



China's Business Newspaper

You're lying, ex-aviation chief told

The prosecution yesterday rejected former civil aviation chief Albert Lam Kwong-yu's claim that he forgot he was a Hong Kong Aircraft Engineering Co board member when he bought shares after drinking.

Alice So

Wednesday, February 01, 2012

The prosecution yesterday rejected former civil aviation chief Albert Lam Kwong-yu's claim that he forgot he was a Hong Kong Aircraft Engineering Co board member when he bought shares after drinking.

Prosecutor Allen Lam Ming-yiu said in the Eastern Magistrates' Courts that the 66-year-old was lying to hide his guilt and cover up an intention to profit from insider information.

The defendant had substantial experience in trading stocks and a good understanding of what insider trading and price sensitivity entails, the prosecutor said.

Lam is charged with using information he obtained as a non-executive director of HAECO to buy 4,000 of its shares a day before Swire Pacific acquired 15 percent of the stock in June 2010. He denies the charge.

The prosecutor asked why Lam did not stay put for a rest if he felt dizzy after drinking during lunch, instead of rushing back to the office around 3pm that day.

Lam is said to have set the price he was willing to pay for the shares at higher than the market rate, HK\$84.10, to ensure the transaction went through.

The prosecutor also pointed out that Lam was overdrawn on his current account by around HK\$300,000 because he expected the share price to rise.

Defense lawyer Lawrence Lok Ying-kam said Lam could have purchased shares via his mobile phone instead of rushing back to his office.

Lok also said it was a normal investment practice to purchase shares through an overdrawn bank account.

It was possible that alcohol affected Lam's behavior, he said, making him careless.

He added that Lam gave an account of what happened to the Securities and Futures Commission the next day.

Both the prosecution and defense finished final submissions and closing arguments.

The magistrate is expected to hand down his ruling on February 27.