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November 15, 2011

Mr. Hsiang-Wei Lee
Chairman of the Board
Actions Semiconductor Co., Ltd
15-1 No 1 HIT Road
Tangjia
Zhuhai, 519085
Peoples Republic of China

Dear Mr. Lee and Board Members of Actions Semiconductor:

We are writing to express the very great frustration Accretive Capital Partners and its management have with the course of action being pursued by the Board of Directors of Actions Semiconductor.

We are among the largest shareholders of Actions Semiconductor with over 3,000,000 ADS shares (or 18,000,000 ordinary shares) and have been calling for the company to initiate a significant Dutch tender offer of the company's stock for over three years now to no avail.

The market ascribes an equity value of \$139 million to Actions Semiconductor, yet our company holds approximately \$228 million of cash, equivalents and investments (net of all debt) and can fund operations from existing cash flow. This extraordinary disparity between market value and intrinsic value of the stock suggests that the market simply does not trust management and the Board to spend our cash in the best interests of shareholders. Simply put, this enormous cash hoard is totally unnecessary to operate a company of this size; investors recognize this and cannot understand why this mountain of cash is not being returned its rightful owners--*the shareholders*.

Instead of making a significant and immediate investment in our own stock, the Board has directed management to make a series of failed investments in other businesses and technologies and to ramp up R&D spending to more than \$20 million per year: In 2009 the company wrote off its \$1 million investment in AMC Holding; last quarter, Actions wrote off the remaining \$800,000 cost of its failed \$8 million 2008 investment in Mavrix Technologies; earlier this year, Actions announced it had borrowed \$12 million to invest in a Taiwanese hedge fund; and now the company is spending over \$20 million annually on R&D (or 46% of Actions' year-to-date revenue), which is 450% higher than comparable semiconductor businesses and, as a percentage of revenue, more than three times greater than one of the highest R&D spenders in the industry, Intel Corporation--with no results to show for it. These investments are bad, irrational, and very likely a breach of fiduciary duty.

We have proposed that Actions pursue a Dutch tender offer on every quarterly conference call since 2008 (i.e., on no fewer than *a dozen* different occasions), and management and the Board have yet to act.

A repurchase of stock generates an immediate 67% cash return on investment, since the company owns \$3.18/share of net cash, equivalents and investments, yet the stock trades for \$2.00/share. This is a full 40% discount to cash value. Our company, Actions Semiconductor, is literally paid \$1.18 for each share we buy back at today's price. And for every share repurchased for less than its cash value, the cash value of each remaining share of stock outstanding actually increases, so the return on investment increases.

A Dutch tender offer in the \$150-175 million range would leave approximately \$50-75 million of cash for working capital, 3-5 times more than enough for a company of this size. And, if the tender is completed for \$2.60/share (a 30% premium), it will increase the cash value for all remaining shareholders to \$7/share (for \$150 million tendered) up to \$33/share (for \$175 million tendered), resulting in an immediate **170% to 1,180% gain on investment** for all remaining shareholders. You can see the enormous benefit of buying back stock as aggressively as possible when it trades below its cash value.

As shareholders of Actions Semiconductor, *we* own the company's cash--*not* the Board of Directors and *not* management. We simply want the Board of Directors and management to act in the best interests of shareholders by investing our cash in the most optimal manner possible. We strongly encourage the Board of Directors of Actions Semiconductor to immediately pursue a significant ***Dutch tender offer in the \$150-175 million*** range. This misappropriation of our cash is a situation we are no longer willing to sit idly by watching.

We look forward to your response.

Sincerely,



Richard E. Fearon, Jr.
Managing Partner

cc: Mr. Paul Hsiao, New Enterprise Associates, Inc.
David E. Rosewater, Esquire, Schulte Roth & Zabel LLP