ACTION ASIA LIMITED

(Incorporated in the Republic of Singapore - Company Registration No. 200206715M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting **("EGM")** of Action Asia Limited (the "**Company**") will be held at Mandarin Ballroom 2, 6th Floor, Main Tower, Mandarin Orchard Singapore, 333 Orchard Road, Singapore 238867, on 30 April 2014 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

ORDINARY RESOLUTION

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

That:

(a) for the purposes of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), the exercise by the Directors of the Company (the "**Directors**") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution relating to the Share Buyback Mandate and expiring on:

(i) the date on which the next annual general meeting of the Company ("**AGM**") is held or required by law to be held, whichever is the earlier;

(ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate is carried out to the full extent mandated,

whichever is the earliest;

(c) in this resolution relating to the Share Buyback Mandate:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the purchase or acquisition of Shares was made or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Limit**" means that number of Shares representing 10.0% of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this resolution relating to the Share Buyback Mandate unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered after such capital reduction (excluding any Shares which are held as treasury shares as at that date);

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105.0% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price; and

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient and necessary to give effect to the transactions contemplated and/or authorised by this resolution relating to the Share Buyback Mandate.

By Order of the Board

Peng Wen-Chih
Managing Director
ACTION ASIA LIMITED
Singapore, 15 April 2014

Explanatory Note:

This Ordinary Resolution if passed will empower the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate 10.0% of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this resolution relating to the Share Buyback Mandate, whether by way of market purchase(s) or off-market purchase(s), as more particularly set out on pages 5 to 23 of the circular to shareholders of the Company dated 15 April 2014.

Notes:

(a) A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The instrument appointing the proxy must be deposited at the registered office of the Company at 3 Anson Road #27-01 Springleaf Tower Singapore 079909 not less than 48 hours before the time appointed for the EGM.