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MOOT PROBLEM 2025



Organiser of the LAWASIA International Moot Competition

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Tech and Tyranny: Trade vs Human Rights

The Mise En Scène

1. The world stands at the precipice of an escalating economic and technological conflict between the two superpower nations—Seratious and Veridia. For decades, these nations have been at the forefront of global innovation, each vying for dominance in cutting-edge industries, particularly the semiconductor sector. As artificial intelligence, quantum computing, and defense applications become increasingly dependent on high-performance chips, control over semiconductor supply chains has evolved into a strategic imperative, triggering a geopolitical struggle with far-reaching consequences.
2. Amid this intensifying trade conflict, Veridia-based technology conglomerates, once major suppliers to the Seratious markets, have begun to relocate their semiconductor manufacturing operations to the developing nation of Aurion. Aurion, situated in a geopolitically strategic region, boasts a robust workforce, tax incentives, and trade-friendly policies, making it an attractive destination for Veridian companies seeking to bypass Seratious' trade sanctions and maintain access to the global supply chain.
3. Veridia, under pressure from economic restrictions imposed by Seratious, has actively encouraged the migration of its technology sector to Aurion through financial incentives and diplomatic agreements, ensuring its continued foothold in the semiconductor industry.
4. Simultaneously, Seratious has significantly increased its demand for advanced semiconductors, particularly neural processing units (NPUs) and quantum-integrated circuits (QICs), which are critical for next-generation artificial intelligence, machine learning, and cybersecurity advancements. Recognizing the strategic importance of this industry, Seratious' government has implemented strict trade controls, export bans, and economic sanctions on Veridian semiconductor firms, seeking to curb Veridian's influence and protect its own supply chain.

The Avant-Garde

5. Aurion, a rapidly developing nation in Southeast Asia, has emerged as a strategic hub for global trade and investment. Historically reliant on traditional manufacturing and

agriculture, Aurion has, in recent years, undertaken sweeping economic reforms to transition into a high-tech industrial economy.

6. Aurion's economic landscape is deeply shaped by its historical north-south divide, a legacy of past internal conflicts that has resulted in enduring regional disparities. The south—home to Aurion's largest financial hubs and industrial zones—has emerged as the epicentre of economic growth, benefiting from coastal access, trade connectivity, and an influx of foreign capital into advanced industries. In contrast, the north remains economically underdeveloped, reliant primarily on agriculture, fishing, and state-driven industrial initiatives. However, with its rich deposits of natural resources, including silica, rare earths and precious metals, the north's untapped potential as a "*golden mine to semiconductor manufacturing*" is increasingly recognised.
7. With a workforce that is both abundant and relatively inexpensive compared to more developed economies in the region, Aurion offers foreign investors a cost-effective alternative for manufacturing operations. The country's growing infrastructure, improving technological expertise, relatively stable political environment and gradual relaxation of its protectionist legislations and policies have further solidified its attractiveness to multinational corporations.
8. Aurion is also strategically located within the heart of Southeast Asia, allowing easy access to major economies such as Masamos, Lionpan, Thinta, and Iryan. This advantageous positioning enhances its role as a regional supply chain hub, facilitating the efficient movement of goods and materials critical to semiconductor production. Furthermore, Aurion's participation in regional trade agreements provides preferential trade access to multiple markets, further boosting its appeal to foreign investors.
9. Recognizing these advantages, Mr Davul Ho, the President of Aurion, has actively sought to develop the semiconductor industry by attracting foreign direct investment (FDI) and partnering with global technology firms since he took office in January 2022. Determined to make his mark as the newly elected President of Aurion, President Ho aggressively pursued high-profile investments from Veridia, portraying Aurion as an optimal gateway to the region's supply chains.
10. In his bid to secure Veridian investments, President Ho—keenly aware of the long-standing concerns of global firms over the country's rigid state control, protectionist legislations and policies, and the potential for political instability to undermine long-term commercial ventures—made several representations in closed-door discussions

with executives from Veridian firms between April to June 2022. He assured them of the stability and independence of local investment partners, stating that Rivus Microelectronics Group (“**RMG**”) was a commercially autonomous vehicle under his influence.

The Aurion-Veridia BIT

11. Recognising Aurion’s potential as a semiconductor manufacturing hub and the strong interest from Veridian investors after two rounds of closed-door discussions with President Ho, the governments of Aurion and Veridia sought to quickly formalise investment protections to facilitate long-term collaboration.
12. This culminated in the signing of the Aurion-Veridia Bilateral Investment Treaty (BIT) in October 2022, aimed at fostering investor confidence by ensuring fair and equitable treatment, protection against expropriation, and guarantees of regulatory stability. The BIT was positioned as a cornerstone of economic cooperation, reinforcing Aurion’s commitment to maintaining a predictable and secure investment environment for Veridian firms.
13. The signing of the BIT was met with widespread acclaim, with government-controlled media outlets hailing it as a milestone in President Ho’s economic diplomacy. In an official press release, the Ministry of Trade and Industry of Aurion lauded the BIT as a landmark achievement that would cement Aurion’s position as a key player in the global semiconductor supply chain. The press statement credited President Ho’s “*strategic outreach*” and “*proactive engagement with Veridian industry leaders*” as the driving forces behind Veridian firms’ confidence in Aurion as an investment destination.
14. Analysts highlighted the BIT’s potential to generate substantial job opportunities for Aurion’s workforce and attract billions of dollars in foreign capital. Commentators further praised President Ho’s success in securing high-profile investors, most notably Calyx DreamBot Inc (“**CDI**”), the largest semiconductor firm in Veridia and previously, the main supplier to Seratious. His direct engagement with Veridian firms was cited as a testament to his ability to position Aurion as a premier hub for semiconductor manufacturing, bolstering his reputation as a leader capable of driving economic transformation.
15. Beyond the official statements and celebratory media coverage, concerns surrounding the BIT started circulating and became the talk of the town. Critics feared that the BIT could expose Aurion’s workforce to the risk of modern slavery—an issue widely reported in Veridia’s industrial sector. Seratious’ labour rights activists raised alarms over the possibility of Veridian companies exploiting Aurion’s regulatory loopholes in seeking to cut costs, leaving local workers vulnerable to exploitation. These concerns were further compounded by Aurion’s weak labour protections and minimal

regulatory oversight, which made it an attractive yet potentially hazardous destination for foreign firms looking to operate with little to no regulatory enforcement.

16. Speculation soon arose that the BIT was not the result of diplomatic efforts but rather the product of carefully orchestrated discussions between President Ho and executives from CDI, a company with which he had personal ties. Seratious' independent news portal, *DailySeratious* had previously allege that President Ho had personally invited CDI's top executives to two rounds of closed-door meetings, offering them exclusive access to strategic investment opportunities in Aurion under the guise of high-level economic cooperation.
17. While the BIT was expected to usher in a wave of foreign investment, only one major deal made headlines in December 2022: the announcement that CDI will invest USD1.2 billion into a joint venture with RMG. No other investments were publicised, raising further skepticism about the true extent of foreign interest in Aurion and whether the BIT had genuinely fostered broad-based economic growth or merely served the interests of a selected few.
18. Meanwhile, public discourse surrounding the skepticism faced heavy censorship. Comments on social media questioning the lack of transparency in the negotiations and the potential risks to local workers were either blocked from being uploaded or taken down. Online forums saw discussions disappear without warning and independent journalists who attempted to investigate the matter found their accounts abruptly suspended.
19. The suppression of criticism fuelled further speculation about the true nature of the BIT and the extent to which the government was willing to control the narrative. The Aurion government was not silent as it cited IT errors in their nation-wide attempt to upgrade its cybersecurity. As with many controversies, the initial uproar eventually faded. Public attention shifted elsewhere, and life in Aurion carried on as usual, albeit under a quiet, lingering unease.

The Joint Venture

20. The strategic partnership between RMG and CDI was a result of the initiatives taken by President Ho, who introduced the executives of RMG to the Chief Executive Office of CDI, Ms Al Emret. This introduction was facilitated through a long-standing personal connection between President Ho and a high-ranking economic envoy stationed in Veridia, Mr Suvan.
21. Mr Suvan, a seasoned diplomat with an extensive network among Veridian business leaders, had served as Aurion's chief trade representative for nearly a decade. His influence stemmed from years of fostering commercial ties between the two nations, positioning him as an indispensable figure in Aurion's economic outreach efforts. President Ho, who had known Suvan since childhood, reached out to Suvan in February 2022, shortly after he took office. In a private exchange, he conveyed his

vision of securing a flagship joint venture that would serve as the cornerstone of Aurion's semiconductor industry.

22. President Ho's vision is to position Aurion as the global powerhouse of technological advancement and sought to capitalise on the semiconductor industry to catapult RMG, and other tech companies in Aurion into the global arena. As such, he was particularly interested in leveraging CDI's global reputation and advanced technology capabilities.
23. Understanding the political and economic significance of such a venture, Mr Suvan leveraged his longstanding diplomatic and business ties to arrange a discreet introductory meeting between President Davul Ho and the CEO of CDI, Ms Al Emret. The meeting took place in April 2022 at an exclusive business club in Veridia, away from public scrutiny, where Suvan emphasised Aurion's ambitions to establish itself as a leading semiconductor hub and positioned CDI as an ideal foreign partner to spearhead this transformation.
24. Al Emret, known for her aggressive expansion strategies, saw an opportunity in Aurion's emerging market and prospect of operating in a jurisdiction with low operating costs and minimal regulatory barriers. However, she also voiced her concern that any long-term investment would require a neutral and independent business environment, fearing governmental control, bureaucratic interference, or hidden policy shifts that could jeopardise CDI's interests.
25. Sensing her hesitancy, President Ho leaned in and said *"I can assure you that you will have full autonomy over your operations in Aurion. RMG is our nation's pride. There will be no interference, and I am certain that you will find no better partner than RMG."*
26. This initial meeting paved the way for further discussions, culminating in 2 closed-door meetings held in April and May 2022 at the President's office in Aurion. These meetings brought together CDI and other Veridian players interested in expanding their semiconductor manufacturing business into Aurion and laid the groundwork for what would become one of the most consequential business ventures in Aurion's recent history.
27. Notably, although RMG is technically a separate entity, it was widely known in Aurion as President Ho's pet project, where there have been reports that capital requirements of RMG were provided using public funds from the Government Treasury.
28. Further, leadership structure and decision-making within RMG was heavily influenced and usually mirrors the internal policies laid down by the Ministry of Economy. Although this was never disclosed to the Veridian investors, this fact remained accessible to locals in Aurion and the data lodged at the Aurion Companies Commission, where it is disclosed that the board of directors too comprises of Aurion's Cabinet Ministers.

29. With the BIT in place, CDI wasted no time in solidifying its presence in Aurion. By end of December 2022, CDI formalised a Joint Venture Agreement (“**JVA**”) with RMG, hailed as a landmark deal that would drive technological advancement and economic growth. The JVA outlined the roles, obligations, and rights of both parties, setting the foundation for what was envisioned as a ground-breaking semiconductor manufacturing hub in Aurion’s northern region.

The Operations

30. With the execution of the JVA, both parties moved swiftly to bring the joint venture to life. Aurion Semiconductor Inc (“**ASI**”)—being the special purpose vehicle of the joint venture—was incorporated on 3rd January 2023. RMG immediately commenced the land alienation application process and, having already obtained approval in principle, successfully secured the land 5 days later. A government-linked contractor was concurrently engaged to construct a state-of-the-art semiconductor manufacturing facility on the acquired land. Leveraging RMG’s status as a state-linked entity, the land alienation, regulatory approvals, and planning approvals were all expedited, allowing the project to break ground within weeks.
31. The facility, spanning 40 hectares in Northern Aurion, was strategically located to leverage proximity to key supply chains and workforce hubs. Designed to house cutting-edge semiconductor fabrication equipment, research and development divisions, administrative offices, and workers’ dormitories, the facility aimed to position Aurion as a semiconductor manufacturing powerhouse in the region.
32. Despite industry norm dictating a 24–36-month construction period for fabs of this scale, CDI pushed for an accelerated completion schedule, setting an internal target of 15 months, by 26th May 2024, to ensure timely fulfilment of supply agreements with key buyers. This urgency was formally conveyed to RMG in a series of project management meetings and internal correspondence stressing that delays are “*commercially unacceptable*”, culminating in CDI’s request for RMG to expedite construction through a Project Acceleration Memo dated 26th February 2023. With that, the 15-month target became the de facto deadline under the supervision of a joint project management team (“**JPMT**”) comprising representatives from both CDI and RMG.
33. Despite constructions still ongoing, RMG proceeded to swiftly launch recruitment campaigns that advertised competitive salaries, productivity-based bonuses, and long-term career prospects for operational staff. Job postings specifically sought employees who prioritised work above all else, with incentives tied to performance metrics yet to be determined. The recruitment strategy also allowed RMG to retain full control over compliance with local labour laws.
34. As the 15-month construction window progressed, ASI began to incur costs beyond initial projections and even before operations started running. The expedited

construction timeline required the doubling of construction manpower, resulting in a 25% surge in total construction expenses due to higher labour costs, contractor fees and overtime payments. Despite CDI's USD 1.2 billion investment into ASI, these overruns placed significant strain on budget allocations, as funds had earlier been earmarked for equipment procurement, initial payment of salaries, research and development, and operational setup, leaving limited room to absorb unexpected cost overruns.

35. Facing these financial pressures, CDI grew increasingly concerned about delays in recruiting operational staff and that prolonged vacancies would jeopardise production timelines and contractual commitments to buyers. Through the arrangement of Mr Suvan, Ms Al Emret met President Ho over dinner at his private residence to voice out her frustrations about the construction delays and cost overruns. In response, President Ho told Ms Al Emret that *"for as long as I am here, your concerns will be heard and resolved. Don't worry"*.
36. Several days after the dinner with President Ho, Ms Al Emret once again emailed the JPMT on 20th September 2023, stressing that further delays were commercially untenable and that operational staff mobilisation must be prioritised to ensure proper onboarding training. She also urged RMG to engage a third-party labour agency to accelerate recruitment, with explicit instructions to *"minimise labour costs wherever feasible"* in light of the budget overruns.
37. RMG, in swift response, proposed a shortlist of local manpower agencies with experience in large-scale industry staffing. Among them was Beta Workforce Solutions (**"BWS"**), an agency that offered highly competitive rates and had previously supplied labour for comparable large-scale projects. Internal correspondence later indicated that JPMT touched on various considerations, including cost efficiency and recruitment speed to stabilise the project's finances. CDI ultimately approved BWS's selection based on RMG's recommendation, with no recorded objections.

The Unearthing of Workforce Abuse

38. Following CDI's approval of BWS, ASI entered into a service agreement with BWS on 2nd October 2023 for the supply and management of an initial workforce of 1,200 workers (**"Service Agreement"**). Under the terms of the Service Agreement, BWS was tasked with the full scope of workforce management, including recruitment, deployment, onboarding, lodging and transport, and regulatory compliance, ensuring that ASI could focus on operational readiness. CDI, in several personal discussions with BWS, indicated a preference for workers who would be highly dedicated and capable of meeting the demanding production schedules, with the understanding that meeting tight deadlines was critical. CDI also instructed RMG to share its previous recruitment campaigns to BWS and that was later adopted by BWS in securing the operational staff.
39. The Service Agreement outlined a transitional structure wherein ASI was to assume full responsibility for workforce management within 12 months, subject to extension

if necessary. Given the transitional nature of the arrangement, the contract included a collaboration clause mandating ASI to collaborate with BWS to oversee workforce management. This included ensuring timely submission of workforce audits, periodic compliance reporting, and addressing any concerns related to employment conditions.

40. By 20th November 2023, 1,200 workers were supplied by BWS to ASI, where they underwent intensive training under ASI. RMG's affiliations with the government facilitated an aggressive fast-tracking approvals and infrastructure works, enabling completion within 15 months. By 20th May 2024, production had commenced within the targeted 15-month timeframe, ensuring timely supply to CDI's longstanding Seratious clients.
41. As initial shipments were successfully delivered to Seratious, ASI leveraged its supply chain reliability to negotiate additional supply agreements with other Seratious clients in an attempt to circumvent the Seratious-Veridia trade ban, securing long-term contracts, and rapidly expanding its client portfolio that significantly bolstered its revenue projections. Words of the new supply chain travelled quickly in Seratious, enabling ASI to be re-engaged by its former local clients. Recognising the increasing demand for high-performance chips across multiple sectors such as consumer electronics, automotive technology, and industrial automation, ASI further ramped up production capacity. Its ability to maintain high production yields and competitive pricing made it an attractive supplier for multinational clients seeking to diversify their semiconductor sources amid ongoing geopolitical trade uncertainties.
42. By September 2024, ASI successfully positioned itself as a competitive player in the global semiconductor supply chain, with orders surpassing initial forecasts by 35%. Industry analysts began touting ASI as one of the fastest-growing semiconductor manufacturers in the region, with projected revenues expected to exceed USD 5 billion by the first quarter of 2026. When interviewed by Aurion's local news, CDI's CEO credited the success to the *"joint-effort and dedication of both CDI and RMG"* for otherwise, none of which would be possible.
43. As operations scaled, rumours of workforce ill-treatment began to surface, particularly in light of mounting scrutiny from sources with questionable credibility. On 13th September 2024, an investigative report was published, raising grave allegations on exploitative labour practices at a newly established Veridian-linked facility in Aurion. The report alleged significant breaches of labour standards, including excessive working hours beyond legal limits, substandard and hazardous living conditions, withholding of wages and illegal deductions, exploitative recruitment fees and debt bondage.
44. Despite the questionable origins of the report and the lack of concrete evidence, its content was nevertheless seized upon by various media outlets, prompting calls for stricter oversight and urging Seratious to prohibit imports from firms allegedly involved in forced labour practices. Several media outlets in Aurion reportedly did not deny Seratious as being the plausible origin of the report.

45. On 17th September 2024, the Seratious government issued a formal statement warning a complete import ban if the Aurion government fail to take immediate and decisive action in investigating and addressing these labour rights violations. Given that Seratious accounted for a significant portion of Aurion's exports, such a move threatened to cripple the nation's semiconductor industry.
46. Realising the economic crisis that may befall, on the following day, the Aurion Ministry of Foreign Affairs together with the Ministry of Trade and Industry issued a joint statement reaffirming Aurion's commitment to upholding international labour standards and pledged to establish an Independent Investigative Committee ("IIC") to probe the allegations. The IIC was formed within five days of the statement, comprising senior government officials and representatives from Aurion's National Human Rights Commission. The IIC was vested with full prerogative to conduct unannounced inspections, interview workers and review employment records and workforce audit reports.
47. Within days of its formation, the IIC carried out its investigations which included a tracing of the purported report, a series of spot check inspections at ASI's semiconductor manufacturing facility and worker accommodations. The findings of the IIC, published on 30th September 2024, were, *inter alia*, as follows:
 - (a) The report which triggered the investigation was traced to an IP address in Seratious. However, the source was not definitively linked to any governmental entity.
 - (b) The dormitories provided to the workforce were congested, with each 185-square-foot room housing between 4 to 6 workers. However, it was found that basic essentials were provided to the workers, and the subpar living conditions were temporary, with BWS representatives explaining that this arrangement would only be in place until the completion of ASI's on-site worker dormitories.
 - (c) Several workers reported working beyond the regular working hours due to threats of wages being cut unless their KPIs are met. This finding was not conclusive as it was contradicted by the statements of several other workers explaining that the overtime was voluntary, aimed at meeting production targets to potentially earn bonuses. In some cases, workers mentioned that they would occasionally skip breaks or meals in an effort to stay on track and meet these targets, understanding the importance of meeting deadlines to secure bonuses.

- (d) The IIC found no evidence of debt bondage.
 - (e) The IIC found that some workers had their passports withheld by BWS. However, BWS justified that this practice was in line with visa and work permit procedures for foreign workers and to ensure attendance at workplace.
 - (f) The IIC identified significant issues with the workforce audits submitted by ASI, where the number of workers involved in overtime and hours of overtime went unreported. On this point, ASI offered an apology and blamed BWS for this oversight.
48. While the IIC's investigation revealed concerning practices related to worker conditions, including overcrowded dormitories, excessive working hours, and withholding of passports, it did not find definitive evidence that would categorise these practices as modern slavery. Consequently, the IIC strongly recommends that ASI's practices be closely monitored moving forward to ensure full compliance with labour regulations and to improve transparency in documentation and reporting practices.
49. The publication of the report sparked significant criticism online, with some speculating that the IIC may have been biased in its findings due to the lack of substantive evidence, especially considering RMG's status as a state-linked entity. Some industry observers and international stakeholders voiced concerns that the investigation could have been shaped by political considerations, given RMG's close ties to the state, which could have led to a perceived conflict of interest. As a result, doubts were casted on the neutrality and credibility of the IIC's conclusions. In light of this, the Seratious government formally requested for a copy of ASI's workforce audit report be provided to them to ensure transparency, warning again that failure to do so would result in a complete import ban from Aurion.
50. In response to public concerns and the findings of the IIC, the Ministry of Trade and Industry decided to suspend ASI's operating license until the company submits a revised workforce audit report that addresses the discrepancies and ensures compliance with labour regulations. The Ministry of Trade and Industry of Aurion also undertook to provide Seratious the revised report to address their concerns. On 2nd October 2024, ASI's operating license was officially suspended. The suspension was lifted on 23rd October 2024 after ASI submitted a revised workforce audit report.
51. The suspension which lasted for three weeks had an immediate and profound impact on ASI's operations. With production halted, key supply contracts with international buyers, including major Seratious clients, were severely disrupted. ASI faced contractual penalties for failure to meet delivery schedules, while several buyers

began reassessing their long-term commitments with ASI amid heightened scrutiny over ethical labour compliance. Investors and market analysts downgraded their projections for ASI, citing operational uncertainty and reputational damage as critical risks to the company's long-term viability.

52. Disappointed with the aftermath of the investigation, Ms Al Emret vented out during the interview for “CQ Fabulous 30 Women Leaders” where she said off-record that *“it defeats all common sense that ASI is suspended when the IIC found no conclusive evidence of modern slavery. This suspension is politically driven to safeguard Aurion’s interests and is unfair to CDI as Aurion’s trade partner”*. While this quote was picked up by some on social media, it did not have much traction.
53. The next day, Ms Al Emret received a WhatsApp message from a person identified to be President Ho’s special officer forwarding the message *“Pls stop spreading fake news... contact my ministers to resolve any issues – Pres. Ho”*. Still enraged, Ms Al Emret did not reply to the message.
54. During the suspension period, CDI initiated an internal investigation. The investigation, which concluded on 10th October 2024, uncovered that BWS, the labour agency selected by RMG, had close ties to RMG through personal connections. BWS is owned by the uncle of President Ho’s son-in-law, creating a link between RMG and the agency. RMG had failed to disclose this connection, which CDI perceived as a significant conflict of interest, suggesting bad faith in RMG’s recommendation and selection of the agency.
55. The events surrounding the suspension of ASI’s license and alleged labour law violations have compelled Ms Emret to issue stern warnings to RMG’s CEO and Mr Suvan on 11th October 2024. Her messages on WhatsApp were blue-ticked with no reply forthcoming from any party.
56. Following the submission of the revised workforce audit report, the Ministry of Trade and Industry conducted a further review. During this review, the Ministry gained access to the actual timesheets from an undisclosed ASI employee, which had not been accurately reflected in the revised report. It was discovered that the actual overtime hours were significantly higher than reported—by approximately 10,000 hours—indicating a substantial underreporting of overtime. In light of this and the cumulative findings of the IIC, the Ministry, on 16th December 2024, imposed a fine of USD 500 million on ASI for its failure to meet labour compliance standards.
57. According to the Ministry, the timesheets are concrete evidence of modern slavery. ASI attempted to clarify the source of the purported actual timesheet in light of emerging rumours that Seratious is yet again behind the propaganda. However, ASI’s

request for transparency was refused, with the Ministry stating “*on grounds of confidentiality, safety and national interest, we are unable to accommodate your request. Our decision on the imposition of fine remains.*”

58. In order to meet Seratious’ demand for transparency, the Ministry subsequently provided them with a copy of the revised audit report, along with documentation to address the discrepancies and reassure Seratious that the matter was being handled in accordance with labour regulations. Seratious expressed their gratitude for the Ministry’s cooperation and expressed hope that both nations would continue to work together in ensuring ethical labour practices, which would further strengthen their business and diplomatic relations moving forward.
59. On 24th December 2024, CDI wrote to RMG to inform them of their decision to terminate the JVA and for RMG to bear the fine. CDI cited ongoing breaches of the JVA which resulted in the non-compliance of labour laws and the erosion of trust in RMG as a reliable partner as key reasons for their decision. CDI also expressed concern that the continued partnership with RMG would further expose the company to legal and operational risks, which they could no longer justify.
60. Pursuant to the termination, on 28th December 2024, CDI again demanded that RMG pay the USD 500 million fine imposed on ASI. RMG’s CEO brushed off the claim by CDI citing that it was nonsensical. RMG’s cavalier attitude and refusal to engage constructively only escalated the situation, ultimately leading to CDI’s commencement of arbitration proceedings. Their heated conversation ended after an intervention by Mr Suvan.

Initiation of Arbitration Proceedings

61. Following the termination of the JVA, CDI proceeded to initiate arbitration proceedings against RMG, alleging that RMG had fundamentally breached the JVA by failing to ensure compliance with local laws and ethical labour standards, thereby jeopardizing the project’s viability. CDI also claimed for financial losses which were purportedly suffered due to RMG’s breaches.
62. In its Notice of Arbitration dated 6th January 2025, CDI asserted that RMG, as the local partner in the JVA, was entrusted with the critical responsibility of ensuring compliance with all applicable local laws and international standards, including ethical labour practices. As such, CDI claimed that RMG should bear full liability for the compliance failures and pay damages incurred by ASI, particularised as follows:

Direct Financial Losses	
Description	Amount (USD)
Fine	500 million
Loss of revenue during the suspension period	27.5 million
Contractual penalties from buyers for late delivery	15 million
Reputational Harm & Long-Term Impact	
Loss of contracts	200 million
TOTAL	742.5 million

63. In response to the CDI's claims, RMG raised several preliminary objections, including that RMG is entitled to sovereign immunity as an entity controlled by the State of Aurion. RMG claimed that it has never waived its immunity or agreed to participate in arbitration proceedings. Alternatively, RMG argued that the arbitral tribunal is not seized with jurisdiction as the arbitration proceeding is premature.
64. RMG asserted that CDI's actions contributed to the regulatory non-compliance, specifically arguing that CDI pushed for cost-cutting measures that pressured RMG into selecting the cheaper labour agency and that CDI did not raise any objections against the engagement with BWS. According to RMG, this pressure from CDI was a key factor in the decision to engage the problematic agency, which ultimately led to the labour violations. RMG also highlighted that the termination of the JVA signified bad faith on the part of CDI, alluding that the real reason for termination was due to the imposition of fine and an attempt to distance itself from the fallout of the scandal and avoid further liabilities.

The Issues

65. The Arbitral Panel constituted at the Asian International Arbitration Centre pursuant to Clause 11 of the JVA requested for the parties to attend a preliminary meeting. At the said preliminary meeting, the parties agreed for a full hearing to be conducted where parties will be presenting arguments on the following issues:
- (i) Whether RMG is entitled to invoke sovereign immunity;
 - (ii) Whether CDI's initiation of arbitration was premature;
 - (iii) Whether RMG breached the JVA in relation to the alleged labour practices;
 - (iv) Whether CDI's termination of the JVA was lawful.

EXHIBIT 1



MINISTRY OF TRADE AND INDUSTRY

OFFICIAL PRESS RELEASE

For Immediate Release

Aurion and Veridia Sign Historic Bilateral Investment Treaty to Boost Semiconductor Sector and Strengthen Economic Ties

The Ministry of Trade and Industry of Aurion is pleased to announce the signing of the Aurion-Veridia Bilateral Investment Treaty (“**AV-BIT**”), a landmark agreement aimed at enhancing investor protections, fostering cross-border investments, and strengthening economic cooperation between the two nations.

The AV-BIT follows extensive negotiations led by President Ho and Veridian counterparts, formalising a stable and predictable investment environment that guarantees fair and equitable treatment, protection against expropriation, and regulatory stability for investors.

This signing of this treaty marks a significant milestone in Aurion’s strategic vision to become a premier hub for semiconductor manufacturing in the region. With the semiconductor industry projected to drive technological advancements and economic growth, the treaty is expected to unlock billions in foreign investment and create thousands of high-value jobs.

The BIT is a testament to Aurion’s commitment to maintaining an open and competitive investment climate. This achievement would not have been possible without President Ho’s strategic outreach and proactive engagement with Veridian industry leaders, which has fostered their trust in Aurion as a long-term investment destination.

The AV-BIT reflects the government’s long-term vision of integrating Aurion into the global semiconductor supply chain and solidifying its reputation as a destination for high-value foreign direct investment.

Ministry of Trade and Industry
Aurion
4 October 2022

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EXHIBIT 2

THE WORLD ECONOMIC REVIEW

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Aurion-Veridia BIT Signed: Economic Milestone or Risky Gamble?

By Elanifred

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@theworldeconomicreview

October 2022 – Government celebrates economic milestone
Aurion and Veridia have signed a Bilateral Investment Treaty (BIT), a move the government hails as a major step in economic diplomacy. The treaty aims to boost foreign direct investment, strengthen Aurion's role in semiconductor manufacturing, and create job opportunities.

The Aurion Ministry of Trade and Industry called the BIT a landmark achievement, crediting President Ho's engagement with Veridia leaders for securing the deal.

"This treaty cements Aurion as a premier investment hub, attracting top-tier firms that will contribute to job growth and economic expansion," the Ministry stated. Sources also revealed that there might be a billion-dollar foreign direct investment involving a large semiconductor firm and a local partner.

Meanwhile, Veridia's Prime Minister's Office stated that *"in addition to the provisions of the BIT, both parties—Aurion and Veridia—are signatories to the Vienna Convention on the Law of Treaties. Furthermore, Aurion has ratified the Forced Labour Convention, imposing an additional obligation on the country to uphold high standards in business practices, including the prohibition of forced labour and the protection of workers' rights. These international commitments support the premise that Aurion is dedicated to ensuring ethical business operations, which is in line with Veridia's business practices and standards"*. While analysts believe the BIT could position Aurion as a global semiconductor hub, some question whether benefits will be widely distributed or concentrated among select corporations.

Labour Rights and Transparency Concerns Despite government optimism, activists warn about Aurion's weak labour protections, fearing that foreign firms may exploit low regulatory oversight. *"While the BIT may bring investment, it raises serious questions about worker protections,"* said Mira Tan, a representative of the Aurion Labour Rights Association. Critics also highlight a lack of transparency, as reports suggest CDI executives had exclusive access to closed-door negotiations with President Ho. This has led to speculation about whether the treaty was shaped by economic strategy or private interests.

Public Skepticism and Censorship Although state-controlled media widely praises the BIT, criticism has faced suppression. Online comments questioning transparency and labour risks have reportedly been removed, and independent journalists face restrictions when investigating the deal. Critics argue that suppressing dissent only deepens public skepticism about whether the treaty benefits the broader population or a select few corporate and political elites.

A High-Stakes Economic Gamble? The government remains confident in the BIT's potential, but doubts persist. As foreign investors implement their plans, the treaty's true impact will unfold in the coming years, with businesses, workers, and the public watching closely.

- The World Economic Review

KEYWORDS

TRADE

AURION

HUMAN RIGHTS

EXHIBIT 3A

AURION-VERIDIA BIT SIGNED | OPINION - NATION DIVIDED IN THOUGHTS BETWEEN ECONOMIC DIPLOMACY AND HUMAN RIGHTS

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AutoModerator MOD • 11h ago

spidersheep12 | 9 days ago
Ngl, this BIT is a game-changer for Aurion! Attracting major investors like CDI shows that our country is being legit about becoming a key player in the global semiconductor industry. With guaranteed regulatory stability and protection for foreign investments, we're setting the stage for long-term economic growth.

iluvlasagneyo | 8 days ago
You gotta give credit where it's due. Securing a deal with CDI is a big move. Hopefully, this means more jobs and better opportunities for locals. Lets go Aurion!

poolmonster1 | 8 days ago
This is actually huge for Aurion. A \$1.2 billion investment in semiconductors? That's real economic growth right there bro!

sillymilkshake | 2 hours ago
Attracting foreign capital is important, but at what cost? If companies like CDI are being given easy access to our markets while our local industries struggle with regulatory barriers, this could end up benefiting only the elite. We need more transparency on the long-term impact of this agreement, especially on Aurion's workers."

pymwxhix123 | 30 minutes ago
If Veridia has a history of labor exploitation, shouldn't we have stricter oversight before welcoming these firms? Pretty sure President Ho has been bought!

lalalisandwich | 14 minutes ago
Closed-door meetings, censorship, and personal ties with CDI? This isn't diplomacy, it's backroom dealings!

brokenribs90 | 12 minutes ago
Say what you want about President Ho, but this is a solid deal. It's not every day you get a major company committing billions to a project here in Aurion.

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EXHIBIT 3B

AURION-VERIDIA BIT SIGNED | OPINION - NATION DIVIDED IN THOUGHTS BETWEEN ECONOMIC DIPLOMACY AND HUMAN RIGHTS



34K 528 8 Share

Add a comment

Sort by: Best Search Comments

AutoModerator MOD Just now

spidersheep12 | 9 days ago
Ngl, this BIT is a game-changer for Aurion! Attracting major investors like CDI shows that our country is being legit about becoming a key player in the global semiconductor industry. With guaranteed regulatory stability and protection for foreign investments, we're setting the stage for long-term economic growth.

iluvlasagneyo | 8 days ago
You gotta give credit where it's due. Securing a deal with CDI is a big move. Hopefully, this means more jobs and better opportunities for locals. Lets go Aurion!

poolmonster1 | 8 days ago
This is actually huge for Aurion. A \$1.2 billion investment in semiconductors? That's real economic growth right there bro!

silnymilkshake | 3 hours ago
Deleted

pymwxhix123 | 1 hour ago
Deleted

lalalisandwich | 1 hour ago
Deleted

brokenribs90 | 1 hour ago
Deleted

jellycatfish67 | a minute ago
Why are comments and discussions being deleted? Anyone experiencing the same? Help!

spongebobby | a minute ago
It happening all over the internet! If this deal is so great, why not allow scrutiny?

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EXHIBIT 4

DATED THIS 20th DAY OF DECEMBER 2022

BETWEEN

CALYX DREAMBOT INC (“CDI”)

AND

RIVUS MICROELECTRONICS GROUP (“RMG”)

JOINT VENTURE AGREEMENT

Prepared by:

Sharma, Fei & Chelsea LLC
Advocates and Solicitors
Manderley Boulevard, Suite 501
Sunderson City, 13896
Aurion

OUR REF : JVA-2022-DEC-5197
DISKETTE : DSK-2025-7482-XZ91

THIS JOINT VENTURE AGREEMENT is made on this 20th day of December 2022.

BETWEEN

CALYX DREAMBOT INC, (Company No. VRD-927315), a Corporation incorporated in Veridia and having its registered office at 37 Everoak Lane, Lysoria, Veridia, 71504 (hereinafter referred to as “**CDI**”) of the one part;

AND

RIVUS MICROELECTRONICS GROUP, (Company No.: AUR-382104), a Corporation incorporated in Aurion and having its registered office at Hall 12, Great Aurion Avenue, Aurion Central Administrative Region, Capital of Aurion, 48210 (hereinafter referred to as “**RMG**”) of the other part.

CDI and **RMG** hereinafter jointly referred to as the “**Parties**” or severally as “**Party**”.

WHEREAS:

- A. The Parties have agreed to establish their joint venture under an Aurion corporation, which shall be incorporated as **AURION SEMICONDUCTOR INC** (hereinafter referred to as “**ASI**”) following the execution of this Agreement.
- B. The Parties agree to obtain all necessary governmental and regulatory approvals required for the incorporation of ASI and their respective investments in its shares.
- C. CDI and RMG have obtained all necessary approvals of their respective boards of directors for the execution of this Agreement.

NOW THEREFORE the Parties have agreed for good and valuable consideration, as follows:

Clause 1 – Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Facility”	means the physical infrastructure, buildings, and premises established for the purpose of semiconductor manufacturing, including but not limited to fabrication plants, clean rooms, research laboratories, and administrative offices.
“Intellectual property”	means all patents, trademarks, copyrights, trade secrets, proprietary technology, designs, inventions, know-how, and other forms of intellectual property, whether registered or unregistered, developed, created, or utilized in connection with this Joint Venture.

“Investment incentives”	means financial or non-financial benefits, including but not limited to tax exemptions, grants, subsidies, and infrastructure support, that ASI is eligible to receive under the laws of Aurion or any applicable governmental scheme.
“Knowledge transfer initiatives”	means the structured programs implemented by CDI to impart technological expertise, including but not limited to training programs, on-site technical support, and documentation sharing to enhance ASI’s semiconductor manufacturing capabilities.
“Land”	means a piece of land no less than 40 hectares in Northern Aurion, the alienation of which shall be procured by RMG from the Aurion authorities.
“Natural resource deposits”	means raw materials, minerals, and other natural resources essential for semiconductor production, including but not limited to silicon, rare earth metals, and other key elements.
“Operational licenses and regulatory approvals”	means all permits, licenses, certifications, and approvals required under the laws of Aurion or any other applicable jurisdiction for the lawful establishment and operation of ASI.
“Semiconductor fabrication equipment”	means machinery, tools, and technology used in the production of semiconductors, including but not limited to photolithography machines, etching equipment, deposition tools, and wafer processing systems.
“Special Purpose Vehicle”	means a legal entity established by the Parties for the specific purpose of executing the objectives set forth in this Agreement.

Clause 2 — Interpretation

In this Agreement, unless the context otherwise requires; (a) Headings are for convenience only and shall not affect interpretation; (b) References to the singular include the plural and vice versa; (c) References to a Clause, Schedule, or Annexure, if any, are to those in this Agreement; (d) References to any statute include amendments, modifications, or re-enactments; (e) “Including” and “includes” shall be deemed to mean “without limitation”.

Clause 3 — Corporate Structure of the Special Purpose Vehicle

3.1 Aurion Semiconductor Inc (“**ASI**”) shall be incorporated under the laws of Aurion with an initial paid-up capital of USD1.2 billion, of which CDI shall contribute in full.

- 3.2 The shareholding structure of ASI shall be as follows:
- (a) CDI – 51%
 - (b) RMG – 49%
- 3.3 The Parties agree that ASI shall be managed as an independent, commercially driven entity, with neither Party exercising undue influence over its governance or operations.
- 3.4 ASI shall establish a Board of Directors comprising an equal number of representatives from CDI and RMG. The Chief Executive Officer of CDI shall be appointed as the Chairperson of the Board.

Clause 4 — Obligations of the Parties

- 4.1 CDI shall undertake the following obligations to facilitate the commercial viability of ASI, including but not limited to:
- (a) Injecting an initial investment of USD 1.2 billion into ASI's corporate bank account within five (5) business days upon the incorporation of ASI, with the funds to be allocated towards:
 - (i) **Phase 1:** Facility construction;
 - (ii) **Phase 2:** Procurement, installation, and/or commissioning of semiconductor fabrication equipment; and
 - (iii) **Phase 3:** Operational ramp-up, which includes hiring and training of workforce, knowledge transfer initiatives, and research and development.
 - (b) Providing technological expertise and workforce development programs, including:
 - (i) The deployment of technical specialists and engineers to oversee production efficiency, to commence within three (3) months prior to the commencement of semiconductor production;
 - (ii) Comprehensive training programs for local and international workers to ensure compliance with global semiconductor industry standards, to be initiated at least two (2) months before production and to continue on an ongoing basis; and
 - (iii) Knowledge transfer initiatives aimed at enhancing Aurion's semiconductor manufacturing capabilities, to be implemented progressively over a period of five (5) years.

- (c) Providing full cooperation to RMG in:
 - (i) Securing relevant approvals and operational licenses required for the Joint Venture; and
 - (ii) Ensuring adherence to environmental and labour standards in accordance with applicable domestic laws and international best practices.

4.2 RMG shall be responsible for the following:

- (a) Procuring the necessary alienation of Land from the Aurion government for ASI's Facility;
- (b) Securing all regulatory approvals, operational permits, and compliance certifications required for ASI's establishment and operations;
- (c) Liaising with relevant government authorities to ensure that ASI benefits from available investment incentives, including tax exemptions and infrastructure support;
- (d) Facilitating access to Aurion's natural resource deposits essential for semiconductor production;
- (e) Managing the recruitment and allocation of local and migrant workforce to meet production demands, to commence at least six (6) months before production and be maintained on an ongoing basis;
- (f) Ensuring full compliance with all applicable labour and employment laws;
- (g) Assisting ASI in establishing a robust local and international supply chain for semiconductor production;
- (h) Representing ASI's interests in discussions with the Aurion government and relevant regulatory bodies; and
- (i) Providing market insights and strategic recommendations to expand ASI's commercial footprint in semiconductor markets in the region.

4.3 The Parties shall jointly appoint a qualified contractor for the construction of Facility as soon as reasonably practicable to ensure the timely and efficient completion of the Facility in accordance with agreed schedule, specifications, and budget.

Clause 5 — Intellectual Property Rights

5.1 All patents, trademarks, copyrights, trade secrets, and other intellectual property ("IP") created, developed, or utilized in the course of this Joint Venture shall be owned as follows:

- (a) Any pre-existing IP contributed by CDI shall remain the sole property of CDI;
 - (b) Any pre-existing IP contributed by RMG shall remain the sole property of RMG; and
 - (c) Any new IP developed by ASI in the course of its operations shall be jointly owned by the Parties in proportion to their equity stake unless otherwise agreed.
- 5.2 CDI grants ASI a non-exclusive, royalty-free license to use CDI's proprietary semiconductor technology for the purpose of ASI's operations.
- 5.3 In the event of a dispute regarding ownership or licensing of IP, the matter shall be resolved in accordance with **Clause 10 — Dispute Resolution**.

Clause 6 — International Standards & Compliance

- 6.1 Each Party shall conduct its operations in compliance with all applicable laws, regulations, and internationally recognised principles on environmental protection, fair labour practices, and corporate governance.
- 6.2 The Parties acknowledge their commitment to uphold best practices in corporate social responsibility, sustainability, and human rights, in line with internationally accepted norms and standards.
- 6.3 In the event of any alleged non-compliance, the Parties shall refer to **Clause 10 — Dispute Resolution**.

Clause 7 — Force Majeure

- 7.1 A Party shall not be liable for any failure or delay in the performance of its obligations under this Agreement if such failure or delay is due to an event of Force Majeure, including but not limited to:
- (a) Acts of God, natural disasters, or extreme weather conditions;
 - (b) War, hostilities, insurrection, riots, or civil unrest;
 - (c) Governmental actions, embargoes, trade restrictions, or economic sanctions;
 - (d) Strikes, industrial actions, or labour shortages beyond the Party's control; and
 - (e) Failure of public utilities or critical infrastructure.
- 7.2 The affected Party shall notify the other Party in writing within seven (7) days of becoming aware of the Force Majeure event, specifying the nature and expected duration of the event.

Clause 8 — Termination

- 8.1 In the event of a fundamental non-performance or breach of this Agreement, the Parties may terminate this Agreement.
- 8.2 The Parties may mutually agree in writing to terminate this Agreement at any time, in accordance with the principles of good faith and fair dealing.
- 8.3 If either Party is unable to perform its obligations due to an event of Force Majeure, the Party may terminate this Agreement.
- 8.4 The effect of termination releases both Parties from any further obligations under this Agreement, whereupon:
- (a) All funds or financial contributions made by CDI shall be returned to CDI within thirty (30) days of the termination date, subject to any agreed-upon deductions or offsets for costs incurred by either Party prior to termination; and
 - (b) If the termination is due to the breach or non-performance by RMG, RMG shall forfeit all rights to the Land, Facility, and Semiconductor Fabrication Equipment (“**Assets**”), and CDI shall have the option, at its sole discretion, to either retain the Assets, or dispose of them entirely, with all proceeds of sale to go to CDI in as much as to recoup investment; or
 - (c) If the termination is due to Force Majeure, mutual termination, or the breach or non-performance by CDI, the Assets shall be sold at a fair market value as determined by an independent valuer mutually agreed upon by the Parties. The proceeds of the sale shall then be divided between CDI and RMG in the proportion of 70-30.
- 8.5 Termination shall not prejudice the right of either Party to claim damages or seek compensation for any loss or injury arising from the breach or non-performance of this Agreement.

Clause 9 — Confidentiality

- 9.1 The Parties acknowledge that during the course of this Agreement, each Party may have access to confidential information of the other Party, in so far as it relates to the enforcement of this Agreement.
- 9.2 Each Party agrees to keep all confidential information strictly confidential and not to disclose, directly or indirectly, any such information to third parties without prior written consent, except:
- (a) To its employees, directors, officers, consultants, or professional advisors who require such information for the purposes of this Agreement;
 - (b) As required by law, regulatory authorities, or pursuant to a court order; or

(c) In accordance with any disclosure requirements of any stock exchange on which a Party is listed.

9.3 This obligation of confidentiality shall survive the termination of this Agreement for a period of five (5) years unless otherwise agreed in writing by the Parties.

Clause 10 — Dispute Resolution

10.1 Parties agree to regulate their own affairs and resolve any dispute arising from or connected to this Agreement amicably through negotiations between an appointed representative of each of the Party which shall commence within fourteen (14) days from the date on which either Party has served written notice on the other containing particulars of the dispute in question. A dispute is deemed to arise upon the issuance of a written notice.

10.2 Any proceedings, claims, or suits in relation to any dispute or controversy, arising out of or in connection with this Agreement shall NOT be commenced before first obtaining the consent of the Minister in charge of economic policy, foreign investments and trade of Aurion.

Clause 11 — Arbitration

Parties agree that any dispute relating to any matter arising out of and connected with this Agreement shall be determined by arbitration:

(a) Under the Asian International Arbitration Centre (“**AIAC**”) rules, with Aurion as the seat of arbitration;

(b) By three arbitrators, one appointed by each Party, and the third, who shall be the presiding arbitrator, selected by the two appointed arbitrators, or failing agreement, by the Director of the AIAC;

(c) The language of the arbitration shall be English; and

(d) The place of arbitration shall be Kuala Lumpur, Malaysia.

Clause 12 – Governing Law

This Agreement shall be governed by and construed in accordance with the UNIDROIT Principles of International Commercial Contracts (2016) and, with respect to issues not covered by such Principles, by generally accepted principles of international commercial law.

****The remainder of this Agreement has been intentionally left blank****

EXHIBIT 5

Reference No. : CDI/JPMT/2023-002

Date : 26th February 2023

OFFICIAL MEMO

DIRECTIVE FOR THE ACCELERATION OF CONSTRUCTION OF THE AURION SEMICONDUCTOR INC MANUFACTURING FACILITY

1. BACKGROUND

- 1.1 As part of the joint venture agreement between Calyx DreamBot Inc (“**CDI**”) and Rivus Microelectronics Group (“**RMG**”), the establishment of Aurion Semiconductor Inc. (“**ASI**”) and the construction of the semiconductor manufacturing facility in Northern Aurion are of fundamental importance.
- 1.2 The initial project timeline anticipated a standard 24–36-month construction period. However, due to evolving market demands and contractual obligations with key buyers, an accelerated timeline has been deemed imperative.

2. DIRECTIVES

- 2.1 The Joint Project Management Team (“**JPMT**”) must take immediate measures to expedite construction and ensure facility completion within 15 months, that is, by 26th May 2024. This acceleration is critical to align with supply agreements with key buyers CDI has secured for ASI and to achieve operational milestones. Delay beyond this timeframe is commercially unacceptable.

3. KEY ACCELERATION MEASURES

- 3.1 Double manpower allocations where feasible.
- 3.2 Implement extended work shifts and overtime as necessary.
- 3.3 Prioritize procurement of essential materials and fabrication equipment.
- 3.4 Engage additional subcontractors to expedite critical infrastructure.
- 3.5 RMG to expedite regulatory approval processes.
- 3.6 Ensure rapid coordination with relevant authorities to remove bottlenecks.
- 3.7 Maintain stringent cost controls to mitigate budget overruns.
- 3.8 Identify and implement efficiency-driven cost-saving measures.
- 3.9 Explore alternative financing mechanisms should additional funds be required.

4. WORKFORCE RECRUITMENT ACCELERATION

- 4.1 Given the critical importance of operational mobilisation, recruitment and timely onboarding of operational staff must be prioritised. CDI recommends engaging third-party labour agencies to supplement hiring efforts and accelerate the recruitment process. Cost-effectiveness should remain a key consideration in agency selection to mitigate budget constraints.

5. REPORTING AND COMPLIANCE

- 5.1 JPMT is required to circulate weekly progress reports outlining construction milestones, workforce deployment updates, and cost tracking.
- 5.2 Any potential risks or delays must be flagged immediately for resolution.
- 5.3 All modifications to the acceleration strategy must be pre-approved by CDI representatives in coordination with RMG.

6. CONCLUSION

- 6.1 The expedited construction timeline of 15 months is a crucial and strategic priority for ASI's success. JPMT is expected to execute all necessary measures to adhere to this directive while ensuring project integrity, regulatory compliance, and cost efficiency.

EXHIBIT 6



URGENT—Workforce Mobilisation and Cost Optimisation Inbox x

◆ Summarize this email



Al Emret <alemret@cdi.com>

from: **al emret** <alemret@cdi.com>
to: jpmt@asi.com; david@rmg.com; kelvin@rmg.com; stephanie@rmg.com
date: Wednesday, Sept 20, 2023, 5:34pm.
subject: URGENT—Workforce Mobilisation and Cost Optimisation
mailed by: gmail.com
security: Standard encryption (TLS) [Learn more](#)
👉: Important because previous messages in the conversation were important

Sept 20, 2023, 5:34pm ☆ ☺ ↶ ⋮

Dear Team,

I am writing to emphasise the urgent need to prioritise operational mobilisation for ASI. As previously discussed, any delay in recruitment for operational staff poses a serious risk to our production timelines and contractual commitments with buyers from Seratious. We cannot afford any more delays! Our first deal must come through as it is pivotal to the success of ASI. This would make or break us. I need everyone to prioritise this as it directly relates to our reputation, our reliability and most importantly, our income!

As you are all aware, the growing financial strain from budget overruns has deemed it necessary for us to urgently look into engaging a third-party labour agency to supplement our recruitment efforts and accelerate the process. The expedited construction has already strained our budget, and we need to act quickly.

David, Kelvin, and Stephanie, in this critical endeavor, it is utmost crucial that you take all necessary measures to minimise labour costs wherever feasible.

Please keep the team updated on the proposed recruitment strategy and agency selection by 3rd December 2023. I trust that JPMT will treat this with the highest priority.

Best regards,

Ms. Al Emret

Chief Executive Officer
Calyx Dreambot Inc

EXHIBIT 7



IMPORTANT – Workforce Recruitment Strategy Inbox x

◆ Summarize this email



Daryl <daryl@jpmt.com>

from: **Daryl** <daryl@jpmt.com>
to: Internal Project Correspondence jpmt@asi.com
date: Thursday, Dec 14, 2023, 3:49pm.
subject: IMPORTANT – Workforce Recruitment Strategy
mailed by: gmail.com
security: Standard encryption (TLS) [Learn more](#)
👉 : Important because previous messages in the conversation were important

Dec 14, 2023, 3:49pm ☆ 😊 ↶ ⋮

Dear Team,

As you may recall, we were instructed by Ms. Emret to prioritize workforce recruitment due to the significant financial strain that ASI is facing with the expedited 15-month schedule. After evaluating the cost-effectiveness, recruitment speed, and project stability of the five shortlisted agencies presented by RMG representatives during our last meeting, it was recommended that Beta Workforce Solutions (BWS) be selected. BWS offered the most competitive rates and relevant experience for our needs.

I am writing to formally put it on record that it has been unanimously approved for ASI to proceed with engaging BWS. To keep the process moving, I will initiate the engagement and aim to conclude the necessary paperwork with BWS within the next three weeks.

If you have any concerns or suggestions to raise with BWS, please feel free to join our upcoming video conference with them, where we will communicate our workforce specifications as discussed and agreed. The meeting is scheduled for next Thursday at 10 AM, and the link can be found on the joint Google Calendar.

Best regards,

Daryl

RMG Lead Representative
Joint Project Management Team

EXHIBIT 8



OFFICIAL STATEMENT FROM THE
THE PRIME MINISTER'S OFFICE OF SERATIUS

ALLEGATIONS OF LABOUR RIGHTS VIOLATION
IN THE SEMICONDUCTOR INDUSTRY

Seratious has long upheld the principles of human dignity, fair labour practices, and corporate accountability in global trade. In fact, we are known for our high standards and commercial morality. Our commitment to these values is unwavering. Unfortunately, today we have to address deeply troubling news and report regarding exploitative labour practices in our neighbouring country, Aurion.

The report that recently circulated across social media paints a distressing picture of the abuses suffered by workers in an Aurion-based semiconductor manufacturing facility. These claims, whether suspicious or not, demand urgent and transparent action from the Aurion Government.

We have formally communicated our grave concerns to the Government of Aurion and call on them to launch an independent investigation into these violations of labour rights. Moreover, we expect swift and meaningful reforms to prevent further abuse. Forced and exploitative labour has no place in the global economy, and it certainly has no place in our supply chains.

No responsible nation will turn a blind eye to such exploitation. If immediate and decisive measures are not taken, Seratious is committed to impose a complete import ban on semiconductor products manufactured in Aurion. This is not a step we take lightly and so we hope, Aurion will take this warning seriously.

We stand with all workers who deserve fair treatment, just compensation, and safe working conditions, regardless of nationality. To our trading partners, industry leaders, and the international community, let us reaffirm our collective responsibility to uphold ethical business practices. Seratious remains committed to fair and ethical international commerce. Our message is clear—there can be no prosperity without justice.

Bahari Cuddel Mee
Prime Minister of Seratious
17th September 2024

EXHIBIT 9



THE MINISTRY OF FOREIGN AFFAIRS
THE MINISTRY OF TRADE AND INDUSTRY

OFFICIAL PRESS RELEASE

For Immediate Release

*Commitment to establish Independent Investigative Committee
and to Uphold Labour Rights in Aurion.*

Aurion, 18th September 2024 - The Ministry of Foreign Affairs and the Ministry of Trade and Industry acknowledge the Official Statement from the Prime Minister's Office of Seratious concerning the circulation of one report raising serious concerns regarding alleged violation of labour rights in an Aurion-based semiconductor manufacturing facility.

The Government of Aurion reaffirms that it does not and will not tolerate any form of labor exploitation or infringements on workers' rights. As part of our unwavering commitment to upholding the rule of law and safeguarding the rights and well-being of workers, we have ratified the Forced Labour Convention, ensuring that our policies and practices align with international labor standards. We remain dedicated to protecting workers' rights, particularly within the rapidly growing manufacturing sector in Aurion.

In response to these concerns, The Ministry of Trade and Industry will establish an Independent Investigation Committee to thoroughly examine these allegations. The Government of Aurion is also committed to ensuring a transparent and impartial investigation and will take all necessary measures to hold accountable any parties found to be in violation of labour rights.

Ministry of Foreign Affairs,
Ministry of Trade and Industry,
Aurion

press@mofa.aurion.gov
press@moti.aurion.gov

EXHIBIT 10

**INDEPENDENT INVESTIGATIVE COMMITTEE
WITH THE AUTHORITY CONFERRED TO US BY
THE MINISTRY OF TRADE AND INDUSTRY,
GOVERNMENT OF AURION**

Admin Case No. : IICINVES1292-NA-2024

Date : 30th September 2024

**INVESTIGATIVE REPORT ON THE ALLEGED VIOLATION OF LABOUR RIGHTS IN
THE ASI SEMICONDUCTOR MANUFACTURING FACILITY**

1. INTRODUCTION

- 1.1 This Investigative Report on the Alleged Violation of Labour Rights in the ASI Semiconductor Manufacturing Facility (“**Report**”) was made by the Independent Investigative Committee (“**IIC**”) established by the Ministry of Trade and Industry, in collaboration with the Ministry of Foreign Affairs on 24th September 2024.
- 1.2 The IIC was established to conduct a comprehensive inquiry into the allegations of labour rights violations within the Aurion Semiconductor Inc (“**ASI**”) semiconductor manufacturing facility—the subject of a report that was recently circulated and garnered public attention following the official statement from the Prime Minister’s Office of Seratious on 17th September 2024.
- 1.3 In line with the joint statement issued by the Aurion Ministry of Foreign Affairs and the Ministry of Trade and Industry on 18th September 2024, the IIC was tasked with the investigation of alleged misconduct in workplaces, the enforcement of labour laws in manufacturing plants and facilities and recommending necessary actions to rectify violations. The findings and recommendations of this report are based on unaccounted inspections, worker interviews, employment record audits, and supply chain analyses. This committee however notes that this report had to be prepared on an urgent basis, which posed a serious challenge to come to a conclusive finding.

2. COMPOSITION OF THE IIC

- 2.1 To ensure an independent and impartial investigation, the IIC is composed of:
 - a) Senior government officials from the Ministry of Trade and Industry;

- b) Representatives from Aurion's National Human Rights Association; and
- c) Aurion's legal and regulatory compliance specialists.

2.2 The IIC operated with full autonomy and had unrestricted access to:

- a) Conduct unannounced inspections at relevant facilities;
- b) Interview workers and management personnel;
- c) Review employment contracts, payroll records, and workforce audits; and
- d) Assess compliance with the Forced Labour Convention which Aurion has ratified.

3. REPORT OF INVESTIGATION

3.1 The report that triggered the investigation was traced to an IP address in Seratiou. While origin country could be determined, the specific origin of the report could not be definitively determined. As such, allegations that the source of the report was associated with Seratiou and/or its government entity could not be confirmed.

3.2 The IIC declares that the investigation was conducted with full impartiality, considering all available information without presupposing any particular bias.

3.3 Having conducted multiple surprise site inspections at Aurion Semiconductor Inc ("ASI") manufacturing facility and multiple rounds of interviews, the IIC is pleased to summarise our investigation findings as follows:

3.4 Working Hours and Overtime

Some workers reported working beyond the legal limits for regular working hours, with 54% of workers indicating that overtime was imposed in order to meet KPIs, which otherwise, will result in a deduction of wages. However, other workers explained that overtime was voluntary, often driven by production targets and the potential for bonuses. In certain cases, workers mentioned that they occasionally skipped breaks or meals to meet these deadlines, though there was no explicit compulsion to do so.

3.5 Living Conditions

The dormitories provided to the workforce were congested, with each 185-square-foot room housing between 4 to 6 workers. While these living conditions were considered subpar, workers were provided with basic essentials, and the living arrangements were explained as temporary, pending the completion of ASI's on-site worker dormitories. The facilities in question were scheduled to undergo improvements according to statements given by BWS.

3.6 Recruitment Fees and Debt

While a majority of migrant workers reported paying recruitment fees of USD 500, no definitive evidence of debt bondage or exploitative practices was found during the investigation. While some workers had their passports withheld, these actions were primarily related to visa and work permit procedures for foreign workers, as explained by BWS. It was further explained that the withholding was to ensure attendance at work and monitoring.

3.7 Misreporting of Workforce Audits

The committee identified significant issues with the workforce audits submitted by ASI. In particular, the number of workers involved in overtime and the total hours of overtime worked were underreported. While ASI presented audits that indicated compliance with legal limits on working hours, the IIC found discrepancies between the reported figures and the actual conditions observed during site inspections. ASI representatives clarified and admitted to the discrepancies on record but blamed BWS for the oversight. The ICC notes that these discrepancies require further close monitoring to ensure transparency and accuracy in ASI's documentation and reporting.

4. CONSEQUENCES AND RECOMMENDATIONS

4.1 Based on the findings, the IIC recommends the following actions:

- a) Immediate efforts to improve the transparency of worker audits, particularly regarding overtime and working hours; and
- b) Continued monitoring of ASI's practices to ensure full compliance with labour laws and international standards.

5. MOVING FORWARD

- 5.1 The findings of the investigation point to areas of concern that require attention, particularly with respect to working hours, living conditions, and documentation practices. However, there is no conclusive evidence to categorize these practices as modern slavery or forced labor. The IIC strongly recommends that ASI's practices be closely monitored to ensure compliance and improve transparency in reporting moving forward.

- 5.2 The IIC urges the Ministry of Trade and Industry, in collaboration with relevant stakeholders, to implement the recommendations without delay to ensure that improvements are made in compliance with labour laws and international standards, while upholding Aurion's reputation as a fair and lawful business environment.

Prepared by:

The Independent Investigative Committee ("**IIC**")

With the authority conferred to us by the Ministry of Trade and Industry of Aurion

***** *End of Report* *****

EXHIBIT 11

12:42



< 6



ASI Project

Mr Suvan - Aurion, RMG CEO -...



11 Oct 2024

all these while, I tolerated the labour law investigation. I was not worried because I know Ho will manage this.

12:24 ✓✓

But now to find out that you have been suppressing information to me is getting me so annoyed!!

12:24 ✓✓

How much longer are we supposed argue on this? I really don't want to fight.

12:24 ✓✓

Please get your shit together and we have to move on and continue with operations!

12:25 ✓✓

I don't want anymore distraction, foolish people

12:25 ✓✓

28 Dec 2024

I am sure all of you have received our termination notice. I am deeply saddened that it had to end this way.

12:29 ✓✓

Anyway, please make the payment USD500 mil as spoken.

12:29 ✓✓



12:43



< 6



ASI Project

Mr Suvan - Aurion, RMG CEO -...



I am sure all of you have received our termination notice. I am deeply saddened that it had to end this way.

12:28 ✓✓

Anyway, please make the payment of USD500 mil as spoken.

12:29 ✓✓

That's the least you can do!

12:29 ✓✓

RMG CEO - Jailani

Piss off, Al... If you are not happy, why don't you just challenge the fine in court?

12:30

Your demand is just nonsense, fly kites and go back to your country

12:33



Is this how you speak to your business partner!

12:34 ✓✓

Mr Suvan - Aurion

@AI why did you panic? I'm speaking to Ho. You know who RMG is and that the fine can be waived right...

12:37



You and all your empty sweet talk!

12:38 ✓✓

Where were you when I texted you? Its too late for this

12:38 ✓✓

