

05/03/2008 : My EG not involved in Global Trader woes

by **Ellina Badri** (Source - www.theedgedaily.com)

KUALA LUMPUR: My EG Services Bhd's substantial shareholders are not involved in the sell-down of its shares pursuant to the fall-from-grace of UK-registered Global Trader Europe Ltd, which is facing liquidity woes, My EG said yesterday.

It was responding to The Edge Financial Daily report on Monday that My EG was believed to be among at least nine Malaysian listed companies affected by forced selling of stocks that are pledged to Global Trader's office in Bangkok in return for a leveraged line of credit.

"The board, after due enquiry with the substantial shareholders, wishes to clarify that the substantial shareholders were not involved in the events as reported in the said article," My EG replied to a Bursa Malaysia query on the report.

The company said it was not aware of any material corporate development which had not been previously announced, and any other reason or material information to account for the unusual market activity of its shares.

My EG's share price regained part of its losses yesterday, adding seven sen to 65 sen. The stock fell 29.5 sen or 34% to close at 58 sen on Monday.

Meanwhile, in reply to queries from The Edge Financial Daily, the Securities Commission said it was investigating possible share price manipulation activities.

Although it did not name any of the companies involved, it said it would take action if there was evidence of market manipulation or abuse.

The Edge Financial Daily report said after the liquidity crunch faced by its parent company in the UK, the administrators scrutinised the accounts of its clients, especially in its Bangkok branch.

It sold the pledged shares and other assets of accounts that had a margin shortfall, which in turn caused a massive forced selling of the pledged stocks.

Other companies affected are said to have included H-Displays (MSC) Bhd, Ygl Convergence Bhd, Reliance Pacific Bhd, Aturmaju Resources Bhd, Liqa Health Corp Bhd, Cymao Holdings Bhd and Axis Incorporation Bhd.

YGL yesterday fell two sen to 14 sen, H-Displays dipped another 6.5 sen to 20 sen, Liqa fell 0.5 sen to 20 sen, while Cymao and Axis fell two sen each to 68 sen and RM2.08, respectively. Reliance added 0.5 sen to 43 sen, while Aturmaju gained three sen to RM1.04.