



SECURITIES AND FUTURES COMMISSION 證券及期貨事務監察委員會

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FOR IMMEDIATE RELEASE
TO THE BUSINESS EDITOR

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Press Release

- (1) SFC Successfully Prosecutes LM Investment Management Hong Kong Ltd. and its Director Melanie Jane Nutbeam**
- (2) SFC Prosecutes Mr Ho To Yan for Contravening the Commodity Trading Ordinance and the Protection of Investors Ordinance**

- (1) The Securities and Futures Commission (SFC) announced today that it had successfully prosecuted LM Investment Management Hong Kong Ltd. (LMHK) together with Melanie Jane Nutbeam, being a director of LMHK, under the Protection of Investors Ordinance for the issuance of various advertisements relating to an investment arrangement without due authorization.

The investment arrangement was a scheme which allowed an investor to participate as a direct co-owner or part-owner of a Hong Kong commercial property and to receive a regular monthly income. The advertisements related to the marketing of this investment arrangement. Ms Polly Lo, a Magistrate at Western Magistracy, fined LMHK HK\$50,000 and Melanie Jane Nutbeam HK\$5,000 and ordered them to pay costs totalling HK\$14,373 to the SFC.

The SFC spokesman said he wished to reiterate the words that Alan Linning, Executive Director of Enforcement, issued yesterday after a similarly successful prosecution, namely that “there appears to be a growing trend for property schemes to be marketed in Hong Kong which risk violating the Protection of Investors Ordinance. Promoters and property developers in particular are reminded that any document which contains an invitation or offer to the public to take part in an investment arrangement must be approved in advance by the SFC.”

- (2) The SFC announced today that it had successfully prosecuted Mr Ho To Yan (Ho) for contravening the Commodity Trading Ordinance and the Protection of Investors Ordinance.

Between 5 February and 26 February 2001 Ho, on several occasions, placed an advertisement in a local Chinese newspaper offering to give investment advice on trading Hang Seng Index futures contracts for remuneration. Ho had not been registered with the SFC as a commodity trading advisor. By offering to give such investment advice whilst unregistered, he was in breach of the Commodity Trading Ordinance.

In the advertisement, Ho also guaranteed potential clients a monthly profit of 5-10% from such investment. As the issue of any advertisement containing an invitation to the public to enter into an agreement for the purpose of securing a profit by reference to fluctuations in Hang Seng Index futures requires to be authorized by the SFC, Ho was also in breach of the Protection of Investors Ordinance.

Ho pleaded guilty to 9 summonses before Ms Polly Lo at Western Magistracy. He was fined a total of HK\$22,500 and ordered to pay investigation costs of HK\$6,000 to the SFC.

An SFC spokesman said, “investors should view with caution any advertisements for such services placed by individuals and they can ascertain whether an investment advisor is registered with the SFC by visiting the Public Register section on the SFC’s website.”

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