

## Camelot Event-Driven Advisors Issues Letter to Board of Directors of SINA Corp.



**Maumee, Dec 4, 2020 ([IssueWire.com](http://www.IssueWire.com))** - Camelot Event-Driven Advisors LLC (“CEDA”), on behalf of a fund managed by it, sent the following letter to the Board of Directors of SINA Corp. (“SINA” or the “Company”), regarding the proposed going-private transaction of the Company. As discussed in more detail in the letter, CEDA believes that proposed merger prices value the Company at less than its fair value.

The text of the letter is set forth below.

Camelot Event-Driven Advisors LLC

1700 Woodlands Drive

Maumee, OH 43537

U.S.A.

Messrs. Charles Chao,

Ter Fung Tsao,

Yan Wang,

Song-Yi Zhang,

Yichen Zhang,

James Jianzhang Liang,

No. 8 SINA Plaza,

Courtyard 10, the West Xibeiwang E. Road,

Haidian District

Beijing 100193,

People's Republic of China

VIA FACSIMILE TO +86 10 8260 7166

December 3, 2020

Dear Members of the Board of Directors,

We were surprised by the announcement of the acquisition of SINA Corporation by a consortium led by Chairman Charles Chao, first proposed on July 6th of this year, because it was not clear from the company's public filings that it was looking for strategic alternatives. We assume that you were just as surprised as we were.

While we recognize that the special committee of the board that was formed subsequently to Mr. Chao's proposal has negotiated an improvement of the acquisition price from the initial \$41 per share to the current \$43.30 per share, we also note that this price is, in our view, nowhere near the value of the underlying assets.

We also note that the preliminary proxy shows that the special committee, consisting of Mr. Song Yi Zhang, Mr. Yichen Zhang and Mr. Yan Wang, considered including customary protections for shareholders, in particular the requirement of an approval by the majority of minority shareholders and market checks. However, these customary shareholder protections were nixed after Mr. Chao's buyer group pushed back. We take that as a clear sign that either the members of the special committee lack backbone and are not qualified to serve as independent directors, or that the special committee was independent on paper only and in practice acted under the influence of the controlling shareholder. With Chairman Chao controlling 61% of the vote despite only a 14% economic interest, a high level of shareholder protection would be appropriate. In particular, we note that the dual-class voting structure was introduced in 2017 only after another shareholder had attempted to gain board representation. We believe that the board has a track record of disenfranchising outside shareholders, which is culminating in the current deal at too low a valuation.

We note that as of November 24, each share of Weibo is closed at \$45.45 on the NASDAQ, more

specifically its depositary receipts that represent one shares each. With SINA owning 101,778,958 shares of Weibo Class B stock, the total value of that stake is worth \$4,580,053,110 or \$76.67 per share of SINA[1]. In addition, the company, holds other investments valued by its investment banker, Morgan Stanley, at between \$940 million and \$1.504 billion, or \$15-25 per share, plus net cash that we estimate to amount to another \$5 per share. This means that total NAV per share may amount to nearly \$100 per share, more than twice what shareholders will receive.

Given the stark discrepancy between the value of the company and what shareholders will receive, we will recommend to our clients, including our mutual fund, to exercise dissenters' rights and seek full value for their shares in court in the Cayman Isles, where the company is incorporated. We have significant experience in achieving full value through such court-supervised valuation not only in Cayman but also Delaware, Texas, Austria and Germany, and expect to receive full value from the court, if the board is unable or unwilling to fulfill its duty to obtain fair value for the shareholders for whom they serve.

Please feel free to contact us should you have any questions.

Yours sincerely,

Camelot Event-Driven Advisors, LLC

Thomas Kirchner, CFA

Paul Hoffmeister

Managing Member

Managing Member

[1] Based on 59,733,728 shares of SINA outstanding as of 9/20/20, according to Charles Chao's filing on form 13D on 9/28/20. Ownership of 101,778,958 shares of Weibo is based on the company's filing on Form 20-F as of 12/31/19.

The information contained in this press release (the “Information”) is based on publicly available information about SINA, which has not been independently verified by CEDA. CEDA recognizes that there may be confidential or otherwise non-public information in the possession of SINA or others that could lead SINA or others to disagree with CEDA’s conclusions. This press release and the Information is not a recommendation or solicitation to buy or sell any securities and shall not be construed to constitute investment advice.

The analyses provided may include certain forward-looking statements, estimates and projections prepared with respect to, among other things, general economic and market conditions, changes in management, changes in board composition, actions of SINA and its subsidiaries or competitors, the ability to implement business strategies and plans and pursue business opportunities in the human capital management industry. Such forward-looking statements, estimates, and projections reflect various assumptions by CEDA concerning anticipated results that are inherently subject to significant uncertainties and contingencies and have been included solely for illustrative purposes, including those risks and uncertainties detailed in the continuous disclosure and other filings of SINA with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). No representations, express or implied, are made as to the accuracy or completeness of such forward-looking statements, estimates or projections or with respect to any other materials herein. Actual results may vary materially from the estimates and projected results contained herein.

## **Media Contact**

Camelot Event Driven Advisors

THOMAS.KIRCHNER@CAMELOTPORTFOLIOS.COM

(419) 794-0538

1700 Woodlands Drive

Source : Camelot Event Driven Advisors

[See on IssueWire](#)