ALMOND GARDEN CORP.

(Company Registration No. 125001)
(Incorporated in the British Virgin Islands)

26 August 2015

To: The Dissenting and Non-Assenting Shareholders of Action Asia Limited

Dear Shareholder,

COMPULSORY ACQUISITION OF SHARES IN ACTION ASIA LIMITED (THE "COMPANY") PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (THE "COMPANIES ACT") BY ALMOND GARDEN CORP. (THE "OFFEROR") AND SHAREHOLDERS' RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 Exit Offer. The Offeror refers to the exit offer letter dated 8 July 2015 (the "**Exit Offer Letter**") in respect of the exit offer by SAC Capital Private Limited ("**SAC Capital**"), for and on behalf of Almond Garden Corp. (the "**Offeror**"), to acquire all the issued and paid-up ordinary shares (the "**AAL Shares**") in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and Action Electronics Co., Ltd. ("**Action Electronics**"), in connection with the proposed voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST.

Unless otherwise defined herein, capitalised terms used in this letter (the "**Letter**") shall have the same meanings as defined in the Exit Offer Letter.

1.2 Exit Offer Unconditional and Level of Acceptances as at 31 July 2015. On 31 July 2015, SAC Capital announced, for and on behalf of the Offeror, that the Exit Offer had become and was declared to be unconditional in all respects on 31 July 2015. As at 5.00 p.m. (Singapore time) on 31 July 2015, the Offeror and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances of the Exit Offer) an aggregate of 364,806,757 AAL Shares, representing approximately 91.65% of the total number of issued AAL Shares[1].

1.3 Close of Exit Offer. On 14 August 2015, SAC Capital announced, for and on behalf of the Offeror, that the Exit Offer had closed at 5.30 p.m. (Singapore time) on 14 August 2015. Accordingly, the Exit Offer is no longer open for acceptance and any acceptances received thereafter will be rejected.

As at the close of the Exit Offer, the Offeror and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances of the Exit Offer) an aggregate of 388,525,271 AAL Shares, representing approximately 97.61% of the total number of issued AAL Shares.

[1] In this Letter, all references to the total number of issued AAL Shares shall be 398,035,000 AAL Shares.

1.4 **Right of Compulsory Acquisition.** As the Offeror had received valid acceptances of the Exit Offer and acquired AAL Shares during the period when the Exit Offer was open for acceptance, which in aggregate represent not less than 90% of the total number of issued AAL Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding any AAL Shares held in treasury), the Offeror is entitled, and as stated in the Exit Offer Letter and as announced on 13 August 2015, intends, to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire, at a price equal to the Exit Offer Price of S$0.19 in cash for each AAL Share and on the same terms as those offered under the Exit Offer, all the AAL Shares in respect of which acceptances have not been received by the Offeror as at the close of the Exit Offer and/or which has not been acquired by the Offeror as at the date of this Letter.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

2.1 **Dissenting Shareholders.** According to the records maintained by The Central Depository (Pte) Limited ("**CDP**") and/or Intertrust Singapore Corporate Services Pte Ltd (the "**Registrar**"), as the case may be, as at 5.30 p.m. (Singapore time) on 14 August 2015, you have not accepted the Exit Offer in respect of your AAL Shares and/or your AAL Shares have not been acquired by the Offeror as at the date of this Letter. Accordingly, the Offeror is writing to inform you that the Offeror wishes to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all your AAL Shares at a consideration of S$0.19 in cash for each AAL Share (the "**Consideration**") and on the same terms as those offered under the Exit Offer. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").

If you have already accepted the Exit Offer in respect of all your AAL Shares by completing and returning a valid Acceptance Form prior to the close of the Exit Offer, please disregard this Letter and the accompanying Form 57 and Form 58 (as defined below).

2.2 **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition to acquire all your AAL Shares on a date (the "**Transfer Date**") after 26 September 2015, being one month after the date on which the Form 57 is given to you, subject to and on the terms set out in the enclosed Form 57 and the provisions of Section 215(4) of the Companies Act.

2.3 **Registration of Transfer.** On the Transfer Date, the Offeror will, *inter alia*, pay to the Company, the Consideration for the AAL Shares that it is acquiring from you (the "**Acquired Shares**"). The Consideration will be credited by the Company into a separate bank account and held by the Company on trust for you and paid to you in accordance with the settlement procedures set out in paragraph 2.4 below. Upon, *inter alia*, payment of the Consideration to the Company as aforesaid, the Company will cause all the Acquired Shares to be transferred to the Offeror and will register the Offeror as the holder of the Acquired Shares as soon as practicable thereafter.

2.4 **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date:

(a) if your AAL Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of the Company, despatch remittance in the form of a Singapore Dollar crossed cheque for the appropriate amount of the Consideration payable in respect of

the Acquired Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distributions; and

(b) if your AAL Shares are held in certificate form, the Registrar will, on behalf of the Company, despatch remittance in the form of a Singapore Dollar crossed cheque for the appropriate amount of the Consideration payable to you in respect of the Acquired Shares to you by ordinary post, at your own risk, to your address as it appears in the Register of Members of the Company, as maintained by the Registrar.

2.5 **No Action Required.** No action needs to be taken by you in relation to Form 57 to effect the transfer of your AAL Shares and to entitle you to payment of the Consideration for your AAL Shares, which payment will be made to you in accordance with paragraphs 2.3 and 2.4 above.

3. SHAREHOLDERS' RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

3.1 **Non-Assenting Shareholders.** Under Section 215(3) of the Companies Act, you have the right to require the Offeror to acquire your AAL Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**") is enclosed with this Letter. Subject to and in accordance with Section 215 of the Companies Act, you may, within three months from the giving of the Form 58 to you (that is, by 26 November 2015), give notice to the Offeror at Almond Garden Corp. c/o Intertrust Singapore Corporate Services Pte Ltd, 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 to require the Offeror to acquire your AAL Shares, and the Offeror shall be entitled and bound to acquire your AAL Shares at the Consideration and on the same terms as those offered under the Exit Offer (or otherwise in accordance with Section 215(3) of the Companies Act).

3.2 **No Action Required.** However, as the Offeror will be proceeding to compulsorily acquire your AAL Shares on the terms set out in the enclosed Form 57 and as described in paragraph 2 above, **you need <u>not</u> take any action in relation to Form 58. Nevertheless, if you wish to exercise your right under Section 215(3) of the Companies Act or if you are in any doubt, you should seek your own independent legal advice.**

4. GENERAL

If you are in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Yours faithfully
For and on behalf of
Almond Garden Corp.



Mr Chao Teng-Pang
Director