Aristeia Encourages Sina Shareholders to Vote for Change

– Highlights that Both Leading Proxy Advisory Firms – ISS and Glass Lewis – Endorse Aristeia's Case for Change at Sina –

– Reminds Sina Shareholders to Make Their Voices Heard at Sina's 2017 Annual Meeting to Protect Their Investment –

– Asks Shareholders to Consider Important Questions about Sina's Valuation Gap and Governance Missteps in Advance of Casting Their Vote –

*– Urges Shareholders to Vote Today on the **BLUE** Proxy Card **FOR BOTH** of Aristeia's Independent and Highly-Qualified Nominees –*

Greenwich, Conn. – October 23, 2017 – Aristeia Capital, L.L.C. (collectively with Aristeia Master, L.P. and certain other affiliates, "Aristeia" or "we" or "us"), a long-term investor in Sina Corporation (NASDAQ: SINA) ("Sina" or the "Company") and currently one of the Company's five largest shareholders, owning approximately 3 million shares, today sent a letter to Sina shareholders in connection with Aristeia's nomination of two highly-qualified, independent candidates – Thomas J. Manning and Brett H. Krause – for election to the Company's Board of Directors (the "Board") at the upcoming Annual Meeting of shareholders, which is currently scheduled to be held on November 3, 2017 in Hong Kong at 2pm HKT (2am EST), with a proxy voting deadline that is 48 hours earlier. Aristeia urges all Sina shareholders to vote on the **BLUE** proxy card today. Please visit Aristeia's website: www.SinaShareholdersAction.com for additional information, including our in-depth investor presentation, *The Case for Change at Sina*.

The full text of the letter follows:

October 23, 2017

Dear Fellow Shareholders,

Over the past few months, Aristeia Capital, L.L.C. (collectively with Aristeia Master, L.P. and certain other affiliates, "Aristeia" or "we" or "us"), has been publicly engaged in an effort to constructively address the corporate governance failings and growing valuation gap at Sina Corporation (NASDAQ: SINA) ("Sina" or the "Company"). As part of this process, we have nominated two highly-qualified and truly independent nominees – Thomas J. Manning and Brett H. Krause – to be added to the Company's Board of Directors (the "Board") at Sina's upcoming 2017 Annual General Meeting of Shareholders (the "Annual Meeting"), currently scheduled to be held on November 3, 2017 in Hong Kong at 2pm HKT (2am EST), with a proxy voting deadline that is 48 hours earlier.

Time is running short: In less than two weeks, you, our fellow shareholders, will be tasked with helping to shape the future of Sina. Will you continue to settle for Sina's poor corporate governance that has resulted in a massive and increasing valuation gap? Or **will you choose to protect your investment by electing two highly-qualified director candidates who will bring fresh perspectives to the current Board and place Sina on a path to maximum value creation for all shareholders?**

As you consider this important decision, we hope that you will ask yourselves the following critical questions in order to avoid putting your investment in Sina at risk:

What is the best path forward to improve financial performance at Sina, ensure reduction in the valuation gap and ultimately, unlock value for shareholders?

- **Sina's shares are trading at a massive discount to net asset value ("NAV")** – currently nearly $5.3 billion, or a 39% discount, according to our estimates.

- **Total Shareholder Return ("TSR") has underperformed significantly** due to insider share issuances and a wide and growing NAV discount – by as much as 217% over 10 years.
    - Aristeia has put forth several suggested courses of action that could result in share price appreciation of up to 65%, should our case for change be supported. <u>Conversely, Sina has not detailed any plans to implement these ideas – or any of their own – in order to reverse the trend of underperformance plaguing the Company.</u>

- **Sina's recent share price improvement has been driven entirely by the appreciation of its large stake in Weibo Corporation** (NASDAQ: WB) ("Weibo").
    - Sina's stake in Weibo is worth $2 billion more than the Company's entire market capitalization, reflecting the stock market's view of Sina's corporate governance and lack of clarity regarding Sina's investing strategy.
    - In its recent report, leading proxy advisory firm Glass, Lewis and Co. ("Glass Lewis") acknowledged that Sina's recent performance is largely due to its Weibo stake, saying, "[W]e find that Sina's longer-term TSR performance has been unfavorable relative to peers and the broader market. While the Company's more recent TSR performance was generally favorable relative to peers and the market, we believe much of this favorable performance can be attributed to the performance of Weibo shares and not to the Company's own operating or financial performance."[1]

- **While Sina has provided no plan to reverse the growing valuation gap, Aristeia has raised a series of suggestions to realize potential value, reduce Sina's holding company discount and narrow its discount to NAV –** including a sale of Sina to an acceptable third-party buyer; a spin or split-off of all or a significant portion of Sina's Weibo stake to all shareholders; a reverse merger (Weibo acquires Sina); or a share repurchase using $500 million to $1 billion of available excess cash. <u>Unfortunately, it appears that Sina is not seriously considering any of these available options, nor is the Company suggesting any other methods of closing its valuation gap. While Sina has authorized a share buyback program, it is illusory, as the Company has not repurchased any shares in a year and has shown no further inclination to actually act on its authorization.</u>
    - Glass Lewis recognized that Sina's poor corporate governance has led to a staggering discount to NAV and endorsed the ideas that Aristeia suggested to unlock value at the Company:
        - "We believe the Dissident makes a reasonable case that the Company's price-to-NAV discount is both persistent and excessive. Notably, while the discount has fluctuated over time, the Dissident's analysis shows that it has generally been in excess of 30% over the last three years and did not fall below 30% over the last year."
        - "We believe the Dissident presents a number of compelling ideas to address the Company's NAV discount, including increasing share repurchases or distributing additional Weibo shares, among other potential strategic alternatives…Moreover, we find that the incumbent board has failed present a persuasive case that the actions proposed by the Dissident to address the discount would likely be unsuccessful or unfavorable to shareholders. On the contrary, we believe the Dissident has presented a clear accounting of the potential accretion opportunity from further share repurchases and/or distributions."

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[1] Permission to quote from the Glass Lewis report was neither sought nor obtained. Emphases on such quotes used herein have been added by Aristeia.

<u>Why hasn't Sina acknowledged or addressed the multiple governance missteps present at the Company?</u>

- **Sina's Board structure and corporate governance policies are not in line with the standards expected of U.S.-listed companies.** The Board only consists of five directors, while S&P 500 and NASDAQ 100 companies have average board sizes of more than double that number. In addition, due to its staggered Board structure, directors are not sufficiently held accountable to shareholders.

- **We believe the current Board at Sina has not acted in the best interest of public shareholders.**
  - The Board continues to approve sizable Company investments into third parties, yet fails to require management to clearly communicate the rationale of these activities to its investors.
  - The Board has taken several actions to their internal benefit – and to the detriment of shareholders, including implementing a "poison pill," and then waiving it solely for Chairman and CEO Charles Chao, and approving share issuances to corporate insiders – all without seeking shareholder support.
    - Leading proxy advisory firm, Institutional Shareholder Services ("ISS") supported our concern regarding previous insider share issuances in its recent report, noting, "The company's approach to its most recent share issuance also raises some concern…the board communicated that issuing shares was an important means of reaching an objective to "create" an executive founder...Yet, as noted above, these ends could be accomplished by means aside from large, dilutive issuances." [2]

- While we have repeatedly identified governance missteps at Sina throughout this election contest, the Company has failed to acknowledge or substantively address them, but rather has attempted to obfuscate the issues and misdirect shareholders' attention with inappropriate and inaccurate facts and figures. <u>As a fellow shareholder who acquired Sina shares in the secondary market just like you, we have the best interests of all shareholders in mind and are committed to working together to determine the best path forward to drive long-term growth</u>.

<u>Given all of these points, doesn't it make sense to add two highly-qualified directors with fresh perspectives to the Board to work constructively with the current directors at Sina?</u>

- **The current Sina Board sorely lacks independent and fresh perspectives** with the average tenure of its independent directors totaling more than 15 years – and only one director standing for re-election each year.
  - ISS acknowledged this as well, stating, "The company has a highly classified board that, structured by the present size of five directors, would require a period of four years to achieve a maximum 80 percent turnover by election…**<u>Each of these factors dilutes the board's efficiency as a mechanism for aligning the interests of management with those of shareholders.</u>**"

- **<u>We are not proposing to replace any of the five current directors at Sina</u>**. <u>Our highly-qualified nominees would add fresh perspectives and work constructively with the existing Board to unlock value at Sina that has been trapped for far too long.</u>

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[2] Permission to quote from the ISS report was neither sought nor obtained. Emphases on such quotes used herein have been added by Aristeia.

- **Both Mr. Manning and Mr. Krause have the necessary knowledge of the Chinese and Asian markets, the management and Board experience, and the governance and regulatory expertise to enact meaningful change at Sina.**
    - **Thomas J. Manning** is an expert in Chinese corporate governance, private equity and U.S.-China relations. He has lived and worked in China for almost two decades and has advised and served on the Boards of several companies that have succeeded under intense regulatory oversight.
    - **Brett H. Krause** is a renowned business leader and investment manager with specialties at the intersection of Chinese business, technology and international finance. He has lived in Asia for more than 20 years and in that time, has held management positions and served on the boards of prominent financial institutions and subsidiaries of the world's largest public companies.

- **Despite Sina's efforts to distort the facts and scare shareholders, Brett Krause's role at PurpleSky Strategies poses no conflicts with his potential position as a director on Sina's Board.**
    - **Inke does not compete with Sina's core web portal business.** Additionally, Brett Krause is not on Inke's Board and has committed to taking the necessary steps to prevent a conflict should the pending sale transaction not close as expected.
    - Shunya International Brand Consulting (Beijing) disclosed it will acquire a major stake in Inke. Upon the closing of this transaction, PurpleSky's stake will be materially reduced, and PurpleSky is not expected to have any board representation.
    - PurpleSky does not currently have any investment in Momo Inc.
    - Many investors sit on company boards and manage potential conflicts of interests every day, and Mr. Krause will address any potential future conflicts responsibly.

- **Both ISS and Glass Lewis accurately summarized and agreed with our rationale for adding our highly-qualified nominees to the Board when they said:**
    - ISS: "Adding at least one new independent director to the board should, at the very least, further equip the company to make progress in the categories of disclosure and shareholder engagement. **<u>Ideally, adding one or more new perspectives (to a board that is comparatively small and familiar at present) would also reduce the risk of the boardroom functioning as an echo chamber</u>**."
    - Glass Lewis: "Dissident Nominees Manning and Krause have considerable executive-level financial services experience, including experience investing in China and in Asia, that would likely be of value to the board, in our view. Mr. Manning also has considerable public company board experience and Chinese corporate governance expertise, while Mr. Krause has expertise in the Chinese social/mobile industries. **<u>We expect the Dissident Nominees would be well positioned to assist the board in further evaluating potential strategic alternatives.</u>**"

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The clock is ticking to add fresh perspectives to the Sina Board in order to enact positive and greatly-needed change at the Company. This will likely be your only opportunity to drive change at Sina for at least a year. As shareholders, you have the opportunity and the responsibility to ensure long-term value creation for both you and your fellow shareholders.

We strongly urge Sina's shareholders to vote FOR both of our independent and highly-qualified nominees on the <u>BLUE</u> proxy card and to return it in the postage-paid envelope provided.

Due to the Company's requirement that proxies must be received by it no later than forty-eight (48) hours prior to the Annual Meeting, it is very important that you return your <u>BLUE</u> proxy card to us as soon as possible to ensure that your vote gets counted. If you have already returned a white proxy card to the Company, you can revoke that card by submitting a later-dated <u>BLUE</u> proxy card.

If you have any questions, or require assistance with your vote, please contact Okapi Partners LLC at the number listed below.

PLEASE SIGN, DATE, AND MAIL THE BLUE PROXY CARD TODAY!

Sincerely,

Robert H. Lynch, Jr.
Partner
Aristeia Capital, L.L.C.

If you have any questions, or need assistance voting
your **BLUE** proxy card, please contact:

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About Aristeia
Aristeia Capital, L.L.C. ("Aristeia") is a global investment manager with a twenty-year track record of executing fundamentally based strategies across the capital structure. Founded in 1997, Aristeia aims to achieve superior, risk-adjusted returns for an investor base that includes pension plans, endowments, foundations, other institutions and private clients. The firm's approximately 50 employees are split between its Greenwich, Connecticut headquarters and a New York City office.

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