

Accountant's Report For BPTMB

25 May 2000

The Board of Directors
BHLB Pacific Trust Management Berhad
52 & 54, Jalan SS21/39, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan.

BHLB PACIFIC TRUST MANAGEMENT BERHAD ACCOUNTANT'S REPORT IN CONNECTION WITH THE OFFER OF UNITS IN BHLB PACIFIC INDEX-LINKED FUND

Dear Sirs,

INTRODUCTION

- 1 We, as Reporting Accountants of BHLB Pacific Trust Management Berhad ('the Company'), have prepared this Report for inclusion in the Prospectus to be dated 8 June 2000 in connection with the offer of units in the BHLB Pacific Index-Linked Fund. We are the Reporting Accountants and Auditors of the Company and the Funds managed by the Company except for BHLB Pacific Bond Fund and BHLB Pacific Index-Linked Fund which are reported by KPMG.
- 2 The Funds currently managed by the Company are as follows:
 - (i) BHLB Pacific Double Growth Fund ('DGF') was established under a Trust Deed dated 12 April 1991 as amended by Supplemental Trust Deeds dated 13 August 1991, 11 January 1992, 3 November 1993, 3 May 1994, 30 July 1998 and 5 October 1999.
 - (ii) BHLB Pacific Emerging Companies Growth Fund ('ECO') was established under a Trust Deed dated 5 May 1994 as amended by Supplemental Trust Deed dated 13 May 1998.
 - (iii) BHLB Pacific Savings Fund ('SF') was established under a Trust Deed dated 4 August 1995 as amended by Supplemental Trust Deed dated 30 July 1998 and 5 October 1999.
 - (iv) BHLB Pacific High Growth Fund ('HGF') was established under a Trust Deed dated 25 September 1995 as amended by Supplemental Trust Deed dated 30 July 1998 and 5 October 1999.
 - (v) BHLB Pacific Dana Al-Ihsan ('DALI') was established under a Trust Deed dated 30 April 1998.
 - (vi) BHLB Pacific Bond Fund ('BOF') was established under a Trust Deed dated 9 July 1999.

DISTRIBUTION

- 3 Details of income distribution together with the buying and selling prices at the date of distribution made by DGF, ECO, SF, HGF and DALI for the past five financial years are set out below:

Date of distribution	Gross dividend per unit Sen	Amount of distribution (Gross) RM	Buying price per unit (xd) RM	Selling price per unit (xd) RM
DGF				
28 April 1995	6.00	26,946,000	0.74	0.79
30 April 1996	5.00	23,200,000	0.82	0.87
31 October 1996	3.00	14,271,000	0.82	0.87
30 April 1997	6.00	30,000,000	0.72	0.77
ECO				
29 December 1995	5.00	16,503,500	0.82	0.87
28 June 1996	3.00	10,200,000	0.91	0.96
31 December 1996	6.00	21,240,000	0.94	0.99
SF				
18 September 1998	3.50	3,997,805	0.59	0.64
HGF				
6 June 1997	5.00	4,475,000	0.93	0.98
DALI				
There has been no income distribution made by DALI since its establishment.				

UNIT SPLIT

- 4 Details of unit split by DGF, ECO, SF, HGF and DALI for the past five financial years are set below:

DGF	Rate of unit split
No unit splits for the past five financial years.	
ECO	
30 June 1995	1 : 10
30 June 1996	1 : 50
22 July 1999	15 : 100
SF	
12 August 1996	13 : 100
21 March 1997	6 : 50
25 June 1999	15 : 100
HGF	
30 April 1996	1 : 10
31 October 1996	1 : 20
19 August 1999	1 : 5
Dali	
26 January 1999	1 : 4
15 June 1999	1 : 4

PRICES AND NET ASSET VALUE

- 5 At the date of this report, the latest published buying and selling prices of units and net asset value per unit in DGF, ECO, SF, HGF and DALI on 25 May 2000 being the last practical date prior to the date of this Report were as follows:

Fund	Buying Price per unit RM	Selling Price per unit RM	Net asset Value per unit RM
DGF	0.8058	0.8581	0.8058
ECO	1.1105	1.1826	1.1105
SF	1.0391	1.1066	1.0391
HGF	1.0234	1.0899	1.0234
DALI	1.2764	1.3593	1.2764

INFORMATION ON INDEX-LINKED FUND ('INF')

- 6 As at the date of this report, no audited accounts of INF are available for inclusion in this Report as INF has not commenced operations.

INFORMATION OF THE COMPANY

- 7 The Company was incorporated on 17 December 1990. The principal activities of the Company consist of the establishment and management of unit trust funds.

(a) Audited accounts

The accounts of the Company for the past five financial years ended 31 December 1994, 31 December 1995, 31 December 1996, 31 December 1997, 31 December 1998 and 31 December 1999 were audited and reported on by us without any qualification.

(b) Profit and loss accounts

The condensed financial results of the Company based on audited accounts for the past five financial years ended 31 December are as follows:

	<i>Note</i>	<u>1995</u> RM'000	<u>1996</u> RM'000	<u>1997</u> RM'000	<u>1998</u> RM'000	<u>1999</u> RM'000
Operating income	G	24,836	17,670	30,762	22,786	51,114
Profit before taxation		11,597	3,807	5,845	1,100	9,002
Taxation		(3,615)	(1,145)	(2,288)	(500)	-
Profit after taxation		7,982	2,662	3,557	600	9,002
Retained profits brought forward		19,563	26,845	26,007	29,564	30,164
Dividends		(700)	(3,500)	-	-	(1,000)
Retained profits carried forward		26,845	26,007	29,564	30,164	38,166

(c) Balance sheets

The condensed balance sheets of the company based on the audited accounts for the past five financial years as at 31 December are as follows:

	<i>Note</i>	1995	1996	1997	1998	1999
		RM'000	RM'000	RM'000	RM'000	RM'000
CURRENT ASSETS						
Managers' stocks	H	3,193	2,544	152	1,156	882
Trade debtors		6,317	6,236	14,744	16,188	40,493
Other debtors		3,312	12,023	1,972	2,394	2,282
Amt due from related companies	I	-	-	158	170	5
Short term deposits		25,500	10,977	10,652	7,264	-
Cash and bank balances		1,171	4,207	4,090	3,894	6,510
		39,493	35,987	31,768	31,066	50,172
CURRENT LIABILITIES						
Trade creditors		11,976	14,783	5,388	3,334	14,076
Other creditors and accruals		3,021	2,995	2,882	4,272	4,211
Provision for taxation		3,500	1,100	2,113	1,554	382
Proposed dividend		700	-	-	-	-
Amt due to a related company	I	117	290	316	439	2,037
Amt due to holding company	I	15	1	2	74	-
		19,329	19,169	10,701	9,673	20,706
NET CURRENT ASSETS		20,164	16,818	21,067	21,393	29,466
FIXED ASSETS		9,691	11,695	10,944	11,218	11,147
DEFERRED EXPENDITURE		45	-	-	-	-
		29,900	28,513	32,011	32,611	40,613
Represented by:						
SHARE CAPITAL	K	2,000	2,000	2,000	2,000	2,000
RETAINED PROFITS		26,845	26,007	29,564	30,164	38,166
SHAREHOLDERS' FUNDS		28,845	28,007	31,564	32,164	40,166
RETIREMENT BENEFITS		967	248	-	-	-
DEFERRED TAXATION		88	258	447	447	447
		29,900	28,513	32,011	32,611	40,613

(d) Notes to the accounts of the management company

A. Basis of accounting

The accounts are prepared under the historical cost convention in accordance with the applicable approved Accounting Standards in Malaysia.

B. Depreciation

Fixed assets are depreciated on a straight line basis to write off the cost of each asset over their estimated useful life. The annual principal rates of depreciation are:

Building	2%
Office equipment	10% - 20%
Furniture, fittings and office renovations	7.5%
Motor vehicles	20%

C. Manager's stocks

Manager's stocks are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis.

D. Deferred taxation

Deferred taxation is provided on the liabilities method in respect of timing differences between taxable and accounting profits. Where such timing differences give rise to the net deferred tax benefits, these benefits are not accounted for.

E. Short term investments

Short term investments are stated at the lower of cost and net realisable value.

F. Cash and cash equivalents

Cash includes cash in hand, bank balances and deposits on call. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, less short term borrowings repayable on demand.

G. Operating income represents income from initial service fees and management fees in accordance with the provisions of the Trust Deeds for the unit trust funds managed by the Company.

H. Manager's stocks

Manager's stocks represent units held for re-sale in funds managed by the Company. Manager's stocks are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

	<u>31.12.1999</u>
	RM'000
Cost	882
Market value	897

I. Holding company, related party balances and transactions

The Company is a subsidiary of Ban Hin Lee Bank Berhad, a public company incorporated in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The amount due to the holding company arose mainly from sales commission payable by the Company.

The related parties are subsidiaries of the holding company, substantial shareholders of the Company and a foreign company that have a common director with the Company.

The amounts due to and from related companies arose mainly from investment advisory and consultancy services.

The amounts due to and from related companies are unsecured, interest free and have no fixed terms of repayment.

J. Fixed assets

31.12.1999	Furniture, Fittings and Office Renovations				Total RM'000
	Building RM'000	Office Equipment RM'000	Renovations RM'000	Motor Vehicles RM'000	
Cost	6,250	5,212	3,904	720	16,086
Less: Accumulated depreciation	551	2,920	1,004	464	4,939
Net book value	5,699	2,292	2,900	256	11,147

K. Share capital31.12.1999

Ordinary shares of RM1 each:

RM'000

Authorised : 3,000,000 ordinary shares of RM1 each

3,000

Issued and fully paid : 2,000,000 ordinary shares of RM1 each

2,000

L. Capital commitments31.12.1999

RM'000

Approved but not contracted for

6,031

Your faithfully,

PRICE WATER HOUSE COOPERS

(No.AF: 1146)

Public Accountants

DATO' AHMAD JOHAN BIN MOHAMMAD RASLAN

(No.1867/9/00 (J))

Partner of the firm