



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

Neutral Citation Number: [2025] CIGC (FSD) 111

CAUSE NO. FSD 128 of 2021 (RPJ)

**IN THE MATTER OF THE COMPANIES ACT (2021 REVISION)
AND IN THE MATTER OF SINA CORPORATION**

Before: The Hon. Justice Raj Parker

Heard: On the papers

**Draft Adjustments Decision
circulated:** 13 October 2025

**Adjustments Decision
delivered:** 21 November 2025

Decision

1. Pursuant to the draft Judgment (the "Judgment") circulated to the parties in August, they have exchanged their experts' fair value calculations and notes of disagreement by way of:
 - a) A letter from the Dissenters to Harneys dated 27 August 2025 enclosing Professor Yilmaz's fair value calculations;
 - b) A letter from Harneys to the Dissenters dated 12 September 2025 enclosing Mr Jaishankar's reporting letter and Kroll fair value scenario analysis identifying the paragraph numbers of the draft Judgment referred to; and
 - c) Fair value calculations response from Professor Yilmaz dated 17 September 2025 and his proposed revisions to Kroll's fair value scenario analysis.

2. The Court has considered these materials and their enclosures and now determines the outstanding issues on the papers as requested.
3. The issues in dispute relate to the Weibo Size Premium, Sina Standalone Discount Rate, Treatment of Intercompany Loan and the Fully Diluted Shares Outstanding, as well as certain further adjustments proposed by Mr Jaishankar, which are addressed under the heading 'Other Considerations' below.
4. Mr Jaishankar has calculated on behalf of the Company the fair value of the Dissenters' shares in Sina to be in the range of US\$96.07 to US\$105.09 (per share) based on 12 scenarios which reflect various combinations of his suggested adjustments.
5. Professor Yilmaz's final fair value calculation is US\$105.26.

Weibo Size Premium

6. Professor Yilmaz did not include a size premium in his estimation of either Weibo or Sina's cost of capital.¹
7. The Court decided that a size premium should be applied to the Weibo cost of capital calculation. §808 of the Judgment states:

"Having reviewed the relevant literature, both academic and practitioner, which was not seriously challenged, the relevant Cayman case law, and [having] taken into account the views of both experts the Court is of the view that a balanced approach would be to apply a size premium in a reasonable way as Mr. Jaishankar has done."

8. Mr Jaishankar said in his evidence at trial:

"... when there has been a debate on whether a size premium ought to apply, that debate in the Cayman cases has ended in the favour of the application of the size premium."

¹ Judgment § 803

'I've expressed my view that I used size premiums'

'And I've expressed the view that there is debate in the academia. So I have tried to take a middle of the road approach, as I have said previously'

"... I have tried to take a balanced view...If I was to take simply my own views, I would be advocating for the full use of a size premium²"

9. In the Judgment the Court said:

"The Court accepts Mr. Jaishankar's view that the maturity and size of a company are relevant to the question of risk and expected growth and so to the consideration and assessment of the cost of equity"³

"The high end of his range is based on the Kroll size premia that are applicable to Weibo..... This leads to the 0.73% that Mr. Jaishankar uses and which the Court accepts should be applied⁴.

10. In Mr Jaishankar's view there are potentially two alternative interpretations of the Judgment: either the partial use of a size premium at the midpoint; or full use of a size premium at 0.73%. He has calculated these two alternatives as follows:

Partial use of a size premium - Scenarios 1 to 8: he has used a size premium of 0.37%, being the midpoint of 0% (i.e., no size premium) and 0.73% (based on the Kroll Cost of Capital Navigator and having regard to Weibo's market capitalisation) in his calculation of Weibo's cost of equity in respect of the discount rate (WACC) applicable to Weibo under the DCF approach.

Full use of a size premium - Scenarios 9 to 12: he has applied a size premium of 0.73%, based on the Kroll Cost of Capital Navigator and as detailed in the Jaishankar Report as part of his calculation of Weibo's cost of equity.

11. In Professor Yilmaz's view a partial use was intended by the Judgment.

² Judgment §805

³ §806

⁴ §809

Decision

12. The Court accepted that Mr Jaishankar's balanced approach should be applied and now clarifies in the light of the interpretation Mr Jaishankar suggests that this was to apply a size premium of 0.37% , being the midpoint between a low end of zero (i.e., no size premium) and a high end of 0.73% which was Kroll's calculation applicable to companies with market caps between US\$6.6 and US\$13.1 billion.
13. A partial use of a size premium as suggested in Mr Jaishankar's first alternative should be applied.

Sina Standalone Discount Rate

14. §§ 912 to 914 of the Judgment said:

“Mr Jaishankar calculates Sina's standalone's business enterprise value to be approximately (negative) US\$530 million as at the Valuation Date and following a number of adjustments Mr Jaishankar calculates Sina standalone's en bloc value to be approximately [US\$596] million.

Following Mr. Jaishankar's "walk-forward" analysis, he concludes that Sina standalone value is a (negative) US\$530 million.

The Court accepts Mr. Jaishankar's DCF analysis.”

15. Mr Jaishankar says the Sina Standalone *en bloc* value of US\$596 million was contained in the Jaishankar Supplemental Report (and supersedes the prior figure of US\$633 million from the Jaishankar Report).
16. He observes that there is an inherent tension as between the Court's findings with respect to certain valuation related inputs and assumptions in the construction of Weibo's discount rate and the underlying inputs and assumptions that he used for Sina's discount rate which he says drove his conclusion of Sina's standalone value being (negative) US\$530 million.

17. In particular, he points to the (negative) US\$530 million contained in the Jaishankar Supplemental Report which he says is based on a discount rate that contemplates the partial use of a size premium and the use of his selected CRP of 1.5% based on Kroll's data.
18. He suggests that in the alternative, if one were to consistently apply the Court's findings on size premium and CRP for Weibo to the discount rate used for Sina standalone then, in his view, there are two additional alternative interpretations which arise:
 - a) Partial use of a size premium in conjunction with the Damodaran CRP of 0.68%;⁵ and
 - b) Full use of a size premium in conjunction with the Damodaran CRP of 0.68%.

He has calculated these as follows.

Partial use of a size premium and the 1.5% Kroll CRP - Scenarios 1 to 4: using a size premium of 1.11%, being the midpoint of 0% (i.e., no size premium) and 2.22% (based on the Kroll Cost of Capital Navigator and having regard to Sina's market capitalisation) in his calculation of Sina's cost of equity in respect of the discount rate (WACC) applicable to Sina under the DCF approach. He has continued to use his selected CRP based on Kroll's data as detailed in the Jaishankar Report.

Partial use of a size premium and 0.68% Damodaran CRP - Scenarios 5 to 8: He has used a size premium of 1.11%, being the midpoint of 0% and 2.22% in his calculation of Sina's cost of equity. He has used the Damodaran CRP of 0.68% which the Court found as being the "correct" figure;⁶ and,

Full use of a size premium and 0.68% Damodaran CRP - Scenarios 9 to 12: He has used a size premium of 2.22%, based on the Kroll Cost of Capital Navigator (as detailed in the Jaishankar Report), in his calculation of Sina's cost of equity. He has used the Damodaran CRP of 0.68%.

⁵ Judgment §§818-820

⁶ §§ 818-820

Decision

19. The Judgment accepted Mr Jaishankar's approach to the DCF value of Sina Standalone⁷. The Court did not intend to apply its findings on size premium and CRP for Weibo to the discount rate used for Sina Standalone.

Treatment of Intercompany Loan

20. In §834 of the Judgment it was said:

“The Court accepts Professor Yilmaz's view that the Weibo loan covered operating costs which were incurred to a significant extent to support its own operations, which suggests that Weibo should treat the debt as a current working asset and for Sina (the borrower) to treat it as a current working liability.”

21. Mr Jaishankar says that the Court's findings do not explicitly indicate whether the intercompany loan should be treated as operating working capital or non operating working capital, only that it should be treated as a current working asset or liability.
22. In his view there are two potential alternative interpretations: either the intercompany loan is to be treated as operating working capital in respect of both Sina and Weibo; or the intercompany loan is to be treated as non operating working capital in respect of both Sina and Weibo.
23. He makes the following alternative calculations:

The intercompany loan is to be treated as operating working capital – Scenarios 1, 2, 5, 6, 9 and 10: He has included the intercompany loan in his calculation of the change in operating working capital within the Weibo and Sina DCF analyses. In doing so, he has:⁸

- Removed the US\$549 million loan payable to Weibo that he had deducted from Sina's business enterprise value of (negative) US\$530 million to arrive at Sina's *en bloc* equity value contained in the Jaishankar Reports;

⁷ §§ 893, 914, 940, 1174, 1176

⁸ Mr Jaishankar observes that Professor Yilmaz's fair value calculations provided on August 27, 2025 (in connection with the Judgment) for the Weibo DCF analysis incorrectly retains his calculation from the Jaishankar Reports of the change in operating working capital for fiscal 2020 wherein the intercompany loan receivable from Sina is not included in operating working capital. In this regard, his fair value calculations reflect an increase in the intercompany loan receivable of US\$164 million (subject to proration), from US\$385 million in fiscal 2019 to US\$549 million in fiscal 2020.

- Similarly removed the US\$549 million loan receivable from Sina that he had added to Weibo's business enterprise value to arrive at Weibo's *en bloc* equity value) contained in the Jaishankar Reports; and,
- Treated the US\$549 million loan payable to Weibo (and Weibo's US\$549 million loan receivable from Sina) as continuing into perpetuity. In respect of Sina, this has a de minimis impact, as the US\$549 million loan payable to Weibo does not change throughout the projection period. In respect of Weibo, the terminal year net working balance, as a percentage of revenue, changes from (negative) 6.1% to 18.0%. The change from an operating working capital release to an operating working capital injection in the terminal period has the effect of decreasing value (all else equal).

The intercompany loan is to be treated as non-operating working capital – Scenarios 3, 4, 7, 8, 11 and 12: He has excluded the intercompany loan in his calculation of the change in operating working capital within the Weibo and Sina DCF analyses. In doing so, he has retained what he had done in the Jaishankar Reports, i.e.:

- Deducted the US\$549 million loan payable to Weibo from Sina's business enterprise value of (negative) US\$530 million to arrive at Sina's *en bloc* equity value;
- Similarly added the US\$549 million loan receivable from Sina to Weibo's business enterprise value to arrive at Weibo's *en bloc* equity value; and,
- Excluded the US\$549 million loan payable to Weibo (and Weibo's US\$549 million loan receivable from Sina) from the change in operating working capital in respect of the Sina and Weibo DCF analyses as detailed in the Jaishankar Reports.

Decision

24. Professor Yilmaz's approach should be applied to the treatment of the intercompany loan⁹.
25. The Court agrees with Professor Yilmaz that the Judgment decided that the intercompany loan is to be treated as operating working capital¹⁰. It also notes that Professor Yilmaz has correctly used Mr Jaishankar's DCF models for both Sina and Weibo and agrees with him that the potential changes suggested by Mr Jaishankar in his footnote 7 (footnote 8 above) should not be made.

⁹ § 830 of the Judgment

¹⁰ See § 833 and 831

Fully Diluted Shares Outstanding

26. Mr Jaishankar says the Judgment does not deal with the number of fully diluted shares outstanding (FDSO) which he says should be used to calculate the fair value per share of the Dissenters' shares in Sina as a going concern as at the Valuation Date.
27. That he says is necessary so that the correct FDSO can be used in the denominator to convert the *en bloc* value to the per share value.
28. He says that as detailed in his reports and consistent with the position in *Integra*¹¹ he has not included unvested stock options and restricted share units (RSUs) as at the Valuation Date in his calculation of FDSO. He says all else being equal a lower number of FDSO would yield a higher value per share and vice versa.
29. He agrees with the calculation of Professor Yilmaz if the principles in *Integra* are not to be applied.
30. In his first report¹² Professor Yilmaz says:

“Fully Diluted Shares Outstanding represent the total number of a company’s shares that would be available if all potential sources of dilution were exercised. This includes not only the company’s current shares but also any convertible securities such as stock options that could be converted into common shares. In essence, it reflects the total number of shares that could exist in the future, assuming all possible dilutive securities are exercised or converted.”

31. Mr Jaishankar says there are two potential alternative scenarios: exclude unvested options and RSUs pursuant to *Integra*, which he says is consistent with his approach in respect of Sina and Weibo; or include unvested options and RSUs, which is consistent with Professor Yilmaz' approach in respect of Sina and Weibo.
32. His alternative calculations are as follows:

¹¹ §70

¹² Fn 301

Unvested options and RSUs are excluded – “odd”¹³ Scenarios: He has excluded the unvested options and RSUs in his calculation of Sina’s and Weibo’s FDSO. Accordingly, he has calculated Sina’s and Weibo’s FDSO to be 60,096,027 and 227,759,790 shares, respectively, as detailed in the Jaishankar Reports; and,

Unvested options and RSUs are included – “even”¹⁴ Scenarios: He has included the unvested options and RSUs in his calculation of Sina’s and Weibo’s FDSO. Accordingly, on this basis he has calculated Sina’s and Weibo’s FDSO to be 61,429,027 and 232,562,790 shares, respectively.

Decision

33. The Court finds that the correct figure to use for the number of fully diluted shares outstanding for both Weibo and Sina is the figure in Mr Jaishankar's DCF models.

Other Considerations

34. Mr Jaishankar says that in respect of all his 12 scenarios he has applied two additional adjustments as follows:

First, he has adjusted the discount rate used by Professor Yilmaz in the TuSimple IPO scenario to use a normalised risk-free rate and normalised ERP as well as a non-Blume adjusted beta, consistent with the Court’s findings in respect of these factors as they related to Weibo and Sina standalone;¹⁵

Decision

35. The Court is of the view that it is not appropriate to make these adjustments in relation to TuSimple.

Second, in accordance with § 1173 of the Judgment, he has updated Weibo’s projections used in the DCF analysis based on the results of Q2 2020. In doing so, he has also adopted Professor Yilmaz’s accompanying depreciation and amortisation values and

¹³ Scenarios 1, 3, 5, 7, 9 and 11.

¹⁴ Scenarios 2, 4, 6, 8, 10 and 12

¹⁵ Judgment §§ 778, 786, 801 and 802

his capital expenditure amounts in respect of the discrete period from December 23, 2020, to December 31, 2025.

Decision

36. Professor Yilmaz accepts this adjustment, as does the Court.



The Honourable Justice Raj Parker
Judge of the Grand Court