684 Please refer to the attached dispute invoice listing. We would appreciate if you could look into the dispute reason(s) stated against the invoice listed and let us have your reply as soon as possible using the "Reply Copy". Please note that if we do not hear from you within 45 days from the date of this letter, your account will be debited accordingly. Please contact our Customer Service Department at 6878 6128 / 6878 6156 should you require clarification. Yours faithfully, For Manager This is a computer generated letter and requires no signature.	 <small>DBS BANK LTD (INCORPORATED IN THE REPUBLIC OF SINGAPORE) 6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809</small> DATE : 01/12/2008 SUPPLIER: NEW WORLD ENGINEERING PTE LTD DISPUTE NOTICE NUMBER: D039684 <table border="1"><thead><tr><th>INVOICE NO/ DATE</th><th>INVOICE AMOUNT/ AMOUNT PAID</th><th>AMOUNT OF CLAIM/ DISPUTE REASON</th><th>YOUR REPLY</th></tr></thead><tbody><tr><td>INV 3562878 15/10/2008</td><td>178.97 0.00</td><td>178.97 CUST DID NOT REC INV</td><td></td></tr></tbody></table> REPLY CODE A - DEBIT MY ACCOUNT B - CREDIT NOTE WILL BE ISSUED C - CHECKING WITH CUSTOMER D - HAVE RESOLVED DISPUTE WITH CUSTOMER E - PLEASE SEE OUR LETTER ATTACHED <table><tr><td>----- COMPANY STAMP</td><td>----- AUTHORISED SIGNATURE</td><td>----- DATE</td></tr></table>	INVOICE NO/ DATE	INVOICE AMOUNT/ AMOUNT PAID	AMOUNT OF CLAIM/ DISPUTE REASON	YOUR REPLY	INV 3562878 15/10/2008	178.97 0.00	178.97 CUST DID NOT REC INV		----- COMPANY STAMP	----- AUTHORISED SIGNATURE	----- DATE
INVOICE NO/ DATE	INVOICE AMOUNT/ AMOUNT PAID	AMOUNT OF CLAIM/ DISPUTE REASON	YOUR REPLY									
INV 3562878 15/10/2008	178.97 0.00	178.97 CUST DID NOT REC INV										
----- COMPANY STAMP	----- AUTHORISED SIGNATURE	----- DATE										

VI. Statements to Assist in the Management of Your Accounts

1. Debtor Payment Report

The *Debtor Payment Report* (see sample 15) which provides you with an account of the invoices that have been settled by your customers will be sent to you on a weekly basis. It replaces the remittance advice from your customers.

Remarks such as "short paid" or "overpaid" will be reflected in the debtor payment report in the following circumstances:

Cause of Short Payment	Action Required by You
Credit note was not assigned to DBS	Assign the credit note to DBS
Deduction by customer due to reason stated in our dispute notice	Issue credit note and assign it to DBS immediately. Debit note issued by customer should be assigned to DBS
Incorrect deduction by customer	Advise DBS at the earliest date by using the dispute notice after you have resolved the problem with your customer
Cause of Overpayment	Action Required by You
Invoice or debit note was not assigned to DBS	Assign the invoice and debit note to DBS immediately
Credit note was not utilised by customer	Remind customer to use the credit note
Genuine overpayment by customer	Inform DBS and we will refund the amount that was overpaid to the customer

Sample 15: Debtor Payment Report

PAYMENT DATE	DOC TYPE/REF	DUE DATE	DOC AMOUNT EXCH RATE	AMT PAID/UTILISED DIFF IN EXCH	PAID/UTILISED TO-DATE	BALANCE REMARK
CUSTOMER CODE/NAME: SCHZWDE102		SCHLAFHORST (WINDING)	CURRENCY CODE: USD			
10/10/2008	RP RF248493		36,251.20 1.434050	36,251.20	36,251.20	0.00
13/10/2008	INV 808030	28/10/2008	36,251.20 1.434050	36,251.20	36,251.20	0.00
TOTAL CURRENCY PAYMENT AMOUNT					:	36,251.20
NUMBER OF RECORDS PRINTED : 2 ----- END OF REPORT (14 : 53 : 35) -----						

2. Ageing Analysis Report

An *Ageing Analysis Report* (see sample 16) will be generated based on the debts outstanding at the end of the month. With the report, you will be able to assess the promptness of your customers' payments.

Sample 16: Ageing Analysis Report

FM426-1 DBS BANK LTD - FACTORING OVERDUE ANALYSIS REPORT (BY CLIENT) AS AT 29/11/2008 (AGE BY DUE DATE OF INVOICE)							OPERATOR-ID: DRCOAIMM PRINTED ON : 29/11/08 TIME : 15:10:21 PAGE : 1			
BRANCH CODE : 001 MAIN BRANCH										
SUCCOL T1 SUCCESS COMPANY LTD 10 SUCCESS ROAD SINGAPORE 623999										
=====										
CREDIT LIMIT/ MAX ADV LMT/ SOA UTILISED	CURRENT BALANCE	OVERDUE -----				CRN, RECEIPTS	TOTAL O/S BALANCE	UNAPPROVE/ APPROVE	DISPUTE VALUE	
		< 1 MONTH	1 - 2 MONTHS	2 - 3 MONTHS	> 3 MONTHS					
=====										
CURRENCY CODE: SGD										
CUSTOMER CODE : SUCCOLT1		CONTACT PERSON : ACCOUNTS			TELEPHONE : 64256633		#NS-28/11/2006 U			
CUSTOMER NAME: SUCCESS COMPANY LTD					STATUS : NORMAL		CREDIT TERM : 60			
50000	953	2388	4552	0	0	64	7830	0	0	
45000	12.08%	30.25%	57.67%	0.00%	0.00%			7830	0.00%	
0										
TOTAL										
50000	953	2388	4552	0	0	64	7830	0	0	
45000	12.08%	30.25%	57.67%	0.00%	0.00%			7830	0.00%	
0										
=====										
NUMBER OF RECORDS PRINTED : 1		E N D O F R E P O R T				LINE 1 - CONTRACT CURRENCY IN NEAREST UNIT, LINE 2 - PERCENTAGE (1 5 : 1 0 : 2 1)				
=====										


3. Client Statement

The *Client Statement* (see sample 17) is divided into 2 sections, Funds In Use (FIU) and Current Account (CA).

The FIU is a memorandum account which shows the movement of funds. All advances and charges, including service and discount charges will be debited to the FIU account while payments received from your customers or repayments made by you will be credited to the FIU account.

The CA reflects all the transactions between DBS and your company. All invoices assigned will be credited to the CA while all advances and charges will be debited to this account.

Sample 17: Client Statement

 DBS BANK LTD (INCORPORATED IN THE REPUBLIC OF SINGAPORE) 6 SHENTON WAY, DBS BUILDING, SINGAPORE 068809					CLIENT'S STATEMENT					
SUCCESS COMPANY LTD 10 SUCCESS ROAD SINGAPORE 623999					PAGE 1 DATE 31/10/2008 ACCOUNT REF. 001 SUCCOLT1D3 DOM-NN-LEFS:552/66					
ATTN : MR. ANDY CHUA										
FUNDS IN USE					CURRENT ACCOUNT					
DATE	DEBIT (\$)	CREDIT (\$)	BALANCE (\$)	RATE (%)	DESCRIPTION	DEBIT (\$)	CREDIT (\$)	BALANCE (\$)		
01/10/2008			967,080.58		BALANCE B/F		16,595.25	486,053.45-		
03/10/2008			967,080.58	5.0000	INVOICES			502,648.70-		
03/10/2008	99.59		967,180.17	5.0000	SERVICE CHARGE	99.59		502,549.11-		
03/10/2008	6.97		967,187.14	5.0000	GST @7.00	6.97		502,542.14-		
03/10/2008	6.97		967,194.11	5.0000	GST @7.00	6.97		502,535.17-		
31/10/2008	400.41		967,594.52		MINIMUM SERVICE CHARGE	400.41		502,134.76-		
31/10/2008	4,106.82		971,701.34		DISCOUNT CHARGE	4,106.82		498,027.94-		
31/10/2008	28.00		971,729.34		GST @7.00	28.00		497,999.94-		
BALANCE C/F			971,729.34	ALL AMOUNTS STATED ARE IN SINGAPORE DOLLAR					BALANCE C/F	497,999.94-
SERVICE CHARGES		TOTAL INVOICES	TOTAL CREDITS	EARLY DISCOUNTS	DIS/INT CHARGES					
500.00		16,595.25	0.00	0.00	4,106.82					
DBS BANK LTD IS TO BE NOTIFIED OF ANY DISCREPANCY WITHIN 14 DAYS UPON RECEIPT OF STATEMENT.										

VII. Changes in Sales Pattern

During the course of your business, you may secure a new customer or your sales volume with existing customers may have changed.

To request for inclusion of new customers or changes in your customers' limits, the *Application for Credit/Advance Limit Form* (see sample 18) should be completed for submission to DBS via email or fax.

Sample 18: Application for Credit/Advance Limit Form

DBS BANK LTD

CREDIT/ADVANCE LIMIT APPLICATION

NAME OF CLIENT :

COMPANY'S SALES TURNOVER :

NAME OF DEBTOR	ADDRESS	CONTACT PERSON	TEL NUMBER	FAX NUMBER	DEBTOR CONTACT ALLOWED (Yes/No) ?	EXPECTED MONTHLY SALES	CREDIT/ ADVANCE LIMIT REQUIRED	CREDIT TERMS

*PLEASE DELETE WHERE INAPPLICABLE

NAME: _____

COMPANY STAMP & AUTHORISED SIGNATORY

DESIGNATION: _____

DATE: _____

VIII. Recording of Transactions

Transactions may be recorded using either the Sales of Book Debt or Financing accounting method, depending on the type of facility which has been taken up.

The Sales of Book Debt accounting method should be used if you have taken up the credit protection facility (non-recourse ARP). For other facilities (recourse ARP), you can choose either one of the two accounting methods.

The two methods of accounting treatment are illustrated in the following examples:

No	Date	Transaction
1	1/2/08	Sales to customer A - \$100,000
2	3/2/08	Sales to customer B - \$100,000
3	4/2/08	Assign debts of \$200,000 to DBS
4	4/2/08	DBS accepts debts and imposes a service charge of 0.5%
5	5/2/08	DBS makes advance payment of \$160,000
6	28/2/08	DBS imposes discount charge of \$530
7	10/3/08	Credit note of \$1,000 is issued to customer A
8	31/3/08	DBS receives payments of: (a) \$99,000 from customer A and (b) \$100,000 from customer B
9	31/3/08	DBS refunds balance of customer's payment to client
10	31/3/08	DBS imposes discount charge of \$680

Examples of the client's statements of accounts from DBS to show the above transactions can be found below:

Statement of Account for February 2008

FIU		No	Date	Description	Current Account	
DR(\$)	CR(\$)				DR(\$)	CR(\$)
		3	4/2/08	Invoices		200,000
1,000		4	4/2/08	Service charge	1,000	
160,000		5	5/2/08	Advance payment	160,000	
530		6	28/2/08	Discount charge	530	
	161,530			Balance c/f	38,470	
161,530	161,530				200,000	200,000

Statement of Account for March 2008

FIU		No	Date	Description	Current Account	
DR(\$)	CR(\$)				DR(\$)	CR(\$)
161,530			1/3/08	Balance b/f		38,470
		7	10/3/08	Credit note	1,000	
	199,000	8	31/3/08	Customer payment		
36,790		9	31/3/08	Advance payment	36,790	
680		10	31/3/08	Discount charge	680	
	0			Balance c/f	0	
199,000	199,000				38,470	38,470

1. Sales of Book Debt Accounting Method

The Sales of Book Debt accounting method can be used if you have credit protection facility, working capital as well as collection and receivable management facilities (non-recourse ARP) with DBS. All debts which are assigned to DBS will be treated as sales of debts and these will be removed from your debtor's account. A new account, called DBS will be created. This account, which is an asset, is a mirror image of the current account in your statement of account. Hence, all debit entries in the current account will be reflected as credit entries in the DBS account. Likewise, all credit entries in the current account will be reflected as debit entries in the DBS account.

The entries for the transactions in February 2008 and March 2008 will be reflected in the DBS account in the following manner:

DBS Bank Ltd (Assets)				
No	Date	Description	DR(\$)	CR(\$)
3	4/2/08	Customer A - Debt assigned	100,000	
		Customer B - Debt assigned	100,000	
4		Service charge		1,000
5	5/2/08	Bank - Advance payment		160,000
6	28/2/08	Discount charge		530
	28/2/08	Balance c/f		38,470
			200,000	200,000
	1/3/08	Balance b/f	38,470	
7	10/3/08	Credit note		1,000
9	31/3/08	Bank - Advance payment		36,790
10	31/3/08	Discount charge		680
			38,470	38,470

The following entries will be reflected in your customers' accounts:

Customer A				
No	Date	Description	DR(\$)	CR(\$)
1	1/2/08	Sales	100,000	
3	4/2/08	DBS		100,000
			100,000	100,000
7	10/3/08	Sales (Credit note)		1,000
		DBS	1,000	
			1,000	1,000

Customer B				
No	Date	Description	DR(\$)	CR(\$)
2	3/2/08	Sales	100,000	
3	4/2/08	DBS		100,000
			100,000	100,000

2. Financing Accounting Method

The Financing accounting method can be used if you have working capital facility as well as collection and receivable management facilities (recourse ARP) with DBS. You will need to open an account, called DBS which will be reflected as a liability in your book. This account is a mirror image of the FIU account as shown in your statement of account.

The transactions for February 2008 and March 2008 which will be posted to the DBS account are as follows:

DBS Bank Ltd (Liability)

No	Date	Description	DR(\$)	CR(\$)
4	4/2/08	Service charge		1,000
5	5/2/08	Bank - Advance payment		160,000
6	28/2/08	Discount charge		530
	28/2/08	Balance c/f	161,530	
			161,530	161,530
	1/3/08	Balance b/f		161,530
8	31/3/08	Debtor A	99,000	
		Debtor B	100,000	
9	31/3/08	Bank - Advance payment		36,790
10	31/3/08	Discount charge		680
			199,000	199,000

The following entries will be reflected in your customers' accounts:

Customer A

No	Date	Description	DR(\$)	CR(\$)
1	1/2/08	Sales	100,000	
7	10/3/08	Sales - Credit note		1,000
8	31/3/08	DBS - Customer payment		99,000
			100,000	100,000

Customer B

No	Date	Description	DR(\$)	CR(\$)
2	3/2/08	Sales	100,000	
8	31/3/08	DBS - Customer payment		100,000
			100,000	100,000

IX. Additional Features of DBS ARP

1. Corporate Terminal Scheme

Corporate Terminal Scheme (CTS) is an online platform which provides you with real-time updates on your facilities. With CTS, you can gain access to the following information:

- Ageing Analysis of Debtors
- Amount of Advance Available
- Customer Address Lists
- Customer Particulars
- Outstanding Invoices
- Debtors' Payments
- Transaction Details

2. DBS IDEAL™ Account Receivable

DBS IDEAL™, our corporate internet banking platform, includes an Account Receivable (AR) interface which allows you to submit invoices and credit notes electronically to DBS for processing.

With DBS IDEAL™ AR, it is not necessary to fill up the schedule of offer manually as invoice details can be transmitted electronically from your accounts receivable system to our system via DBS IDEAL™.

Advances of funds can be made available to you earlier since invoices will be uploaded into our system as soon as you transmit them before the daily cut-off time. This helps to reduce processing time and enables you to receive your advances promptly.

3. Statement of Account on Your Company's Letterhead

The statement of account can be printed on your company's letterhead, allowing you to maintain a consistent branding for your company.

For enquiries on your account and invoice submission, you can contact your Account Management Manager and Trade Operations - Factoring respectively.

For more information on other DBS financial solutions, please call 1800 222 2200 or visit us at www.dbs.com/sg.

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