

## Press Release

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### Ex-Semtech chairman jailed for 39 months for corruption over share placements

The former chairman of a listed company formerly known as Semtech International Holdings Limited (Semtech) was today (Wednesday) sentenced to 39 months' imprisonment in his absence at the District Court for corruption offences in relation to share placements of Semtech.

Kanjanapas Chong Kwong Derek, also known as Derek Wong Chong-kwong, 39, was earlier found guilty of two counts of offering an advantage to an agent by Judge Colin Mackintosh.

Wong did not turn up in court for the verdict on July 24. The court then issued a warrant for his arrest.

In passing sentence today, Judge Mackintosh said he was satisfied that Wong's disappearance was not involuntary but a deliberate act. Hence, he ordered the forfeiture of Wong's bail money of \$700,000 in cash.

Earlier on, former senior director of American Express Bank Limited (AE Bank) Earnest Leung Chi-wah, and former divisional managing director of VC Brokerage Limited (VC Brokerage) Yung Ka-tim, were each sentenced to 23 months' imprisonment for accepting bribes from Wong.

The court heard that on July 7, 2004, there was a placement of some 19 million Semtech shares with an exercise price of \$1.3 each.

Six million of the shares were purchased by AE Bank for sale to its clients. As a result, funds totalling over \$7.8 million were received by Semtech.

On July 9, 2004, Wong paid Leung \$400,000 as a reward for the purchase of the Semtech shares by AE Bank.

The court also heard that Wong paid a sum of money to Yung for the latter to influence an investment analyst of VC Brokerage to write a "buy" oriented review of Semtech shares so as to boost their value.

The court today also ordered the forfeiture of \$130,000 seized from Yung's safe deposit box.

The prosecution was today represented by prosecuting counsel Keith Oderberg, assisted by ICAC officer Christopher Ho.