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***An Open Letter to the Board of Directors of Actions Semiconductor Co., Ltd.***

June 29, 2016

Mr. Hsiang-Wei Lee  
Mr. Chin-Hsin Chen  
Mr. Jun Tse Huang  
Mr. Yu-Hsin Lin  
Mr. Nan-Horng Yeh  
Actions Semiconductor Co., Ltd.  
No. 1 Ke Ji Si Road  
Technology Innovation Coast of Hi-Tech Zone  
Zhuhai, Guangdong, 519085  
People's Republic of China

To the Board of Directors of Actions Semiconductor:

We applaud your decision to engage Houlihan Lokey as financial advisor to the Special Committee, as you consider the May 19<sup>th</sup> “going-private” proposal by Hsuan-Wen Chen and his affiliates (the “Consortium”). This is a positive step to protect shareholder value as the Board considers this defining transaction. We are pleased you recognize the value of an M&A advisor; yet, we wish to reiterate our position that the Company hold a fair and open sale process that includes:

- a formal auction of the Company;
- a rational counterproposal to the Consortium’s inadequate offer; and
- an independent fairness opinion provided by a strong and bona fide financial advisor, free of potential conflicts of interest.

The Special Committee must align its interests with shareholders throughout this process, and we would expect it to instruct Houlihan Lokey to conduct a formal auction to establish a fair market price for the Company. We also expect a fairness opinion from an independent and bona fide financial advisor, unrelated to Houlihan Lokey and the Company and unconflicted by other relationships with Company Board members. The fairness opinion should be rendered free of contingent compensation in connection with closing this or any other transaction relating to the Company or its affiliates. We urge you to carefully consider shareholder interests and to take every action necessary to ensure decisions are made free and clear of conflict.

Lastly, we believe the Special Committee should make a counter offer to the Consortium that reflects the intrinsic value of Company shares, which is not less than \$4.00 per share. The

Consortium's initial offer values the Company at less than its net cash balance alone. A sale of the Company needs to reflect the value of the cash plus the intrinsic value of the operations. The integrity of this sale process must be maintained and the Board and Special Committee must fulfill their fiduciary duties to act in the best interests of the Company and its shareholders.

As we continue our eight-year effort to create value for Actions Semiconductor shareholders, Accretive Capital Partners remains committed to providing timely support to the Company and its Board through to completion. We urge you to conduct a fair and efficient auction sale process, free and clear of conflicts, in order to maximize shareholder value.

ACCRETIVE CAPITAL MANAGEMENT, LLC

Regards,

Richard E. Fearon, Jr.  
Managing Partner

**About Accretive Capital Partners:**

Accretive Capital Partners is a private investment firm focused on active value investing among micro-cap public companies, in partnership with management to build and unlock shareholder value.

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