

SGXNET Announcement



AEM Holdings Ltd.
(Registration No. 200006417D)

UPDATE ANNOUNCEMENT – SETTLEMENT OF ARBITRATION PROCEEDINGS

The Board of Directors (the “**Board**”) of AEM Holdings Ltd. (the “**Company**” or “**AEM**”) refers to the Company’s announcement dated 24 February 2022 in relation to a confidential arbitration (the “**Arbitration**”). Unless otherwise defined in this announcement, terms used herein shall have the same meaning as those defined in the announcement dated 24 February 2022.

The parties to the Arbitration have reached a settlement of all matters disputed in the Arbitration (the “**Settlement**”) and the arbitrator has entered an arbitral award dated 27 July 2023 in accordance with the terms of the Settlement.

The complainants to the Arbitration are Advantest America, Inc. and Advantest Test Solutions, Inc., and the respondents to the Arbitration are Samer Kabbani, Lattice Innovation, Inc., Wavem US Inc. (a subsidiary of the Company) and the Company. Samer Kabbani founded Lattice Innovation, Inc. and is a former employee of Advantest Test Solutions, Inc. Lattice Innovation, Inc. was acquired by Wavem US Inc. in December 2020, while Samer Kabbani is currently the President of AEM International (US) Ltd. and the Chief Technology Officer of the Company.

AEM has decided on the Settlement to resolve this matter, and focus on its Test 2.0 initiatives underway with existing and new customers that underpin its growth strategy.

The terms of the Settlement include that the respondents to the Arbitration pay to the complainants:

- (i) A first payment of US\$9,000,000.00 (nine million U.S. dollars), expected to be made in the third quarter of 2023; and
- (ii) A second payment of US\$11,000,000.00 (eleven million U.S. dollars), expected to be made in the third quarter of 2024.

These payments will be borne by the Company using internal resources. The Settlement is final and was reached without any findings or admissions as to breach or liability; there will be no other payments made to the complainants in the future relating to this matter.

The Settlement will have minimal impact on AEM’s operations, its business strategy or its product offerings. The terms of the Settlement reaffirm the parties’ prior understanding that the complainants own the specific work product for the 5037 Active Thermal Interposers, and any intellectual property created therein by certain respondents for the complainants. Further, parties reserve all rights to their other respective intellectual property.

By Order of the Board

Chandran Nair
Chief Executive Officer
28 July 2023