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## Former air chief sentenced

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Eddie Luk

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Former director general of the Civil Aviation Department Albert Lam Kwong-yu was yesterday sentenced to five months in jail, suspended for two years, and fined HK\$50,000 after being convicted of insider trading involving shares in the Hong Kong Aircraft Engineering Company.

Deputy magistrate John Glass slammed Lam in Eastern Court for being dishonest and untrustworthy and dismissed his plea that he was under the influence of alcohol when he made the transaction that led to almost HK\$80,000 in profit.

Lam claimed that he had four glasses of wine and a gin and tonic at a luncheon at the Hong Kong Club before buying the HAECO shares on June 4, 2010. Lam argued he was not aware of his non-executive director post in the company when purchasing the shares.

In handing down the verdict, Glass said Lam should have been fully aware of his actions as he was able to walk to his office in Admiralty after the luncheon in Central and then correctly input the passwords to log into his bank account, transferring around HK\$300,000 to buy the shares.

Glass criticized Lam for failing to swiftly disclose that he had purchased the HAECO shares during the company board's meeting held on June 4

Lam was convicted of abusing price-sensitive information he obtained as a non-executive director of HAECO to acquire 4,000 shares on June 4 after he found out that Swire Pacific had an intention to acquire HAECO shares.

The purchase took place one trading day before Swire Pacific acquired 15 percent of the stock on June 7.

Trading in HAECO shares was suspended on June 7 when the acquisition occurred. The same day, Swire announced a general offer to buy HAECO shares from existing shareholders. When trading resumed, shares closed at HK\$104 - 24 percent up. As such Lam made a profit of HK\$79,436. Lam later donated the money to charitable organizations.