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KUALA LUMPUR, JAN. 11 (BERNAMA) — DATUKSERI DR. MAHATHIR MOHAMAD SAID TODAY HE COULD NOT ESTIMATE HOW MUCH OF THE MASSIVE LOANS WHICH BUMIPUTRA MALAYSIA FINANCE LTD (BMF) MADE TO THE CARRIAN GROUP IN HONG KONG COULD BE RECOVERED.

ASKED AT A PRESS CONFERENCE, IF HE WAS STILL CONFIDENT THAT BMF COULD RECOVER BETWEEN 20 TO 25 PER CENT OF THE LOANS AS HE HAD INDICATED LAST OCTOBER, THE PRIME MINISTER SAID: "I WAS THEN ONLY MAKING A GUESS BASED ON THE PROPERTY MARKET IN HONG KONG AT THE PREVAILING EXCHANGE RATES."

SINCE THEN THERE HAD BEEN FURTHER FALLS IN PROPERTY PRICES AND EXCHANGE RATES AS WELL AS OTHER EVENTS WHICH FOLLOWED THE COLLAPSE OF CARRIAN.

BANK BUMIPUTRA CHAIRMAN DR. NAWAWI MAT AWAN, WHO WAS ASKED THE SAME QUESTION REPLIED: "I'M NO EXPERT OF THE PROPERTY VALUES IN HONG KONG."

THE PRIME MINISTER WAS ALSO ASKED ON WHAT HE THOUGHT OF THE QUALITY OF SECURITIES WHICH BMF OBTAINED FOR ITS LOANS FOLLOWING DISCLOSURES IN RECENT SUITS IT BROUGHT AGAINST CARRIAN OWNER GEORGE TAN WHICH SHOWED THAT SOME OF THE LOANS WERE SECURED ONLY BY GEORGE TAN'S PERSONAL GUARANTEES. -- MORE 2022/HM

ZCZC N149 (F/S)

EMF-RECOVERY 2 KUALA LUMPUR

LAST WEEK, BMF FILED SEVERAL SUITS AT THE HONG KONG HIGH COURT TO RECOVER LOANS TOTALLING US\$130 MILLION MADE TO COMPANIES IN THE CARRIAN GROUPS WHICH WERE PERSONALLY GUARANTEED BY GEORGE TAN.

"IT'S NOT WORTHWHILE FOR ME TO ANSWER THIS QUESTION BECAUSE YOU CAN DRAW YOUR OWN CONCLUSION AND WRITE ON YOUR CONCLUSION?" DATUK SERI DR. MAHATHIR SAID.

BANK NEGARA GOVERNOR TAN SRI ABDUL AZIZ TAHA, WHO WAS ALSO PRESENT SAID THAT THE CENTRAL BANK HAD NO PRE-KNOWLEDGE OF ANY LOANS MADE BY BMF TO ANY OF THE COMPANIES IN THE CARRIAN GROUP BEFORE THE COLLAPSE HONG KONG'S PROPERTY MARKET.

TO THIS, THE PRIME MINISTER REMARKED THAT MANY BANKS IN HONG KONG WERE ALSO MAJOR CREDITORS OF CARRIAN AND THEY TOO, DID NOT FORESEE THE COLLAPSE OF THE PROPERTY MARKET.

IF THE HONG KONG BANKS COULD NOT FORESEE THIS, IT WAS UNDERSTANDABLE IF BANK NEGARA DID NOT EXPECT THE MARKET TO COLLAPSE LIKE "HOUSE OF CARDS," HE ADDED. -- MORE 2030/HM

BMF-RECOVERY 3 KUALA LUMPUR

ROTH TAN SRI AZIZ AND DR. NAWAWI SAID THAT BANK NEGARA AND BANK BUMIPUTRA HAD COMPLETED THEIR INTERNAL AUDITING OF BMF FOLLOWING THE DISCOVERY OF THEIR LOANS TO THE HONG KONG GROUPS.

BUT THEY SAID THAT THE FINDINGS OF THE AUDITING WOULD BE SUBMITTED TO THE COMMITTEE OF ENQUIRY PROBING THE BMF LOAN AFFAIRS. THE FORMATION OF THE COMMITTEE WAS ANNOUNCED TODAY.

ACCORDING TO DR. NAWAWI, BANK BUMIPUTRA EXECUTIVE JALIL IBRAHIM WHO WAS MURDERED IN HONG KONG LAST JULY, WAS NOT A MEMBER OF THE AUDIT TEAM.

DR. NAWAWI SAID THAT BMF WAS STILL OPERATING AS USUAL BECAUSE WE HAVE OTHER ORDINARY CLIENTS TO SERVE.

FINANCE MINISTER TENGKU RAZALEIGH HAMZAH, WHO WAS ALSO PRESENT, SAID THAT IT HAD NOT BEEN DECIDED IF MORE MONEY WOULD BE PUMPED INTO BANK BUMIPUTRA AS A RESULT OF THE LOAN SCANDAL.

-- BERNAMA 2051ZOM