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**IN THE SUPREME COURT OF THE STATE OF NEVADA**

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Aug 11 2020 06:44 p.m.

Elizabeth A. Brown  
Clerk of Supreme Court

POPE INVESTMENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY;  
POPE INVESTMENTS II, LLC, A DELAWARE LIMITED LIABILITY COMPANY;  
AND ANNUITY & LIFE REASSURANCE, LTD., AN UNKNOWN LIMITED COMPANY,

Appellants,

vs.

CHINA YIDA HOLDING, CO., A NEVADA CORPORATION,

Respondent.

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ON APPEAL FROM THE EIGHTH JUDICIAL DISTRICT COURT OF THE  
STATE OF NEVADA, CASE NO. A-16-746732-P

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**JOINT APPENDIX VOLUME VI**

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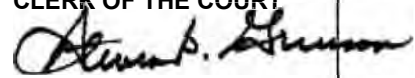
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## CERTIFICATE OF SERVICE

I hereby certify that I am an employee of Boies Schiller Flexner LLP and that on the 11<sup>th</sup> day of August, 2020 I electronically filed the foregoing *Joint Appendix Volume I through Volume VIII* with the Clerk of the Court using the Supreme Court Electronic Filing System, which will send notification of such filing to the following attorneys of record:

J. Robert Smith, Esq.  
Joshua Halen, Esq.  
Attorneys for Respondents

/s/ Shilah Wisniewski  
SHILAH WISNIEWSKI  
An employee of Boies Schiller Flexner LLP



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**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

CHINA YIDA HOLDING, CO. a Nevada  
corporation,

Petitioner,

v.

POPE INVESTMENT, LCC, a Delaware  
limited liability company; POPE  
INVESTMENTS II, LLC, a Delaware limited  
liability company; and ANNUITY & LIFE  
REASSURANCE, LTD., an unknown limited  
company,

Respondent.

Case No. A-16-746732-P  
Dept. No. XXVII

**PETITIONER'S MOTION FOR  
ATTORNEYS' FEES**

**(Hearing Requested)**

**Hearing Date:**  
**Hearing Time:**

China Yida Holding, Co., by and through its counsel of record Holland & Hart LLP, files this Motion for Attorneys' Fees seeking an award of attorneys' fees in the amount of \$41,053.50 and costs in the amount of \$60,116.72<sup>1</sup>. This Motion is made pursuant to NRS 18.010, NRCP 54 and 68, and is based on the following Memorandum of Points and

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///

<sup>1</sup> CYH timely filed its Memorandum of Costs and Disbursements on September 13, 2019. Respondents' Motion to Retax was filed on September 20, 2019.

1 Authorities, the attached exhibits, the papers and pleadings on file, and any additional information  
2 the Court chooses to consider.

3 DATED this 23rd day of September, 2019.

4 HOLLAND & HART LLP

5 /s/ J. Robert Smith

6 J. Robert Smith (Nevada Bar No. 10992)  
7 Josh M. Halen (Nevada Bar No. 13885)  
8 9555 HILLWOOD DRIVE, 2ND FLOOR  
9 LAS VEGAS, NV 89134

10 *Attorneys for Petitioner*

11 **NOTICE OF MOTION**

12 TO: All Interested Parties and/or their Counsel of Record

13 PLEASE TAKE NOTICE the undersigned will bring the foregoing **MOTION FOR**  
14 **ATTORNEYS' FEES AND COSTS** on for hearing before Department XIII of the above-named  
15 Court on the \_\_\_\_ day of \_\_\_\_\_, 2019, at the hour of \_\_\_\_ a.m./p.m. or as soon thereafter  
16 as may be heard.

17 DATED this 23rd day of September, 2019.

18 HOLLAND & HART LLP

19 /s/ J. Robert Smith

20 J. Robert Smith  
21 Josh M. Halen  
22 9555 HILLWOOD DRIVE, 2ND FLOOR  
23 LAS VEGAS, NV 89134

24 *Attorneys for Petitioner*

25 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF**  
26 **MOTION FOR ATTORNEYS' FEES AND COSTS**

27 **INTRODUCTION**

28 This is a dissenter's rights action brought pursuant to NRS Chapter 92A. On September  
9, 2019, the Court entered its Order Granting Petitioner China Yida Holding Co.'s ("CYH")  
Motion for Summary Judgment. The Court's Order resulted in a Judgment in CYH's favor and  
against Respondents Pope Investments, LLC, Pope Investments II, LLC, and Annuity & Life  
Reassurance, Ltd. (collectively "Respondents"). On June 13, 2019, CYH served its Offer of

1 Judgment on Respondents pursuant to NRCP 68. CYH offered to have judgment entered in favor  
2 of Respondents in the total amount of \$10,000, inclusive of all prejudgment interest, attorneys'  
3 fees, and costs. Respondents did not respond to the Offer of Judgment and the Offer expired  
4 fourteen days after service.

5 CYH made its Offer of Judgment in good faith to resolve this lawsuit before the parties  
6 and the Court spent additional resources resolving this case, including the Motion for Summary  
7 Judgment. Despite CYH's good faith Offer, Respondents rejected the Offer and decided to  
8 proceed with litigation, fully aware of the consequences. CYH was successful in showing that  
9 the market out exception, codified in NRS 92A.390(1)(a) prevented Respondents from a fair value  
10 determination of CYH's stock. CYH's Offer of Judgment was made in good faith to resolve this  
11 case and its requests for attorneys' fees are warranted given the quality of its advocates, the  
12 complexities of this case, and the result obtained. Because Respondents failed to obtain a more  
13 favorable judgment than CYH's Offer of Judgment, NRCP 68 provides that CYH must be  
14 provided its actual attorneys' fees incurred since June 13, 2019. CYH respectfully requests that  
15 the Court grant this Motion for Attorneys' fees, pursuant to NRCP 68 and NRS 18.010, and award  
16 CYH its attorneys' fees in the amount of \$41,053.50.

#### 17 Procedural History

18 CYH is a Nevada domestic corporation that had its stock listed and traded on the  
19 NASDAQ Capital Market under the ticker symbol "CNYD." Motion for Summary Judgment 3,  
20 May 22, 2019. On March 10, 2016, CYH issued a press release announcing its entry into a Merger  
21 Agreement with China Yida Holding Acquisition Co. ("Acquisition"). *Id.* On April 13, 2016,  
22 CYH filed its Form 8-K with the SEC disclosing that CYH and Acquisition entered into an  
23 Amended and Restated Agreement and Plan of Merger. *Id.* at 4.

24 On June 14, 2016, each of the Respondents sent a letter to CYH notifying it of the  
25 Respondents' intent to demand payment for their shares if the proposed merger transaction was  
26 approved at the special meeting of shareholders, pursuant to NRS Chapter 92A. *Id.* at 5. On  
27 August 30, 2016, CYH's counsel at the time, Sidley Austin, LLP, sent a letter to each of the  
28 Respondents notifying them that pursuant to NRS 92A.460(1) CYH would pay the amount CYH

1 estimates to be the fair value of Respondents' shares, plus accrued interest. *Id.* at 6. CYH valued  
2 its stock at \$3.32 per share. *Id.* CYH then paid Respondents for their shares based on the price  
3 of \$3.32 per share. *Id.* Dissatisfied with the amount CYH paid for their shares, on September  
4 21, 2016, each of the Respondents served CYH with a "Dissenter's Estimate of Fair Value and  
5 Demand for Payment" pursuant to NRS 92A.480. *Id.* Respondents estimated the fair value of  
6 CYH's stock to be \$23.28 per share. *Id.*

7 On November 15, 2016, CYH commenced this action pursuant to NRS 92A.490, which  
8 requires the subject corporation to petition the District Court within 60 days after a demand is  
9 received to determine the fair value of the company's shares. During litigation, the parties  
10 engaged in, among other things, requests for written discovery, expert disclosures, rebuttal expert  
11 disclosures, and depositions.

12 On May 22, 2019, CYH filed its Motion for Summary Judgment. The Motion for  
13 Summary Judgment argued that Respondents were not entitled to a fair value determination as  
14 CYH's stock was a covered security pursuant to 15 U.S.C. §77r(b)(1)(A) or (B) and related SEC  
15 regulations. As CHY's stock was a covered security, Respondents were not entitled to a fair  
16 value determination based on the "market out" exception, codified at NRS 92A.390(1)(a).  
17 Further, because CYH offered cash for its shares, the "exception to the exception" did not apply  
18 to this case. *See* Motion for Summ. J. at 7-13.

19 On June 13, 2019, CYH served its Offer of Judgment on Respondents pursuant to NRCP  
20 68. CYH offered to have judgment entered in favor of Respondents in the total amount of  
21 \$10,000, inclusive of all prejudgment interest, attorneys' fees, and costs.

22 On June 24, 2019, Respondents filed their Opposition to CYH's Motion for Summary  
23 Judgment. In sum, Respondents argued that the market out exception codified at NRS  
24 92A.390(1)(a) was inconsistent with the purpose of dissenter's rights statutes, that CYH provide  
25 its stockholders with dissenter's rights, and that other equitable factors weighed against granting  
26 summary judgment. On July 10, 2019, CYH filed its Reply in Support of Summary Judgment.<sup>2</sup>

27 <sup>2</sup> Additionally, on July 9, 2019, CYH filed its Motion to Strike Respondents' Expert Report and  
28 Exclude Respondents' Expert Joseph Leauanae, pursuant to NRCP 16.1 and 37.



1 The Reply established that summary judgment was warranted as a matter of law based on the  
2 legislative purpose of the market out exception. Further, the Reply interpreted all of the merger  
3 documents and NRS 92A.390 and established that no dissenter's rights were provided by CYH.  
4 Finally, the Reply addressed the various arguments raised by Respondents.

5 The Court held a hearing regarding CYH's Motion for Summary Judgment on July 19,  
6 2019. At the conclusion of the hearing, the Court granted CYH's Motion for Summary Judgment  
7 in full. On September 9, 2019, the Court entered Judgment in CYH's favor and against  
8 Respondents.

### 9 LEGAL ARGUMENT

#### 10 **A. Legal Standard.**

11 Under Nevada law, the district court may award attorney fees when authorized under a  
12 statute, rule, or contract. *Albios v. Horizon Communities, Inc.*, 122 Nev. 409, 417, 132 P.3d 1022,  
13 1027-28 (2006) (citations omitted). Nevada Rule of Civil Procedure 68 provides that a party may  
14 "serve an offer in writing to allow judgment to be taken in accordance with its terms and  
15 conditions." NRCP 68(a). The purpose of NRCP 68 "is to save time and money for the court  
16 system, the parties and the taxpayers." *Dillard Dep't Stores, Inc. v. Beckwith*, 115 Nev. 372, 382,  
17 989 P.2d 882, 888 (1999). An offer is deemed rejected if it is not accepted within fourteen days  
18 of service. NRCP 68(e). If the offeree does not accept the offer and thereafter fails to obtain a  
19 more favorable judgment in that action, the offeree "must" pay the costs and reasonable attorneys'  
20 fees actually incurred by the offeror from the time of the offer. NRCP 68(f)(1)(B). Rule 68 also  
21 allows for an award of costs.

22 In awarding attorneys' fees and costs to a successful offeror, courts consider (1) whether  
23 the plaintiff brought his claims in good faith; (2) whether the defendant's offer of judgment was  
24 reasonable and made in good faith as to both amount and timing; (3) whether the plaintiff's  
25 decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4)  
26 whether the attorneys' fees the offeror seeks are reasonable and justified in amount. *Beattie v.*  
27 *Thomas*, 99 Nev. 579, 588-89, 668 P.2d 268, 274 (1983).  
28

Although no one element controls, the district court should use “reason and fairness” in calculating attorneys’ fees. *Albios*, 122 Nev. at 417, 132 P.3d at 1034; *Miller v. Wilfong*, 121 Nev. 619, 623, 119 P.3d 727, 730 (2005); *see also Chavez v. Sievers*, 118 Nev. 288, 296-97, 43 P.3d 1022, 1027-28 (2002) (awarding fees after evaluating the *Beattie* factors); *LaForge v. State, Univ. & Cmty. Coll. Sys. of Nev.*, 116 Nev. 415, 422-24, 997 P.2d 130, 135-36 (2000) (same); *Dillard*, 115 Nev. at 382, 989 P.2d at 888 (affirming the district court’s award of attorneys’ fees where the offeree rejected a “rock-bottom” offer given at the beginning of the case before the parties had incurred any discovery expenses).

“When considering the amount of attorney fees to award, the analysis turns on the factors set forth in *Brunzell*.” *O’Connell v. Wynn Las Vegas, LLC*, 134 Nev. Adv. Op. 7, 429 P.3d 664, 668 (Ct. App. 2018). The *Brunzell* factors are as follows:

- (1) the qualities of the advocate: his ability, his training, education, experience, professional standing and skill; (2) the character of the work to be done: its difficulty, its intricacy, its importance, time and skill required, the responsibility imposed and the prominence and character of the parties where they affect the importance of the litigation; (3) the work actually performed by the lawyer: the skill, time and attention given to the work; (4) the result: whether the attorney was successful and what benefits were derived.

*Brunzell v. Golden Gate Nat’l Bank*, 85 Nev. 345, 349, 124 P.3d 530, 533 (2005).

**B. Respondents Did Not Obtain a More Favorable Judgment than the Offer of Judgment, and the Court Must Award Reasonable Attorneys’ Fees to CYH**

An award of CYH’s attorneys’ fees is warranted as Respondents did not beat CYH’s Offer of Judgment. As discussed, CYH offered judgment to be entered against it in the amount of \$10,000. Respondents did not respond to CYH’s Offer of Judgment within fourteen days, thus Respondents rejected the Offer. NRCP 68(e). After rejecting the Offer, CYH’s Motion for Summary Judgment was granted by the Court and Judgment was entered in favor of CYH and against Respondents. Respondents recovered nothing. CYH’s Offer of Judgment was reasonable both in time and amount, and the amount of attorneys’ fees sought are both reasonable and justified. According to *Beattie* and *Brunzell*, CYH should be awarded its attorneys’ fees incurred from June 13<sup>th</sup> onward.

CYH’s Offer of Judgment in the amount of \$10,000 on June 13, 2019, was made in good

1 faith as to timing and amount. CYH filed its Motion for Summary Judgment on May 22, 2019.  
2 The Motion for Summary Judgment argued that Respondents had no right to have the Court  
3 determine the fair value of CYH's stock as CYH's stock was traded on the NASDAQ Capital  
4 Market, a national market exchange that trades "covered securities." Because CYH's stock was  
5 traded on a national market before the merger, the "market out" exception, codified at NRS  
6 92A.390(1)(a), clearly applied to bar Respondents' claim for a fair determine of value. To resolve  
7 this case without having the Court and parties spend more time and money in resolving this case,  
8 CYH offered to have judgment entered against it in the amount of \$10,000. The Offer of Judgment  
9 was served on June 13, 2019, *before Respondents' Opposition to the Motion for Summary*  
10 *Judgment was filed and due*. The timing of CYH's Offer of Judgment was made in good faith to  
11 avoid the increased costs of both parties in briefing the Motion for Summary Judgment.

12 Further, CYH's Offer of Judgment was made in good faith as to the amount offered. The  
13 Offer was reasonable as CYH's position, as outlined in the Motion for Summary on May 22, 2019,  
14 was that Respondents were not entitled to a fair value determination pursuant to NRS  
15 92A.390(1)(a). Despite Respondents being barred from recovering anything, CYH sought to  
16 resolve this lawsuit with a reasonable amount before the parties incurred further fees in resolving  
17 the Motion for Summary Judgment. The \$10,000 Offer was more than CYH believed  
18 Respondents were legally entitled to. Despite CYH's well founded position that Respondents  
19 were entitled to nothing, it offered Respondents \$10,000 in an attempt to save the court, the  
20 parties, and the taxpayers money, thus CYH's Offer was made in good faith.

21 The fourth *Beattie* factor, whether the attorneys' fees are reasonable and justified, also  
22 weighs in CYH's favor. As discussed below, each of the four *Brunzell* factors weighs in favor of  
23 awarding CYH the full amount of attorneys' fees incurred since June 13, 2019.

24 *i. The Advocates' Professional Qualities.*

25 Holland & Hart LLP ("Holland & Hart") is a regional, AV-rated law firm with extensive  
26 experience in commercial litigation. *See* Declaration of J. Robert Smith in Support of Petitioner's  
27 Motion for Attorneys' Fees at 2. The attorneys' fees that were incurred by CYH because of the  
28 Respondents' conduct are reasonable, economical, and are customarily charged to clients of

1 Holland & Hart. *Id.* The ability, training, education, experience, professional standing, and skill  
2 of the professionals representing CYH were demonstrated in the pleadings, motions, and other  
3 documents filed with the Court. *Id.*

4 Holland & Hart charges hourly rates that are similar to those rates charged by comparable  
5 law firms for similar legal services. *Id.* Holland & Hart believes that the fees and expenses  
6 sought in this application are appropriate, and that the fees are reasonable and necessary in light  
7 of the circumstances of this case and the scope and difficulty of the business and legal issues  
8 involved. *Id.*

9 The attorney that had responsibility over this matter is experienced in complex litigation.  
10 This case was primarily staffed by J. Robert Smith, Esq., the partner who has primary  
11 responsibility for the issues involved and has been practicing in the area of commercial litigation  
12 for over 20 years. *Id.* Mr. Smith has extensive trial and arbitration experience in both federal and  
13 state court and has successfully litigated numerous cases before judges and juries on a wide  
14 variety of matters, including condemnation, false claims, free speech, shareholder disputes,  
15 business torts, partnership disputes, breaches of contract, fraud, conspiracy, defamation,  
16 emotional distress, and products liability cases. *Id.*

17 Consistent with its commitment to control fees and expenses through appropriate staffing,  
18 Holland & Hart also staffed various associate attorneys and professional personnel on this case.  
19 Susan M. Schwartz, Esq. and Josh M. Halen, Esq. are both associates practicing in the area of  
20 commercial litigation, and Cyndy Arnold is a paralegal staffed on this case. **Exhibit A-1** to Smith  
21 Decl.

22 *ii. The Character and Nature of the Litigation.*

23 This is a dissenter's rights action brought pursuant to NRS Chapter 92A involving parties  
24 located in China. Smith Decl. at 2. The nature of this litigation justifies the fees incurred.  
25 Dissenter's rights actions are based on the application of complex statutes to even more complex  
26 business decisions that require an intimate understanding of the Nevada Rules of Civil Procedure,  
27 especially those rules related to discovery. For example, the parties exchanged several written  
28 discovery requests, expert witness disclosures and rebuttal discloses, and conducted depositions

1 of both witnesses and experts. Additionally, the Motion for Summary Judgment required an  
2 understanding of statutory interpretation and securities regulations as well as successfully briefing  
3 an issue of first impression of Nevada law. Accordingly, the character and nature of this case  
4 was complex, and the fees charged by Holland & Hart were reasonable given the difficult nature  
5 of this lawsuit.

6 *iii. The Work Actually Performed by the Advocates.*

7 Counsel for CYH performed, among other things, the following tasks.

- 8 • Document review and research of claims, including analyzing documents;
- 9 • Legal research on undeveloped issue of Nevada law;
- 10 • Drafting pleadings and motions, including the Petition for Declaratory Relief and  
11 Fair Value; and the Motion for Summary Judgment and Reply, which was  
12 successful and granted in its entirety;
- 13 • Drafting and responding to correspondence with the Respondents;
- 14 • Conducting discovery, including taking the depositions of the Respondents and its  
15 expert; and
- 16 • Preparing for and attending various hearings, including the hearing on the Motion  
17 for Summary Judgment.

18 A detailed itemization of the time spent, each professional's billing rate, the matters  
19 involved, and costs incurred is described in the accounting attached to the Smith Declaration as  
20 **Exhibit A-1**. The request for attorneys' fees by CYH's in the amount of \$41,053.50 represents  
21 the actual amount incurred by CHY since June 13, 2019. *Id.*

22 Because of Respondents' failure to accept CYH's Offer of Judgment, CYH incurred  
23 attorneys' fees in connection with its claims in this action. Smith Declaration.

24 *iv. The Result.*

25 The result obtained by CYH in this matter clearly demonstrates the reasonableness of the  
26 fees requested herein. The Court entered summary judgment in favor of CYH and Respondents  
27 took nothing against CYH. Respondents sought a fair value determination of CYH's stock and  
28 monies from CYH in excess of \$20 million. Instead, Respondents recovered nothing based on

1 CYH's Motion for Summary Judgment. Based upon the foregoing, it is apparent that the  
2 attorneys' fees incurred by CYH herein are reasonable and thus should be awarded in full.

3 **CONCLUSION**

4 CYH is a prevailing party that had Judgment entered in its favor after making a good faith  
5 Offer of Judgment. Respondents recovered less than CYH's Offer. Accordingly, CYH is entitled  
6 to, and respectfully requests an award of its reasonable attorneys' fees in the amount of  
7 \$41,053.50 and costs in the amount of \$60,115.72<sup>3</sup> against Respondents Pope Investments, LLC,  
8 Pope Investments II, LLC, and Annuity & Life Reassurance, Ltd., jointly and severally.

9  
10 DATED this 23rd day of September, 2019.

11 HOLLAND & HART LLP

12 /s/ J. Robert Smith

13 J. Robert Smith

14 Nevada Bar No. 10992

15 Joshua M. Halen

16 Nevada Bar No. 13885

17 9555 HILLWOOD DRIVE, 2ND FLOOR

18 LAS VEGAS, NV 89134

19 *Attorneys for Petitioner*

20  
21  
22  
23  
24  
25  
26  
27  
28 <sup>3</sup> See Memorandum of Costs.

**CERTIFICATE OF SERVICE**

I hereby certify that on the 23rd day of September, 2019, a true and correct copy of the foregoing **PETITIONER'S MOTION FOR ATTORNEYS' FEES** was served by the following method(s):

- ☒ Electronic: by submitting electronically for filing and/or service with the Eighth Judicial District Court's e-filing system and served on counsel electronically in accordance with the E-service list to the following email addresses:

Peter L. Chasey, Esq.  
CHASEY LAW OFFICES  
3295 N. Fort Apache Road, Suite 110  
Las Vegas, Nevada 89129

*Attorneys for Respondents*

- ☐ U.S. Mail: by depositing same in the United States mail, first class postage fully prepaid to the persons and addresses listed below:

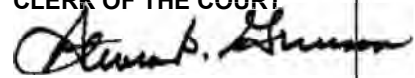
- ☐ Email: by electronically delivering a copy via email to the following e-mail address:

- ☐ Facsimile: by faxing a copy to the following numbers referenced below:

- ☐ Receipt of Copy:

/s/ Audrey Brown  
An Employee of Holland & Hart LLP

13545588\_v1



1 **DECL**  
2 J. Robert Smith, Esq. (SBN 10992)  
3 Josh M. Halen, Esq. (SBN 13885)  
4 HOLLAND & HART LLP  
5 9555 Hillwood Drive, 2nd Floor  
6 Las Vegas, NV 89134  
7 Phone: 702.669.4600  
8 Fax: 702.669.4650  
9 jrsmith@hollandhart.com  
10 smschwartz@hollandhart.com

11 *Attorneys for Petitioner*

12 **DISTRICT COURT**  
13 **CLARK COUNTY, NEVADA**

14 CHINA YIDA HOLDING, CO. a Nevada  
15 corporation,

16 Petitioner,

17 v.

18 POPE INVESTMENT, LCC, a Delaware  
19 limited liability company; POPE  
20 INVESTMENTS II, LLC, a Delaware limited  
21 liability company; and ANNUITY & LIFE  
22 REASSURANCE, LTD., an unknown limited  
23 company,

24 Respondent.

Case No. A-16-746732-P  
Dept. No. XXVII

**DECLARATION OF J. ROBERT SMITH  
IS SUPPORT OF PETITIONER'S  
MOTION FOR ATTORNEYS' FEES**

**Hearing Date:**  
**Hearing Time:**

25 I, J. Robert Smith, Esq., pursuant to NRS 53.045, declare as follows:

26 1. I am a partner with the law firm of Holland & Hart LLP ("Holland & Hart"),  
27 counsel for Petitioner China Yida Holdings, Co. ("CYH") in the above-entitled action. I am an  
28 attorney qualified and licensed to practice law in the State of Nevada.

2. I have personal knowledge of the matters stated herein except as to those matters  
stated upon information and belief, and as to those matters, I believe them to be true. If called  
as a witness, I would be competent to testify as to the matters stated in this Declaration.

3. I am over 18 years of age.

4. I submit this Declaration in support of CYH's Motion for Attorneys' Fees and  
Costs (the "Motion").



1           5.       CYH served its Offer of Judgment to Respondents Pope Investments, LLC, Pope  
2 Investments II, LLC and Annuity & Life Reassurance, Ltd. on June 13, 2019. A true and correct  
3 copy of Petitioner China Yida Holdings, Co.'s Offer of Judgment is attached to the Motion as  
4 Exhibit B.

5           6.       Respondents did not respond or accept the Offer of Judgment.

6           7.       I was the main attorney who worked on this matter, and I bill at an hourly rate of  
7 \$435.00. I am a partner at the law firm of Holland & Hart, LLP, a regional AV-rated law firm,  
8 and have been practicing law for over 20-years primarily in the areas of business and commercial  
9 litigation. I have extensive trial and arbitration experience in both federal and state court and  
10 have successfully litigated numerous cases before judges and juries on a wide variety of matters,  
11 including condemnation, false claims, free speech, shareholder disputes, business torts,  
12 partnership disputes, breaches of contract, fraud, conspiracy, defamation, emotional distress, and  
13 products liability cases.

14          8.       I am familiar with the billing rates for attorneys in Las Vegas, and the hourly rates  
15 charged by Holland & Hart on this matter are at or below those typically charged in Las Vegas  
16 for law firms handling these types of matters. As such, the hourly rates are reasonable.

17          9.       This matter was a dissenter rights action brought pursuant to NRS Chapter 92A.

18          10.      The nature and character of this litigation required investigation by expert  
19 witnesses, significant discovery and motion practice which ultimately led to summary judgment  
20 in favor of CYH.

21          11.      Further, the legal fees incurred by CYH are consistent with the nature of  
22 litigation.

23          12.      In light of the circumstances of this matter and the scope of the issues involved,  
24 the fees and expenses sought by CYH are reasonable, and were actually and necessarily incurred.

25          13.      Over the course of this litigation, CYH participated in motion practice, which  
26 included fully briefing its Motion for Summary Judgment which ultimately led to the disposition  
27 of the case.  
28

1           14. Further, the parties conducted four depositions, disclosed expert witnesses,  
2 propounded numerous sets of interrogatories and document requests, and produced more than  
3 15,000 pages of documents.

4           15. The Court granted summary judgment in favor of CYH on all of its claims on  
5 August 9, 2019.


6           16. This positive result obtained by CYH demonstrates the reasonableness of the fees  
7 requested herein and was obtained with a minimum of costs, based in part on the knowledge and  
8 diligence of counsel for CYH.

9           17. In obtaining judgment and bringing CYH's Motion for Attorneys' Fees and  
10 Costs, CYH has incurred attorneys' fees after the service of its Offer of Judgment in the total  
11 amount of \$41,053.50 in connection with this matter. Attached hereto as Exhibit A-1 is a true  
12 and correct copy of Holland & Hart's billing records, redacted for items covered by the attorney-  
13 client privilege.

14           18. In obtaining judgment and bringing CYH's Motion for Attorneys' Fees and  
15 Costs, CYH has incurred costs in the amount of \$60,115.72. Such costs, as supported by CYH's  
16 Memorandum of Costs and Disbursements filed contemporaneously herewith, have been  
17 necessarily incurred and paid in this proceeding.

18           I declare under the penalty of perjury that the foregoing is true and correct.

19           DATED this 23rd day of September, 2019.

20  
21             
22 J. Robert Smith  
23  
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25  
26  
27  
28

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on the 23rd day of September, 2019, a true and correct copy of the  
3 foregoing **DECLARATION** was served by the following method(s):

- 4 ☒ **Electronic**: by submitting electronically for filing and/or service with the Eighth Judicial  
5 District Court's e-filing system and served on counsel electronically in accordance with  
the E-service list to the following email addresses:

6 Peter L. Chasey, Esq.  
7 CHASEY LAW OFFICES  
3295 N. Fort Apache Road, Suite 110  
8 Las Vegas, Nevada 89129

9 *Attorneys for Respondents*

- 10 ☐ **U.S. Mail**: by depositing same in the United States mail, first class postage fully prepaid  
to the persons and addresses listed below:

- 11  
12 ☐ **Email**: by electronically delivering a copy via email to the following e-mail address:

- 13  
14 ☐ **Facsimile**: by faxing a copy to the following numbers referenced below:

- 15  
16 ☐ **Receipt of Copy**:

17  
18  
19 /s/ Audrey Brown  
20 An Employee of Holland & Hart LLP

21 13580003\_v1  
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EXHIBIT A-1

EXHIBIT A-1

SUMMARY  
FEES BILLED AFTER OFFER OF JUDGMENT

TIMEKEEPER	TITLE	BILLED AMOUT	HOURS BILLED
J. Robert Smith	Partner	\$26,796.00	61.60
Josh M. Halen	Associate Atty	\$10,875.00	43.50
Cyndy L. Arnold	Paralegal	\$3,382.50	16.50
TOTAL		\$41,053.50	121.60

HOLLAND HART LLP  
FEES

Date	TKPR Name	Base Amt	Bs Hrs	Rate	Narrative
6/14/2019	Halen, Joshua M.	\$25.00	0.1	\$250.00	Review defendants' supplemental discovery responses;
6/17/2019	Arnold, Cyndy L.	\$82.00	0.4	\$205.00	Review and organize Pope documents produced;
6/20/2019	Halen, Joshua M.	\$375.00	1.5	\$250.00	Reviewing REDACTED for drafting of motion to strike respondent's expert reports;
6/21/2019	Halen, Joshua M.	\$600.00	2.4	\$250.00	Review REDACTED drafting of motion to strike defendants' expert and supplemental expert reports;
6/24/2019	Halen, Joshua M.	\$1,075.00	4.3	\$250.00	Review REDACTED drafting motion to strike expert report and reviewed REDACTED for same; research REDACTED; research issues REDACTED opposition to motion for summary judgment;
6/25/2019	Halen, Joshua M.	\$800.00	3.2	\$250.00	Draft and revise motion to strike respondent's supplemental expert report and review REDACTED for drafting of same;
6/26/2019	Halen, Joshua M.	\$150.00	0.6	\$250.00	Review and analyze defendants' opposition to motion for summary judgment;
6/27/2019	Halen, Joshua M.	\$1,225.00	4.9	\$250.00	Review and analyze defendants' opposition to motion for summary judgment and research REDACTED; draft and revise reply in support of motion for summary judgment and research REDACTED;
6/28/2019	Halen, Joshua M.	\$675.00	2.7	\$250.00	Draft and revise motion to strike defendants' supplemental expert report and research REDACTED; review and analyze defendants' opposition to motion for summary judgment REDACTED;
7/1/2019	Smith, Rob	\$565.50	1.3	\$435.00	Review Pope's opposition to motion for summary judgment and analyze same; office conference with JMHalen regarding REDACTED;
7/5/2019	Halen, Joshua M.	\$375.00	1.5	\$250.00	Draft and revise reply in support of motion for summary judgment and review defendants' opposition to motion for summary judgment REDACTED;
7/7/2019	Halen, Joshua M.	\$1,075.00	4.3	\$250.00	Draft and revise reply in support of motion for summary judgment and review and analyze defendant's opposition to motion for summary judgment and pleadings; research REDACTED;
7/8/2019	Smith, Rob	\$1,305.00	3	\$435.00	Office conference with JMHalen regarding REDACTED; analyze and review potential motion to strike Pope's expert; office conference with JMHalen regarding REDACTED; review cases REDACTED;
7/8/2019	Halen, Joshua M.	\$1,800.00	7.2	\$250.00	Draft and revise reply in support of motion for summary judgment and review and analyze defendant's opposition to motion for summary judgment and other pleadings; research REDACTED; research REDACTED; review exhibits attached to motion for summary judgment and defendants' opposition for use in reply; conference with JRSmith regarding REDACTED;
7/9/2019	Smith, Rob	\$2,740.50	6.3	\$435.00	Review and revise reply in support of motion for summary judgment; office conference with JMHalen regarding REDACTED;
7/9/2019	Halen, Joshua M.	\$375.00	1.5	\$250.00	Review and revise reply in support of motion for summary judgment and review REDACTED; conference with JRSmith regarding REDACTED;

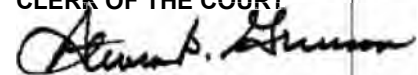
HOLLAND HART LLP  
FEES

Date	TKPR Name	Base Amt	Bs Hrs	Rate	Narrative
7/10/2019	Smith, Rob	\$2,958.00	6.8	\$435.00	Continue to review and revise reply in support of motion for partial summary judgment; prepare motion to exclude respondent's expert; legal research REDACTED;
7/10/2019	Halen, Joshua M.	\$175.00	0.7	\$250.00	Draft and revise REDACTED reply in support of motion for summary judgment and review defendants' opposition for drafting of same;
7/11/2019	Smith, Rob	\$2,697.00	6.2	\$435.00	Continue to prepare motion to exclude respondent's expert; legal research REDACTED;
7/12/2019	Smith, Rob	\$2,088.00	4.8	\$435.00	Continue to prepare motion to strike expert; gather exhibits in support of same; prepare declaration in support of same;
7/12/2019	Halen, Joshua M.	\$100.00	0.4	\$250.00	Review and revise motion to strike expert witness's supplemental expert report;
7/16/2019	Smith, Rob	\$1,435.50	3.3	\$435.00	Communicate with Ms. Chen regarding REDACTED; review REDACTED to prepare for hearing;
7/17/2019	Smith, Rob	\$3,828.00	8.8	\$435.00	Prepare REDACTED for oral argument on motion for summary judgment; legal research REDACTED; continue to review REDACTED; travel from Reno to Las Vegas;
7/18/2019	Smith, Rob	\$3,175.50	7.3	\$435.00	Review REDACTED; attend and argue motion for summary judgment; telephone conference with Ms. Chen regarding REDACTED; telephone conference with Mr. Haven regarding REDACTED; telephone conference with JMHalen and CLArnold regarding REDACTED; travel from Las Vegas to Reno;
7/18/2019	Halen, Joshua M.	\$75.00	0.3	\$250.00	Review revised REDACTED for obtaining attorney's fees REDACTED;
7/18/2019	Arnold, Cyndy L.	\$41.00	0.2	\$205.00	Discussion concerning decision on motion for summary judgment;
7/19/2019	Smith, Rob	\$739.50	1.7	\$435.00	Provide REDACTED to Ms. Chen on REDACTED; office conference with JMHalen regarding same; review REDACTED attorneys fees and costs; review offer of judgment; communicate with CLArnold regarding REDACTED; review REDACTED;
7/19/2019	Halen, Joshua M.	\$125.00	0.5	\$250.00	Review REDACTED motion for attorney's fees; review REDACTED memorandum of cost;
7/19/2019	Arnold, Cyndy L.	\$41.00	0.2	\$205.00	Instructions concerning preparation of REDACTED;
7/29/2019	Smith, Rob	\$1,435.50	3.3	\$435.00	Prepare proposed order granting summary judgment;
7/30/2019	Smith, Rob	\$870.00	2	\$435.00	Continue preparing proposed order granting summary judgment;
7/31/2019	Smith, Rob	\$1,305.00	3	\$435.00	Continue preparing proposed order on summary judgment; legal research regarding same;
7/31/2019	Halen, Joshua M.	\$275.00	1.1	\$250.00	Review and revise proposed order regarding motion for summary judgment and reviewed REDACTED;
7/31/2019	Arnold, Cyndy L.	\$184.50	0.9	\$205.00	Compiling documents supporting memorandum of costs; drafting summary exhibit supporting costs;
8/1/2019	Smith, Rob	\$870.00	2	\$435.00	Review and revise proposed order granting summary judgment; communicate with Mr. Chasey regarding same;
8/1/2019	Halen, Joshua M.	\$175.00	0.7	\$250.00	Review and revise proposed order granting motion for summary judgment and conference with JRSmith regarding REDACTED;

HOLLAND HART LLP  
FEES

Date	TKPR Name	Base Amt	Bs Hrs	Rate	Narrative
8/1/2019	Arnold, Cyndy L.	\$471.50	2.3	\$205.00	Compiling documents to support award of costs; prepare supporting summary of costs to be used as an exhibit to the Memorandum of Costs and Disbursements; prepare draft Memorandum of Costs;
8/2/2019	Arnold, Cyndy L.	\$143.50	0.7	\$205.00	Continue work on memorandum of costs;
8/6/2019	Arnold, Cyndy L.	\$287.00	1.4	\$205.00	Organize REDACTED costs for inclusion in Memorandum of Costs;
8/7/2019	Smith, Rob	\$87.00	0.2	\$435.00	Communicate with Ms. Chen regarding REDACTED;
8/8/2019	Smith, Rob	\$43.50	0.1	\$435.00	Communicate with Mr. Chasey regarding status of revisions to proposed order;
8/9/2019	Arnold, Cyndy L.	\$143.50	0.7	\$205.00	Finalize organization of supporting documentation for the Memorandum of Costs;
8/19/2019	Smith, Rob	\$652.50	1.5	\$435.00	Review and revise proposed changes to Order from Mr. Chasey; communicate with Mr. Chasey regarding same;
8/30/2019	Arnold, Cyndy L.	\$143.50	0.7	\$205.00	Compare order submitted by Chasey with redline version served on August 19th; prepare order for submission;
9/9/2019	Arnold, Cyndy L.	\$164.00	0.8	\$205.00	Work on finalizing Memorandum of Costs;
9/10/2019	Arnold, Cyndy L.	\$41.00	0.2	\$205.00	Review REDACTED memorandum of costs; e-mail correspondence with ABrown and JRSmith concerning
9/12/2019	Halen, Joshua M.	\$100.00	0.4	\$250.00	Conference with JRSmith regarding REDACTED; review Nevada case law on REDACTED;
9/12/2019	Arnold, Cyndy L.	\$205.00	1	\$205.00	Finalize memorandum of costs; discussion with JMHalen concerning motion for attorneys' fees;
9/16/2019	Halen, Joshua M.	\$800.00	3.2	\$250.00	Research case law on REDACTED; draft and revise memorandum of costs REDACTED and finalized same;
9/16/2019	Arnold, Cyndy L.	\$41.00	0.2	\$205.00	Preparing draft motion for attorneys' fees and costs; discussions with JMHalen concerning same;
9/19/2019	Arnold, Cyndy L.	\$779.00	3.8	\$205.00	Preparing draft motion for attorneys' fees and costs; discussions with JMHalen concerning same;
9/20/2019	Halen, Joshua M.	\$250.00	1	\$250.00	Drafting and revising motion for attorneys' fees and costs;
9/20/2019	Arnold, Cyndy L.	\$410.00	2	\$205.00	Prepare draft declaration of JRSmith supporting motion for attorneys'; prepare exhibit supporting same;
9/20/2019	Halen, Joshua M.	\$250.00	1	\$250.00	Revising and finalizing motion for attorneys' fees and costs;
9/20/2019	Arnold, Cyndy L.	\$205.00	1	\$205.00	Revise exhibit supporting motion for attorneys' fees and costs; discussion with JMHalen concerning REDACTED;
		\$41,053.50	121.60	TOTAL	





**OPPM**

J. Robert Smith, Esq. (SBN 10992)  
Joshua M. Halen, Esq. (SBN 13885)  
HOLLAND & HART LLP  
9555 Hillwood Drive, 2nd Floor  
Las Vegas, NV 89134  
Phone: 702.669.4600  
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jrsmith@hollandhart.com  
jmhalen@hollandhart.com

*Attorneys for Petitioner*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

CHINA YIDA HOLDING, CO. a Nevada  
corporation,

Petitioner,

v.

POPE INVESTMENT, LCC, a Delaware  
limited liability company; POPE  
INVESTMENTS II, LLC, a Delaware limited  
liability company; and ANNUITY & LIFE  
REASSURANCE, LTD., an unknown limited  
company,

Respondent.

Case No. A-16-746732-P  
Dept. No. XXVII

**PETITIONER'S OPPOSITION TO  
RESPONDENTS' MOTION TO RETAX**

**Hearing Date: October 23, 2019  
Hearing Time: 9:00 AM**

China Yida Holding, Co., by and through its counsel of record Holland & Hart LLP, files this Opposition to Respondents' Motion to Retax Petitioner's Memorandum of Costs, filed September 19, 2019. This Opposition is based on the following Memorandum of Points and Authorities, the attached exhibits, the papers and pleadings on file, and any additional information the Court chooses to consider.

**MEMORANDUM OF POINTS & AUTHORITIES**

**I. INTRODUCTION**

This is a dissenter's rights action brought pursuant to NRS Chapter 92A. On September 9, 2019, the Court entered its Order Granting Petitioner China Yida Holding Co.'s ("CYH")

HOLLAND & HART LLP  
9555 HILLWOOD DRIVE, 2ND FLOOR  
LAS VEGAS, NV 89134

1 Motion for Summary Judgment. The Court's Order resulted in a Judgment in CYH's favor and  
2 against Respondents Pope Investments, LLC, Pope Investments II, LLC, and Annuity & Life  
3 Reassurance, Ltd. (collectively "Respondents"). On September 16, 2019, CYH filed its  
4 Memorandum of Costs and Disbursements. The Memo of Costs seeks CYH's costs incurred in  
5 the amount of \$60,116.72 since the inception of this case.<sup>1</sup>

6 Respondents filed their Motion to Retax CYH's Memorandum of Costs on September 19,  
7 2019. Respondents seek to have CYH's costs retaxed to zero based on the assumption that NRS  
8 92A.500 mandates that CYH, as the corporation, cannot recover its costs unless the Court finds  
9 that Respondents, as shareholders, "acted arbitrarily, vexatiously or not in good faith in  
10 demanding payment." Respondents' arguments against CYH recovering costs are incorrect as this  
11 case never proceeded to a fair value determination as Respondents had no right to dissent based  
12 on NRS 92A.380(1). Accordingly, the limitation on costs provided by NRS 92A.500 is  
13 inapplicable to this case and CHY should be awarded its full costs of \$60,116.72 pursuant to NRS  
14 18.020. Alternatively, the Court should award CYH its costs incurred since June 13, 2019,  
15 pursuant to NRCP 68. CYH served its Offer of Judgment on Respondents on June 13, 2019, and  
16 Respondents failed to obtain a more favorable judgment, which was \$4,387.29.

17 Additionally, Respondents' arguments that CYH's fees incurred preparing for trial are  
18 unreasonable because CYH prevailed on its Motion for Summary Judgment are incorrect. As  
19 demonstrated in CYH's Memo of Costs, all of the costs were reasonable and actually incurred in  
20 litigating this action. CYH should not be punished for diligently preparing for trial in the event  
21 its timely Motion for Summary Judgment was unsuccessful. The costs incurred were related to  
22 the litigation of this case and were reasonable at the time they were incurred, thus CYH should  
23 be awarded its full costs. Finally, Respondents' objections to CYH's costs related to its expert  
24 witnesses, deposition costs, and travel costs, are meritless. CYH should be awarded its costs in  
25 full as a prevailing party.

26  
27 <sup>1</sup> The Memo of Costs lists the Total as \$4,940.56 in the in the Box labeled "TOTAL." (Memo. of  
28 Costs at 2.) The amount listed in the Box labeled TOTAL is incorrect and was the result of a  
computer error. The actual total amount of costs is \$60,116.72 listed on page two, in between  
lines 6 and 7.

## II. LEGAL ARGUMENTS

### A. NRS 92A.500 is Inapplicable

Respondents' attempt to avoid being assessed CYH's costs based on NRS 92A.500 is incorrect as this case never proceeded to a fair value determination as the Court held that Respondents had no right to dissent. NRS 92A.500 states:

The court in a *proceeding to determine fair value* shall determine all of the costs of the proceeding, including the reasonable compensation and expenses of any appraisers appointed by the court. The court shall assess the costs against the subject corporation, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously or not in good faith in demanding payment.

NRS 92A.500(1) (emphasis added). A proceeding to determine fair value is one in which the subject corporation petitions the court to determine the fair value of the shares and the shareholders recover a judgment "[f]or the amount, if any, by which the court finds the fair value of the dissenter's shares, plus interest, exceeds the amount paid by the subject corporation...."

NRS 92A.490(1), .490(5)(a). A "proceeding to determine fair value" thus requires a court to actually make a determination as to the value of the shares of the subject corporation in issue. NRS 92A.490(5)(a); *see also Golden Telecom, Inc. v. Global GT LP*, 11 A.3d 214, 217 (Del. 2010) (interpreting Delaware Code § 262(h) to mean that an appraisal proceeding is one in which the court of chancery determines the fair value of shares using all relevant factors).

In this case, the Court was never called upon to make a determination as to the fair value of CHY's shares as the Court held that Respondents did not have the right to dissent, pursuant to NRS 92A.390(1).<sup>2</sup> NRS 92A.380(1) provides shareholders the right to dissent from a merger "[e]xcept as otherwise provided in NRS 92A.370 and 92A.390...." As held by the Court, Respondents "do not have the right to dissent pursuant to NRS 92A.390 and are therefore precluded from pursuing dissenter's rights or a fair value determination of their stock of China

<sup>2</sup> As NRS 92A.500 is inapplicable, Respondents' arguments regarding whether their actions were arbitrary, vexatious, or not in good faith are irrelevant. CYH does object to Respondents' characterization of the Merger documents as providing them dissenter's rights. (Resps.' Mot. to Retax 2-3.) As argued in the Motion for Summary Judgment and Reply, and held by this Court, CYH did not provide Respondents with the right to dissent. Additionally, omitted from Respondents' assertions regarding the Merger documents are the references that Respondents were encouraged to contact a Nevada lawyer before taking any actions regarding the Merger. (*See e.g.*, Exhibit 6 to Mot. for Summ. J. at 118, 122.)



1 Yida Holding, Co.” (Order Granting Pet. CYH’s Mot. for Summ. J. at 10:21-24, Sep. 9, 2019.)  
2 CYH’s Motion for Summary Judgment prevented the Court from conducting a proceeding to  
3 determine the fair value of CYH’s stock, thus the prohibition on costs outlined in NRS 92A.500  
4 is inapplicable by its plain language.

5 Respondents’ reading of NRS 92A.500 conflicts with the plain meaning of the statute.  
6 “When a statute’s language is plain and unambiguous, [courts] will give that language its ordinary  
7 meaning. In interpreting the plain language of a statute, [courts] presume that the Legislature  
8 intended to use words in their usual and natural meaning.” *McGrath v. State Dep’t of Publ. Safety*,  
9 123 Nev. 120, 123, 159 P.3d 239, 241 (2007) (footnotes and citations omitted). Respondents argue  
10 that because this case involved *potential* dissenter’s rights, that NRS 92A.500(1) applies to prevent  
11 CYH from recovering its costs. However, NRS 92A.500 does not apply to *all possible* cases  
12 involving dissenter’s rights, instead it only applies to “proceedings to determine fair value....”  
13 There was no proceeding to determine fair value in this case as Respondents had no right to dissent  
14 in the first place. Respondents thus attempt to overread NRS 92A.500 to alter its plain meaning to  
15 apply to this case, which is improper. There was no “proceeding to determine fair value” and NRS  
16 92A.500 is inapplicable to this case and CYH should be awarded its costs as a prevailing party  
17 pursuant to NRS 18.020.

18 *i. Alternatively, CYH Should be Awarded its Costs from June 13, 2019*

19 Alternatively, if the Court were to determine that NRS 92A.500 prohibits CYH as the  
20 subject corporation from recovering its costs since the inception of this case, CYH should be  
21 awarded its costs from June 13, 2019, until September 19, 2019, \$4,387.29, based on its Offer of  
22 Judgment. NRS 92A.500(6) states, “[t]his section does not preclude any party in a proceeding  
23 commenced pursuant to NRS 92A.460 or 92A.490 from applying the provisions of N.R.C.P. 68.”

24 As discussed in CYH’s Motion for Attorney’s fees filed September 23, 2019, CYH served  
25 Respondents an Offer of Judgment pursuant to NRCP 68 on June 13, 2019. CYH offered to have  
26 judgment entered in favor of Respondents in the total amount of \$10,000, inclusive of all  
27 prejudgment interest, attorneys’ fees, and costs. Respondents rejected this offer by not responding  
28 within fourteen days. NRCP 68(e). CYH’s Motion for Summary Judgment was granted and

1 judgment was entered in favor of CYH and against Respondents. Accordingly, Respondents failed  
2 to beat CYH's Offer of Judgment by recovering nothing.

3 NRCP 68(f) outlines the following penalties for rejecting an offer of judgment and then  
4 failing to beat that offer:

5 If the offeree rejects an offer and fails to obtain a more favorable judgment:

6 (A) the offeree cannot recover any costs, expenses, or attorney fees and may not  
7 recover interest for the period after the service of the offer and before the judgment;  
8 and

9 (B) the offeree must pay the offeror's post-offer costs and expenses, including a  
10 reasonable sum to cover any expenses incurred by the offeror for each expert  
11 witness whose services were reasonably necessary to prepare for and conduct the  
12 trial of the case, applicable interest on the judgment from the time of the offer to  
13 the time of entry of the judgment and reasonable attorney fees, if any be allowed,  
14 actually incurred by the offeror from the time of the offer. If the offeror's attorney  
15 is collecting a contingent fee, the amount of any attorney fees awarded to the party  
16 for whom the offer is made must be deducted from that contingent fee.

17 In awarding attorneys' fees and costs to a successful offeror, courts consider (1) whether the  
18 plaintiff brought his claims in good faith; (2) whether the defendant's offer of judgment was  
19 reasonable and made in good faith as to both amount and timing; (3) whether the plaintiff's  
20 decision to reject the offer and proceed to trial was grossly unreasonable or in bad faith; and (4)  
21 whether the costs the offeror seeks are reasonable and justified in amount. *Beattie v. Thomas*, 99  
22 Nev. 579, 588-89, 668 P.2d 268, 274 (1983).

23 As discussed in CYH's Motion for Attorney's Fees, CYH should be awarded its costs from  
24 the service of the Offer of Judgment as Respondents did not beat CYH's Offer of Judgment. CYH's  
25 Offer of Judgment in the amount of \$10,000 on June 13, 2019, was made in good faith as to timing  
26 and amount. CYH filed its Motion for Summary Judgment on May 22, 2019. The Offer of  
27 Judgment was served on June 13, 2019, before Respondents' Opposition to the Motion for  
28 Summary Judgment was filed and due. The timing of CYH's Offer of Judgment was made in good  
faith to avoid the increased costs of both parties in briefing the Motion for Summary Judgment.  
The amount of the Offer was also reasonable as CYH's position, which was confirmed by the  
Court, was that Respondents were entitled to recover nothing based on NRS 92A.390(1). Despite  
CYH's well founded position that Respondents were entitled to nothing, it offered Respondents

1 \$10,000 in an attempt to save the court, the parties, and the taxpayers money, thus CYH's Offer  
2 was made in good faith.

3 Thus, if the Court determines that NRS 92A.500 prevents CYH from recovering all of its  
4 costs from the inception of this case, the Court should award CYH its costs from June 13, 2019,  
5 which amount to \$4,387.29. (See Exhibit 1 "Costs Since June 13, 2019" at 1.) NRS 92A.500(6)  
6 allows for a party to recover its costs in accordance with NRCP 68. As CYH made an Offer of  
7 Judgment that was reasonable both as to time and amount and Respondents failed to beat that offer,  
8 CYH should be awarded its costs since June 13, 2019.

9 **B. Respondents' Arguments that the Costs Incurred Were Unreasonable Fails**

10 Respondents' arguments that CYH should not be provided any fees because the Motion  
11 for Summary Judgment could have been brought earlier fails as a matter of law. Respondents'  
12 arguments misread NRS 18.005 and the term reasonable as constructed by the Nevada Supreme  
13 Court. Additionally, CYH's conduct in diligently preparing for trial while bringing a timely  
14 Motion for Summary Judgment was reasonable. Finally, CYH's costs actually incurred were  
15 reasonable and necessary at the time. Accordingly, CYH should be awarded its full costs.

16 "The determination of allowable costs is within the sound discretion of the trial court."  
17 *Bobby Berosini, Ltd. v. People for the Ethical Treatment of Animals*, 114 Nev. 1348, 1352, 971  
18 P.2d 383, 385 (1998). "Pursuant to NRS 18.005, costs must be reasonable." *Id.* The Nevada  
19 Supreme Court has "held that 'reasonable costs' must be actual and reasonable, 'rather than a  
20 reasonable estimate or calculation of such costs....'" *Id.* at 1352, 971 P.2d at 385-86 (quoting  
21 *Gibellini v. Klindt*, 110 Nev. 1201, 1206, 885 P.2d 540, 543 (1994)).

22 Although there does not appear to be any case law in Nevada addressing costs unrelated  
23 to a successful dispositive motion, other jurisdiction have found that such costs are reasonable  
24 and that a party should not be punished for preparing for a case while also prevailing on a  
25 dispositive motion. The Tenth Circuit Court of Appeals has held that in evaluating costs pursuant  
26 to Federal Rule of Bankruptcy Procedure 7054, which provides costs to a prevailing party, courts  
27 should not employ "the benefit of hindsight in determining whether [the requested] costs are  
28 reasonably necessary to the litigation of the case." *In re Williams Sec. Litig.- WCG Subclass*, 558



1 F.3d 1144, 1148 (19th Cir. 2009). “The determination must be made ‘solely on the particular facts  
2 and circumstances at the time the expense was incurred.’” *In re Patel*, 559 B.R. 534, 538 (Bankr.  
3 N.M. 2016) (quoting *In re Williams*, 558 F.3d at 1148). Thus, “‘materials may be taxable even if  
4 they are not strictly essential to the [trial] court’s resolution of the case’ or ‘ultimately not used to  
5 dispose of the matter.’” *In re Patel*, 559 B.R. at 538 -39 (quoting *In re Williams*, 558 F.3d at  
6 1148). As discussed by the court in *In re Patel*:

7 For example, the Tenth Circuit has held that trial courts cannot “penalize a party who happens  
8 to prevail on a dispositive motion by not awarding costs associated with that portion of  
discovery which had no bearing on the dispositive motion, but which appeared otherwise  
necessary at the time it was taken for proper preparation of the case.”

9 559 B.R. at 539 n.2 (quoting *Callicrate v. Farmland Indus., Inc.*, 139 F.3d 1336, 1340 (10th Cir.  
10 1998)); see also *Kumar v. Copper Mountain, Inc.*, 2010 WL 2232347, at \*2 (D. Colo. June 1,  
11 2010) (awarding costs for transcript that was not used in determining case because “[a]t the time  
12 the expense was incurred, the case was heading toward trial”).

13 Respondents’ argument that all costs were unreasonable as CYH’s prevailed on an issue  
14 of law that *could have* been brought at the commencement of the case is based entirely on  
15 hindsight and is improper. CYH diligently prepared for a fair value proceeding while timely filing  
16 a Motion for Summary Judgment. NRCP 56(b) specifically provides that “a party may file a  
17 motion for summary judgment at any time until 30 days after the close of all discovery.” A motion  
18 for summary judgment is not like an objection to personal jurisdiction, which must be brought as  
19 a first responsive pleading. See NRCP 12(h)(1). CYH prepared for a fair value determination in  
20 the unlikely event the Motion for Summary Judgment was denied. Instead of filing the Motion  
21 and then waiting for a ruling, stalling this case, CYH moved the case along. Additionally,  
22 Respondents could have requested discovery to oppose the Motion for Summary Judgment,  
23 pursuant to NRCP 56(d), which would have resulted in the parties conducting discovery. In fact,  
24 Respondents made factual arguments in their Opposition concerning the Merger documents.  
25 Finally, Respondents’ position that CYH should have raised this issue early in the case undercuts  
26 their own position. If CYH should have brought their Motion earlier, Respondents equally should  
27  
28

1 have been aware that NRS 92A.390 prohibited them from exercising dissenter's rights and thus  
2 they should not have demanded payment for their shares from CYH.

3 Respondents' hindsight approach in objecting to CYH's costs is inconsistent with Nevada  
4 Supreme Court law in determining "reasonable costs." The court has defined reasonable costs to  
5 be those costs that are actual and reasonable. *Gibellini*, 110 Nev. at 1206, 885 P.2d at 543. The  
6 Nevada Supreme Court's analysis of costs does not turn on whether the costs were reasonably  
7 necessary to achieve the obtained result, only that the costs were necessary for the entire case.  
8 "NRS 18.110(1) requires a party to file and serve 'a memorandum [of costs] ... verified by the  
9 oath of the party ... stating that to the best of his or her knowledge and belief the items are correct,  
10 and that the costs have been necessarily incurred in the action or proceeding.' Thus, costs must  
11 be reasonable, necessary, and actually incurred." *Cadle Co. v. Woods & Erickson, LLP*, 131 Nev.  
12 114, 120, 345 P.3d 1049, 1054 (2015).

13 CYH's costs were necessary to prepare for a potential fair value determination, even  
14 though such a proceeding was unnecessary based on CYH's Motion for Summary Judgment. At  
15 the time the costs were incurred, CHY had not prevailed on its Motion for Summary Judgment  
16 and the incurred costs were necessary to prepare for a fair value determination based on  
17 Respondents action of demanding more than \$20 million for their shares. Accordingly,  
18 Respondents' after-the-fact arguments that the costs incurred by CYH were unreasonable as CYH  
19 could have brought its Motion for Summary Judgment earlier is inconsistent with Nevada case  
20 law and should be rejected.

21 **C. CHY's Specific Costs were Reasonable for the Litigation of this Case**

22 *i. Expert Fees- NRS 18.005(5)*

23 NRS 18.005(5) provides that reasonable costs for expert witnesses shall not exceed \$1,500  
24 for each witness, "unless the court allows a larger fee after determining that the circumstances  
25 surrounding the expert's testimony were of such necessity as to require the larger fee."  
26 Respondents argue that CHY's request for \$51,611.87 in expert fees is unreasonable as the  
27 experts retained were not necessary for the resolution of the Motion for Summary Judgment.  
28 (Resps.' Mot. to Retax 8.) Again, Respondents' arguments are the product of hindsight.



1 Respondents fail to recognize that at the time the expert witnesses were retained, CYH was  
2 preparing for the possibility of a fair value determination.

3 As discussed in the Memo of Costs, the costs incurred in retaining the expert were  
4 necessary as fair value determination “largely depends on [a court’s] acceptance, rejection, or  
5 modification of the views of the parties’ valuation experts.” *Global GT LP v. Golden Telecom,*  
6 *Inc.*, 993 A.2d 497, 498 (Del. Ch. 2010). The term “fair value” means the value of the stock  
7 determined “using customary and current valuation concepts and techniques generally employed  
8 for similar businesses in the context of the transaction requiring appraisal.” NRS 92A.320(2). In  
9 Nevada, “both the dissenting stockholder and the corporation have the burden of proving their  
10 respective valuation conclusions by a preponderance of the evidence in the district court. Final  
11 responsibility for determining fair value, however, lies with the court, which must make its own  
12 independent value determination.” *Am Ethanol, Inc. v. Cordillera Fund. L.P.*, 127 Nev. 147, 154–  
13 55, 252 P.3d 663, 667 (2011). Given that the parties are both required to prove the fair value of  
14 the stock using customary and current valuation concepts, both parties are required to retain  
15 valuation experts to give expert opinions. For this reason, dissenting shareholder suits are  
16 commonly referred to as the “battle of the experts.” *Global GT LP*, 993 A.2d at 498.

17 CYH’s two retained experts were necessary if the case had proceeded to a fair value  
18 determination. CYH’s expert witness, Christian Bendixen Haven of International Business  
19 Advisors, provided a valuation of CYH as of March 8, 2016, the date the Merger was announced.  
20 (Exhibit 2 “CHY’s Expert Witness Designation” at 8.) CYH’s rebuttal witness, Jack W.J Li of  
21 Asia-Pacific Consulting and Appraisal Limited, was retained to provide a valuation of real  
22 property owned by CYH in China. (Exhibit 3 Petitioner’s Rebuttal Expert Witness Designation”  
23 at 7.) Given that both of these experts provided necessary information for the value of CYH’s  
24 stock before the Motion for Summary Judgment was filed and while the parties were preparing  
25 for a fair value determination, the costs for these experts were reasonable.

26 Additionally, the Court should award the full costs for these experts, \$51,611.87, as the  
27 expert opinions were necessary. This case required a valuation of a Chinese company and of  
28 Chinese real estate. As the expert witnesses were required to provide a valuation to determine the

1 fair value of CHY's stock before the subject merger, CHY should be awarded its full expert  
2 witness fees of \$51,611.87, pursuant to NRS 18.005(5). According to *Frazier v. Drake*, 131 Nev.  
3 632, 650-51, 357 P.3d 365, 377-78 (Ct. App. 2015), which provides a non-exhaustive, non-  
4 exclusive list of factors for courts to consider when awarding expert witness costs above the  
5 statutory limit, CYH should be awarded its full costs for the expert witnesses.<sup>3</sup> The expert  
6 witnesses were required at the time to provide vital information as to the value of CYH's stock,  
7 which was necessary should the case have gone to a fair value determination. Further, the report  
8 from Jack W.J Li was provided in direct response to Respondents expert. The reports of Christian  
9 Bendixen Haven and Jack W.J Li each covered different areas and were not reparative of one and  
10 other. The experts spent significant time preparing their reports and the reports were extremely  
11 detailed. (See Ex. 2 at *passim*; Ex. 3 at *passim*.) Each expert provided their opinions as to highly  
12 technical areas, with Christian Bendixen Haven providing a business valuation of a Chinese  
13 company and Jack W.J Li providing an appraisal value of Chinese real estate. (*Id.*) Given the  
14 nature of this case, the need for expert witnesses at the time, and the highly specialized experience  
15 needed for this case, the *Frazier* factors clearly weigh in favor of awarding CYH its full costs of  
16 \$51,611.87 for the expert witnesses retained. Finally, the \$51,611.87 in costs were actually  
17 incurred by CYH for this case. See *Cadle*, 131 Nev. at 120, 345 P.3d at 1054 (holding that costs  
18 for expert witnesses must be actually incurred); see also Memo of Costs at 39-50.

19 ///

20  
21 <sup>3</sup> The Nevada Court of Appeals in *Frazier* provided the following non-exhaustive, non-exclusive  
22 list of factors for the district courts to consider:

23 In evaluating requests for such awards, district courts should consider the importance of  
24 the expert's testimony to the party's case; the degree to which the expert's opinion aided  
25 the trier of fact in deciding the case; whether the expert's reports or testimony were  
26 repetitive of other expert witnesses; the extent and nature of the work performed by the  
27 expert; whether the expert had to conduct independent investigations or testing; the  
28 amount of time the expert spent in court, preparing a report, and preparing for trial; the  
expert's area of expertise; the expert's education and training; the fee actually charged to  
the party who retained the expert; the fees traditionally charged by the expert on related  
matters; comparable experts' fees charged in similar cases; and, if an expert is retained  
from outside the area where the trial is held, the fees and costs that would have been  
incurred to hire a comparable expert where the trial was held.

131 Nev. at 650-51, 357 P.3d at 377-78 (footnotes omitted).

1                   ii.       *Deposition Costs- NRS 18.005(2)- & Witness Costs- NRS 18.005(4)*

2           Respondents object to CYH's \$2,835.80 in court reporters' fees and \$990 in witnesses'  
3 fees on the basis that these costs were not incurred for CYH's Motion for Summary Judgment.  
4 NRS 18.005(2) provides that costs include "[r]eporters' fees for depositions, including a  
5 reporter's fee for one copy of each deposition." NRS 18.005(4) allows for the recovery of "[f]ees  
6 for witnesses at trial, pretrial hearings and deposing witnesses, unless the court finds that the  
7 witness was called at the instance of the prevailing party without reason or necessity."  
8 Respondents do not object to the costs for these fees, again Respondents conduct their hindsight  
9 analysis to argue that these costs should not be awarded. As explained at length above, at the time  
10 the costs for reporters' fees for the depositions and witnesses were incurred, the costs were  
11 necessary as the parties were preparing for a fair value determination. These costs are thus  
12 reasonable as they were necessary at the time they were actually incurred and CYH should be  
13 awarded its full costs for court reporters' fees and witnesses' fees.

14                   iii.       *Travel Costs- NRS 18.005(15), (17)*

15           Respondents' arguments that CHY's counsel's travel costs are not recoverable are  
16 incorrect. NRS 18.005(15) provides that a prevailing party can recover "[r]easonable costs for  
17 travel and lodging incurred taking depositions and conducting discovery." Additionally, NRS  
18 18.005(17), the catch-all provision, provides that a prevailing party can recover "[a]ny other  
19 reasonable and necessary expense incurred in connection with the action, including reasonable  
20 and necessary expenses for computerized services for legal research." "[A] district court may  
21 nonetheless award costs for additional items pursuant to NRS 18.005(16) on the condition that  
22 such fees are reasonable, necessary and incurred in the action." *Bobby Berosini, Ltd.*, 114 Nev. at  
23 1352, 971 P.2d at 386.<sup>4</sup>

24           Respondents' argue that the \$3,950.56 in travel costs for CYH's counsel to travel to and  
25 from Las Vegas, Nevada, and Reno, Nevada, should not be allowed because CYH obtained "out

26  
27 <sup>4</sup> *Bobby Berosini* was decided in 1998. In 2003, the Nevada Legislature added subsection 16 to  
28 NRS 18.005 and moved the catch-all provision from subsection 16 to subsection 17. The 2003  
Nevada Legislature did not amend the language from the catch-all provision. See Nev. S. Bill  
No. 106 § 1, 72d Sess., 2003.

1 of jurisdiction counsel." CHY's counsel is a Nevada Licensed Attorney and is not "out of  
2 jurisdiction." CYH is entitled to the counsel of its choosing, and given the result of this case,  
3 CYH's choose of counsel was warranted. Additionally, CYH did not have a choice in what  
4 Nevada Judicial District to file this action. NRS 92A.490(2) mandates that dissenting shareholder  
5 suits be filed in the county where the corporations' registered office is location, which in the case  
6 of CYH is Clark County, Nevada. CYH's counsel's travel costs were necessary for counsel to  
7 appear in Las Vegas for the required depositions and hearings, the costs were reasonable, and the  
8 costs were actually incurred. Accordingly, CYH should be awarded its full travel costs of  
9 \$3,950.56.

10 **III. CONCLUSION**

11 CYH is the prevailing party that had Judgment entered in its favor and should be awarded  
12 its full costs of \$60,116.72 pursuant to NRS 18.020. CYH's costs were reasonable, necessary,  
13 and actually incurred as detailed in its Memorandum of Costs. Accordingly, CYH respectfully  
14 requests that the Court award its full costs.

15 DATED this 4th day of October, 2019.

16 HOLLAND & HART LLP

17 /s/ J. Robert Smith

18 J. Robert Smith

19 Nevada Bar No. 10992

20 Joshua M. Halen

21 Nevada Bar No. 13885

22 9555 HILLWOOD DRIVE, 2ND FLOOR

23 LAS VEGAS, NV 89134

24 *Attorneys for Petitioner*



**CERTIFICATE OF SERVICE**

I hereby certify that on the 4th day of October, 2019, a true and correct copy of the foregoing **PETITIONER'S OPPOSITION TO RESPONDENTS' MOTION TO RETAX** was served by the following method(s):

- ☒ Electronic: by submitting electronically for filing and/or service with the Eighth Judicial District Court's e-filing system and served on counsel electronically in accordance with the E-service list to the following email addresses:

Peter L. Chasey, Esq.  
CHASEY LAW OFFICES  
3295 N. Fort Apache Road, Suite 110  
Las Vegas, Nevada 89129

*Attorneys for Respondents*

- ☐ U.S. Mail: by depositing same in the United States mail, first class postage fully prepaid to the persons and addresses listed below:

- ☐ Email: by electronically delivering a copy via email to the following e-mail address:

- ☐ Facsimile: by faxing a copy to the following numbers referenced below:

- ☐ Receipt of Copy:

/s/ Audrey Brown  
An Employee of Holland & Hart LLP

13643340\_v1



Date	TKPR Name	Cost Code	Base Amt	Billed Amt	Narrative
6/17/2019	Smith, Rob	10	\$1,010.85	\$1,010.85	VENDOR: Depo International (45-0581340); INVOICE#: 47176; DATE: 6/17/2019 - Original & One Eltronic Certified Transcript
6/21/2019	Halen, Joshua M.	23	\$51.00	\$51.00	Westlaw
6/24/2019	Halen, Joshua M.	23	\$51.00	\$51.00	Westlaw
6/25/2019	Halen, Joshua M.	15	\$875.90	\$875.90	VENDOR: Epig Hong Kong, Limited; INVOICE#: HK1005319; DATE: 6/25/2019 - Deposition Transcripts
6/25/2019	Halen, Joshua M.	23	\$51.00	\$51.00	Westlaw
6/25/2019	Halen, Joshua M.	23	\$71.50	\$71.50	Westlaw
6/27/2019	Halen, Joshua M.	23	\$153.00	\$153.00	Westlaw
6/27/2019	Halen, Joshua M.	23	\$357.50	\$357.50	Westlaw
6/28/2019	Halen, Joshua M.	23	\$51.00	\$51.00	Westlaw
6/28/2019	Halen, Joshua M.	23	\$51.00	\$51.00	Westlaw
7/7/2019	Halen, Joshua M.	23	\$153.00	\$153.00	Westlaw
7/7/2019	Halen, Joshua M.	23	\$214.50	\$214.50	Westlaw
7/8/2019	Halen, Joshua M.	23	\$71.50	\$71.50	Westlaw
7/8/2019	Halen, Joshua M.	23	\$153.00	\$153.00	Westlaw
7/9/2019	Smith, Rob	1	\$551.96	\$551.96	Airfare - Travel to Las Vegas for hearing on Motion for Summary Judgment
7/9/2019	Halen, Joshua M.	23	\$102.00	\$102.00	Westlaw
7/10/2019	Miscellaneous, *	37	\$3.50	\$3.50	Clark County: Petitioner China Yida Holding, Co.'s Reply in Support of Motion for Summary Judgment
7/10/2019	Smith, Rob	4	\$102.10	\$102.10	07/10/2019 - Amex - Hotel - Lodging - Hearing on Motion for Summary Judgment on July 18, 2019
7/12/2019	Miscellaneous, *	37	\$3.50	\$3.50	Clark County: Declaration of J. Robert Smith in Support of Petitioner's Motion to Strike
7/17/2019	Smith, Rob	5	\$74.79	\$74.79	07/17/2019 - Amex - Dinner - Hearing on Motion for Summary Judgment on July 18, 2019
7/17/2019	Smith, Rob	3	\$57.14	\$57.14	07/17/2019 - Amex - Taxi / Toll / Train / Uber - Hearing on Motion for Summary Judgment on July 18, 2019
7/18/2019	Smith, Rob	3	\$61.98	\$61.98	07/18/2019 - Amex - Taxi / Toll / Train / Uber - Hearing on Motion for Summary Judgment on July 18, 2019
7/18/2019	Smith, Rob	3	\$16.00	\$16.00	07/18/2019 - Amex - Parking - Hearing on Motion for Summary Judgment on July 18, 2019
7/18/2019	Smith, Rob	5	\$4.33	\$4.33	Breakfast - Hearing on Motion for Summary Judgment on July 18, 2019
7/18/2019	Smith, Rob	5	\$4.32	\$4.32	Breakfast - Hearing on Motion for Summary Judgment on July 18, 2019
7/18/2019	Smith, Rob	5	\$41.26	\$41.26	07/18/2019 - Amex - Dinner - Hearing on Motion for Summary Judgment on July 18, 2019
7/19/2019	Smith, Rob	4	\$36.16	\$36.16	07/19/2019 - Amex - Hotel - Lodging - Hearing on Motion for Summary Judgment on July 18, 2019
9/3/2019	Smith, Rob	46	\$12.50	\$12.50	Runners charge: Hand deliver to District Court - Dept. 27 - Courtesy Copy Order Granting Petitioner's Motion for Summary Judgment.
			\$4,387.29	\$4,387.29	





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*Attorneys for Petitioner*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

CHINA YIDA HOLDING, CO., a Nevada  
corporation,

Petitioner,

v.  
POPE INVESTMENTS, LLC, a Delaware  
limited liability company; POPE  
INVESTMENTS II, LLC, a Delaware limited  
liability company; and ANNUITY & LIFE  
REASSURANCE, LTD., an unknown limited  
company;

Respondents.

Case No. A-16-746732-P  
Dept. No. XXVII

**PETITIONER'S EXPERT WITNESS  
DESIGNATION**

Petitioner China Yida Holding, Co. ("CYH"), by and through its undersigned counsel of record, hereby submits its Expert Witness Designation pursuant to NRCP 16.1(a)(2), and in accordance with the Stipulation and Order to Extend Discovery Deadlines and Regarding Expert Disclosures dated April 14, 2016. as modified at the July 24, 2017 Hearing on Motions, as follows:

1. Christian Bendixen Haven, ASA  
INTERNATIONAL BUSINESS ADVISORS  
793 Island Court  
Columbus, OH 43214  
Telephone: 760-815-8148

Mr. Haven is expected to offer expert witness testimony in this matter. Mr. Haven's opinions to be expressed, and the basis and reasons upon which those opinions are based, are

set forth in his expert witness report attached as **Exhibit 1** (CYH-EXP 000001 - CYH-EXP 000046). In addition to the relevant section of Mr. Haven's report, his qualifications are also set forth in his curriculum vitae attached as **Exhibit 2** (CYH-EXP 000047 - CYH-EXP 000048). Mr. Haven's publications are also set forth in his curriculum vitae. The compensation to be paid Mr. Haven for his study and testimony is set forth below. Mr. Haven has not testified as an expert at trial or deposition in the last 4 years.

EXPERT COMPENSATION:

Consulting, Preparation of Report: \$200/hr.

Testimony at trial, mediation, and/or deposition: \$300/hr.

2. Yongxi Lin, CPA  
Chief Financial Officer  
Principal Accounting Officer  
Financial Controller  
CHINA YIDA HOLDING, CO.  
c/o J. Robert Smith  
HOLLAND & HART, LLP  
5441 Kietzke Lane, Suite 200  
Reno, Nevada 89511  
(775) 327-3000

Mr. Lin is CYH's Chief Financial Officer, Principal Accounting Officer and Financial Controller. Mr. Yin is a Certified Public Account. Mr. Lin is being designated as a non-retained expert. CYH reserves the right to call and solicit testimony from Mr. Lin which may be considered evidence under NRS 50.275, NRS 50.285 or NRS 50.305. The expected areas of testimony would include specifically the valuation of CYH and its component assets during relevant period(s) of time, the valuation of shares in CYH during relevant period(s) of time at issue in this litigation, and the financial statements and financial information of CYH during relevant period(s) of time at issue in this litigation, the SEC filings during the relevant period(s) of time at issue in this litigation. Mr. Lin is not being compensated for such testimony.

3. ROTH CAPITAL PARTNERS  
888 San Clemente Drive  
Newport Beach, California 92660  
(800) 678-9147

ROTH Capital Partners (“ROTH”) is an investment banking firm dedicated to the small-cap public market. ROTH is being designated as a non-retained expert. Information regarding ROTH’s background, experience and knowledge is located on their website at [www.roth.com](http://www.roth.com). CYH reserves the right to call and solicit testimony from ROTH which may be considered evidence under NRS 50.275, NRS 50.285 or NRS 50.305. The expected areas of testimony would include specifically the Fairness Opinion presented to the Special Committee of the Board of Directors of China Yida Holding, Co., dated March 8, 2016 (attached as **Exhibit 3**) (CYH-EXP 000049 - CYH-EXP 000073), the underlying financial information and other data relevant to the preparation of the Fairness Opinion, the value of CYH and its component assets during relevant period(s) of time, the valuation of shares in CYH during relevant period(s) of time at issue in this litigation, and the financial statements and financial information of CYH during relevant period(s) of time at issue in this litigation. ROTH is not being compensated for such testimony.

4. Person(s) Most Knowledgeable at ROTH CAPITAL PARTNERS  
888 San Clemente Drive  
Newport Beach, California 92660  
(800) 678-9147

The Person(s) Most Knowledge (PMK) at ROTH Capital Partners is being designated as a non-retained expert. Discovery is continuing with respect to the specific names of those individuals and their education, and will be identified once the information is known. CYH reserves the right to call and solicit testimony from the PMK(s) which may be considered evidence under NRS 50.275, NRS 50.285 or NRS 50.305. The expected areas of testimony would include specifically the Fairness Opinion presented to the Special Committee of the Board of Directors of China Yida Holding, Co., dated March 8, 2016 (attached as **Exhibit 3**) (CYH-EXP 000049 - CYH-EXP 000073), the underlying financial information and other data relevant to the preparation of the Fairness Opinion, the value of CYH and its component assets during relevant period(s) of time, the valuation of shares in CYH during relevant period(s) of time at issue in this litigation, and the financial statements and financial information of CYH during relevant period(s) of time at issue in this litigation. The PMK(s) at ROTH are not

1 being compensated for such testimony.

2 \* \* \* \* \*

3 CYH reserves the right to amend and supplement this disclosure as appropriate, and to  
4 name additional expert witnesses as permitted by the Nevada Rules of Civil Procedure and the  
5 Court, including by supplementing the areas of testimony by each identified expert based on  
6 the content of their reports. CYH also reserves the right to supplement the areas of testimony  
7 by each identified expert based on the content of reports provided by other witnesses who are  
8 identified as experts by other parties. Defendants also reserve the right to rely on the expert  
9 opinions offered by other parties in support of summary judgment and/or at trial, and to call  
10 any such expert witness previously designated by another party and to rely on the opinions set  
11 forth in their respective expert reports.

12 DATED this 7th day of November, 2017.

13 HOLLAND & HART LLP

14 /s/J. Robert Smith

15 J. Robert Smith, Esq. (SBN 10992)  
16 Andrea Champion, Esq. (SBN 13461)  
17 9555 Hillwood Drive, 2nd Floor  
18 Las Vegas, Nevada 89134  
19 *Attorneys for Petitioner*

**CERTIFICATE OF SERVICE**

I hereby certify that on the 7th day of November, 2017, a true and correct copy of the foregoing **PETITIONER'S EXPERT WITNESS DESIGNATION** was served by the following method(s):

☒ Electronic: by submitting electronically for filing and/or service with the Eighth Judicial District Court's e-filing system and served on counsel electronically in accordance with the E-service list to the following email addresses:

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*Attorneys for Respondents*

☐ U.S. Mail: by depositing same in the United States mail, first class postage fully prepaid to the persons and addresses listed below:

☐ Email: by electronically delivering a copy via email to the following e-mail address:

☐ Facsimile: by faxing a copy to the following numbers referenced below:

/s/ Yalonda Dekle  
An Employee of HOLLAND & HART LLP

EXHIBIT “1”

EXHIBIT “1”

**MINORITY INTEREST  
FAIR VALUE OF  
CHINA YIDA EQUITY**

**CHINA YIDA v. POPE**

J. Robert Smith  
Holland & Hart  
Reno, Nevada

31 October 2017

***Confidential and Proprietary***

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without prior written permission.

1713

# INTERNATIONAL BUSINESS ADVISORS

BUSINESS VALUATION • CORPORATE PLANNING • ECONOMIC ANALYSIS

31 October 2017

Mr. J. Robert Smith  
Holland & Hart  
5441 Kietzke Ln.  
Reno, NV 89511

## ***CONFIDENTIAL AND PROPRIETARY***

Re: China Yida Minority Valuation  
Fair Value of Common Equity  
China Yida vs. Pope

Dear Mr. Smith:

Pursuant to your authorization, International Business Advisors (IBA) has performed a valuation of the equity of the China Yida Holding Co. (China Yida). The objective of the analyses is to recommend the fair value of a minority interest in the common equity of China Yida on or about 8 March 2016 when a plan of merger and acquisition by the majority owners was executed to buy out the minority shareholders.

### **Definitions**

Fair market value is defined as the amount at which property would be exchanged between a willing buyer and willing seller, neither under abnormal pressure, each having full knowledge of all relevant facts, and with equity to both. The premise of value is that of an on-going business enterprise.

Fair value of a minority interest is defined as fair market value before considering the minority discounts for lack of control and the illiquidity discounts for lack of marketability. Fair value assumes that in certain legal situations a minority interest should receive the same pro-rata value per share as a majority control interest.

### **Purpose**

We understand that the purpose of this valuation is to provide an independent recommendation of value in the legal case of China Yida Holding Co. versus Pope Investments, LLC, Pope Investments II, LLC and Annuity & Life Reassurance, Ltd. (China Yida v. Pope et al).

This recommendation applies only to the equity interests on the stated valuation date for this specific purpose. No other purpose is intended nor should any be inferred. IBA does not have any ownership



or interest in either Pope or China Yida, and our retention in this case is not contingent upon the recommended values presented in this report.

### **Date of Valuation**

It is our understanding that the date of the valuations is on or about 8 March 2016 when the plan of merger was executed.

### **Scope of Services**

Our analysis has been conducted in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), and included such procedures as were considered necessary under the circumstances. The scope of our work included, but was not necessarily limited to, the following:

1. Reviews of the performance of the company and the industry in which it competes.
2. Analysis of the business enterprise value of the company.
3. Analysis of various premiums and discounts associated with the transaction.
4. Preparation of a limited summary report containing our recommendations, and outlining the assumptions made and methods employed.

### **Conditions**

We were provided information that we accepted as fairly reflecting the operation and financial position of the company. We have made no investigation as to the title of the assets. Neither IBA nor any of its employees has any present or contemplated interest in the company, its assets or securities appraised; and neither our employment nor our compensation is contingent on the values presented in this report. IBA did not interview the management of the company for this analysis.

### **Recommendations**

Based on our analysis, we recommend that the fair value of a minority interest in the common equity of China Yida on or about 8 March 2016 was approximately:

**Two Dollars and Eighty Cents per Share**  
**\$2.80 / Share**

Mr. J. Robert Smith  
31 October 2017  
Page 3

The following limited report is subject to the appended Statement of Limiting Conditions and Certification. The report provides a summary of the recommended values, and discusses the assumptions made and methodologies employed.

Respectfully yours,

A handwritten signature in dark ink, appearing to read "Chr. Haven", written in a cursive style.

Christian Bendixen Haven  
Principal

CBH:db  
*chinayida\coverltr.j31b*

Attachments

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## STATEMENT OF LIMITING CONDITIONS

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This valuation analysis and report are subject to the following Statement of Limiting Conditions:

1. Neither International Business Advisors nor its employees have a present or prospective interest in the subject assets, and our employment and compensation are in no way contingent upon the values reported.
2. This analysis was conducted only for the stipulated purposes, and this report should not be used for any purpose other than those stated. This report is for your use only, and, unless otherwise noted, should not be disseminated to the public or third parties in any part without written consent.
3. No investigation of legal fee or title to the assets has been made, and the owner's claim to the assets has been assumed to be valid. No consideration has been given to liens or encumbrances which may be against the property except as specifically stated in this document.
4. All statements of value are our considered opinion based on the facts and data set forth in the report as of the date of valuation. No responsibility is assumed for changes in market conditions or for the inability of the owner to locate a purchaser at the appraised values.
5. International Business Advisors personnel shall not be required to give testimony or appear in court by reason of this report, unless specific arrangements are otherwise made.
6. No responsibility is assumed for information furnished by others and believed to be reliable. Information related to the subject company and its assets was verified to the extent deemed feasible. No important factors affecting the value of this property were knowingly overlooked or withheld.
7. The staff of International Business Advisors who are members of the American Society of Appraisers and the Appraisal Institute are required by their by-laws and regulations to control the use and distribution of this report. Therefore, no selected portions of this report, regardless of content, shall be disseminated to the general public, or third parties in any manner without our prior written consent.

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## CERTIFICATION

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I certify that, to the best of my knowledge and belief, that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses and conclusions.
3. We at International Business Advisors have no present or prospective interest in the ownership interests that are the subject of this report, or with respect to the parties involved.
4. The compensation received for this report is not contingent upon an action or event resulting from the analyses and conclusions of this report.
5. The analyses and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.



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Christian Bendixen Haven  
Principal

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## EXECUTIVE SUMMARY

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### BACKGROUND

China Yida Holding Co. (China Yida) is a Nevada corporation that was publicly traded on the NASDAQ under the ticker symbol CNYD. China Yida operates four tourist destinations in two southeastern provinces of China. These are natural, cultural and historical destinations and resorts, not amusement parks.

1. Yunding Recreation Park in Yongtai County, Fujian Province
2. Hua'An Toulou Cluster in Hua'An County, Fujian Province
3. Yang-Sheng (Nourishing Life Paradise) in Zhangshu County, Jiangxi Province
4. City of Caves in Xinyu County, Jiangxi Province

China Yida has its corporate headquarters in the city of Fuzhou in the southeastern province of Fujian. It is a coastal city just across the ocean straits from Taipei, the capital of the island nation of Taiwan.

### Ownership

The majority owners of China Yida were its chairman and chief executive officer (CEO), Chen Minhua, with 29.3% of the outstanding shares, and his wife, Fan Yanling, the chief operating officer (COO) with 28.7%. Thus they had a combined 57.9% of the outstanding shares. Another major group of shareholders were three related funds: Pope Investments, LLC, Pope Investments II, LLC and Annuity & Life Reassurance, Ltd. These three Pope entities owned a combined minority interest of 23.6% of the shares.

### Merger Agreement

In the spring of 2016, the two majority owners of China Yida, husband Mr. Chen and wife Mrs. Fan, bought out the minority shareholders in a merger and acquisition, and took the company private. After the merger, the husband and wife couple owned 100% of China Yida. The merger transaction price was \$3.32 per share of common stock. Subsequently, the Pope group of minority shareholders filed notice exercising their dissenters rights claiming the transaction price was too low. The legal case is referred to herein simply as China Yida v. Pope.

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To address the stock valuation issues, International Business Advisors (IBA) has been retained to provide an independent recommendation for the fair value of the minority interests in the equity of China Yida on or about the merger transaction date. The merger agreement was completed on 8 March 2016, publicly announced on 10 March 2016, amended on 12 April 2016, and approved at a stockholders meeting on 28 June 2016.

## Financial Results

After the flood damage to the Great Golden Lake Park in 2010, and the reduction in revenues from the loss of television advertising services in 2011 and 2012, China Yida has suffered large annual operating losses.

(\$000)	2009	2010	2011	2012	2013	2014	2015
Total revenue	51,229	54,526	42,210	27,606	12,368	13,124	14,509
Oper. inc. (loss)	34,395	34,197	18,985	5,189	(11,002)	(17,947)	(11,422)
EBITDA	37,333	37,933	26,002	12,613	(3,722)	(3,090)	(1,109)

Much of the accounting losses are due to large depreciation expenses, amortization of intangible assets and financing costs, goodwill impairment, and other non-cash charges. Adding back these non-cash expenses shows that operating cash flows (EBITDA), while still negative, were much smaller.

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## VALUATION

### Definitions and Approaches

The “fair value” of a minority interest in the equity of a company is defined as the fair market value *before* considering the minority discounts for lack of control and the illiquidity discounts for lack of marketability that are applicable to minority interests of private companies. The premise of value is that of an on-going business enterprise. The three standard approaches to value were considered: the asset replacement approach, the market comparison approach and the discounted income approach.



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## **Stock Market Pricing**

First and foremost, before applying the theoretical valuation approaches, we considered the publicly traded prices of China Yida stock, whose shares traded on the NASDAQ under the symbol CNYD. The day before the public announcement of the merger agreement on 10 March 2016, CNYD closed trading at \$1.97 a share. Thus the merger offer of \$3.32 per share was a 69% premium over the market price.

## **Asset Replacement**

We considered the value of the underlying real properties, and a few other assets, net of liabilities. IBA is not qualified to appraise the value of Chinese real estate and so we do not offer an opinion of value for the four main tourist properties of China Yida.

However, the operations of these properties are producing huge losses and therefore the underlying theme park assets have little or no value in their current use. Given that the returns on investment are negative, we are of the opinion that the properties are worth much less than the historical costs shown on the accounting books, and are worth less than the \$134 million of debts at the end of the first quarter on 31 March 2016.

## **Market Comparison**

A comparison of China Yida to other similar companies is difficult, because application of income ratios from the stock market, such as price to earnings (P/E) and enterprise value to operating cash flows (EV/EBITDA), cannot be applied to the losses at China Yida. Applying market multiples of value to sales revenues to China Yida resulted in value indications of up to \$20 to \$46 million. Subtracting total debts of \$134 million again resulted in large negative valuations of common equity.

## **Discounted Income**

A computer model was developed to estimate the value of China Yida based on expected future income streams discounted back to the present at a commensurate rate of return. Management provided a three-year forecast for 2016 to 2018. This indicated continuing declines in revenues from \$14.5 million down to \$8.3 million, and larger operating losses of about \$18 million annually. Given these projections, China Yida would be bankrupt in another two years.

Therefore, at the end of the three-year management projections, IBA applied optimistic forecasts of revenue growth and higher profitability from 2019 to 2022. These forecasts indicated that



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China Yida would have a positive value for the business enterprise. However, once again, after deducting the debts of \$134 million, the value of common equity was negative.

### **Conclusion**

The three valuation approaches all indicate a negative value for China Yida equity. However, the stock market was pricing the shares at \$1.97 just prior to the merger announcement. Therefore, the value of minority interests then was approximately \$2.00 a share. Since the aggregated expectations of actual stock market investors are for a turn-around in China Yida operating results that would yield positive common equity values, then the value at that time is what the shares could be sold for in the market.

Applying a premium for majority control of 40%, which is derived from transactions taking Chinese public companies private, results in a majority control value of \$2.80 a share. Providing minority shareholders the same pro-rata share of a majority control value yields a "fair value" of \$2.80 per common share of China Yida on or about 8 March 2016.

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## COMPANY BACKGROUND

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### History and Structure

China Yida Holding Co. (China Yida) was organized in June 1999 as a Delaware corporation which was originally named Apta Holdings, Inc. China Yida holds all the shares of Keenway Ltd of the Cayman Islands, which in turn owns all the shares of Hong Kong Yi Tat International Ltd. (Yi Tat) of Hong Kong, which in turn owns the operating subsidiaries in the People's Republic of China (PRC). See **Exhibits A and B**.

In 2001, China Yida founded Yi Tat to avail itself of certain Chinese tax incentives applicable to foreign investment enterprises, such as tax reductions for foreign firms in economic development zones. Prior to 2008, PRC domestic companies were subject to a 33% income tax, while foreign enterprises might enjoy preferential tax treatment starting with a two-year exemption from taxes and then a three-year reduction in taxes by 50%-- subject to certain provisions and approvals of the Chinese taxing authorities. For these reasons the PRC operations of China Yida were held under Yi Tat, a foreign parent company in Hong Kong.

In 2007, China Yida acquired all the shares of Keenway Ltd, a Cayman Islands company and incorporated it as a wholly owned subsidiary. The reason for using a Cayman Islands firm was to facilitate share transfers for a public entity traded in the United States. Transferring owner equity at either the Hong Kong or PRC levels would require complicated governmental filings and approvals, as well as the payment of fees and taxes. On the other hand, the transfer of equity in a Cayman Islands company would be relatively simple and free from taxation. Thus China Yida owns 100% of Keenway which owns 100% of Yi Tat which owns the PRC subsidiaries.

In 2012, China Yida was reorganized, effected a five-for-one reverse stock split, and reincorporated as a Nevada corporation.

China Yida has its corporate headquarters in the city of Fuzhou in the southeastern province of Fujian. It is a coastal city just across the ocean straits from Taipei, the capital of the island nation of Taiwan. As of March 2016, China Yida employed 635 persons full time, including 20 company executives.

### Ownership

The majority owners of China Yida were its chairman and chief executive officer (CEO), Chen Minhua, with 29.3% of the outstanding shares, and his wife, Fan Yanling, the chief operating

officer (COO) with 28.7%. Thus the couple owned a combined 57.9% of the outstanding shares. Another major group of shareholders were the three related entities of Pope Investments, LLC, Pope Investment II, LLC, and Annuity & Life Reassurance, Ltd. (Pope), which owned a combined minority interest of 23.6% of the shares.

(000)	Shares	Pct
Chen Minhua	1,145.2	29.3%
Fan Yanling	1,122.4	28.7%
Couple combined	2,267.6	57.9%
Pope Investments	223.1	5.7%
Pope Investments II	678.7	17.3%
Annuity & Life Reassurance	22.7	0.6%
Total Pope	924.5	23.6%
Other investors	722.5	18.5%
Total shareholders	3,914.6	100.0%

The remainder of the shares were held by 203 stockholders, some of those in “street names” at the brokerage houses. (See **Exhibit A.**)

### **Merger Transaction**

On 24 October 2015, a non-binding proposal was announced to acquire all shares of stock not owned by Mr. Chen and Mrs. Fan. The market price of China Yida shares on the NASDAQ for the previous day had closed at \$3.02 a share. Then on 8 March 2016 the merger agreement was entered into at a transaction price of \$3.32 cash for each outstanding share. Two days later on 10 March 2016, the merger agreement was publicly announced. The closing sale price for shares traded on the NASDAQ the previous day was \$1.97 per share.

The merger agreement was amended on 12 April 2016, but the acquisition price stayed the same at \$3.32 per share. The date of record for stockholders to vote on the merger was 24 May 2016, and the transaction was approved at a stockholders meeting on 28 June 2016. Subsequently, the shares were de-listed from the NASDAQ.

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## **Operating Theme Parks**

Through its operating subsidiaries in the PRC, China Yida owns and operates four natural, cultural and historical theme parks in two southeastern provinces of China:

1. Yunding Recreation Park  
Yongtai County, Fujian Province
2. Hua'An Tulou Cluster  
Hua'An County, Fujian Province
3. Yang-Sheng (Nourishing Life Paradise)  
Zhangshu County, Jiangxi Province
4. City of Caves  
Xinyu County, Jiangxi Province

### **Yunding Park**

In November 2008, China Yida subsidiaries obtained exclusive rights and authorization to develop and operate the Yunding Recreation Park. It is located about 50 kilometers from Fuzhou, the capital of the Fujian province and the city where China Yida is headquartered. The park encompasses three natural wonders: a 3.5-kilometer primordial jungle along a river valley, a 1.5-kilometer mountain valley with waterfalls, and a mountain valley at an elevation of 3,600 feet with Heavenly Lake, 1,500 acres of grassland, and terraced rice fields. Also, of cultural interest is the residence of the number-one martial arts scholar in ancient China.

Yunding Park opened to the public in September 2010. As of year-end 2015, China Yida had spent \$83.5 million to build tourism, transportation and entertainment facilities at the park. The number of tourists visiting the park declined from 308,000 in 2014 to 263,000 in 2015, a 15% decrease.

### **Hua'An Tulou**

A “tulou” is a circle-shaped, multi-story fortress made of thick earthen walls. The doors and windows of the residences and shops on the circumference of the circle all face inward toward the center of the circle. The tulous were constructed centuries ago by ancient family clans. See pictures in **Exhibit C**.

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In December 2008, China Yida subsidiaries gained authorization to develop a tourist facility at a cluster of tulous in Hua'An county of the Fujian province. The Hua'An tulous are located about a 1.5-hour drive from Xiamen, a coastal city in Fujian province. In 2008, the site was designated as a UNESCO World Cultural Heritage Site.

China Yida spent \$7.5 million to develop the tulou site for tourism. In 2015, Hua'An Tulou had 47,000 visitors, a 17% decline in visitors from 2014, and generated ticket sales of \$302,000, a 24% decline in sales from the prior year.

A difficulty with the Hua'an Tulou complex is that there are larger and more numerous tulou clusters at Nanjing that are closer and easier to access. So tour operators have preferred taking tourists to visit the Nanjing and close-by Yongding tulou sites.

### **Yang-Sheng Paradise**

In December 2010, China Yida subsidiaries began the Yang-Sheng project to focus on the ancient Taoist practice of Yang-sheng, that is "nourishing life." The tourist facilities are built around the salt-water hot springs about two kilometers from downtown Zhangshu in Jiangxi province, and a one-hour drive from the airport at Nanchang, the capital of the province.. Zhangshu has a reputation as one of China's traditional medicine and herbal health centers. Thus, the facilities will include the hot springs spa, a holiday resort hotel, two cultural museums, a camphor tree garden, a sports club and an Old Town with shops for traditional and herbal medicines.

The first phase of development was opened in October 2013. It included the hot springs spa and the resort hotel at a cost \$36.6 million. In 2015, Yang-Sheng had 170,000 visitors and ticket sales of \$1.830 million.

### **City of Caves**

In June 2010, China Yida subsidiaries entered into agreements to develop tourist facilities at the largest underground karst caverns in China. They named the site the City of Caves. They are located in Jiangxi province near other natural sites, including the Sanking, Longhu, Jingang and the Lu Mountains, which have cultural significance as the original location of Chairman Mao's military forces. In addition, the City of Caves is located about a one-hour drive from China Yida's Yang-Sheng Paradise resort, making it economical for China Yida to provide and promote joint tours.

They completed the first phase at the Altair and Vega Caves and the park opened in May 2015. The second phase includes Hanmao Cave and the third phase the Dagang Mountains. Each of



the three phases is budgeted to cost \$14.7 million. As of the end of 2015, China Yida had invested \$28 million. In 2015, the City of Caves had 99,000 visitors and ticket sales of \$1,480 million.

## **Discontinued Operations**

### **Advertising Services**

Prior to 2012, China Yida provided advertisement services to companies advertising on Chinese state-run television, in particular the Fujian Educational Television (FETV). These services provided over \$30 million in revenues annually to China Yida, which constituted about 60-75% of its gross income, as shown below. A change in government regulations in 2012 banned certain advertising on radio and television, thus diminishing the market for China Yida's services. Thus starting in 2012, the revenues of China Yida were greatly reduced. This also impacted their future tourism business, since the advertising operations had acted as a "cash cow" to fund the development of tourist sites.

<b>Revenues (\$000)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Advertising	31,519	37,902	32,970	16,994	2,910	0	0
Tourism	19,710	16,624	9,240	10,612	9,458	13,124	14,509
Total revenues	51,229	54,526	42,210	27,606	12,368	13,124	14,509
Advertising pct	62%	70%	78%	62%	24%	0%	0%

### **Great Golden Lake**

In 2001, China Yida took its big step into tourism sites. It began the joint development of the UNESCO World Cultural site at Taining Lake in the Fujian province. It called the tourism site the Great Golden Lake Park.

Starting in the summer of 2010, flooding twice devastated parts of the Great Golden Lake Park and forced its closure to visitors. The resulting \$7.4-million reduction in China Yida's tourism revenue from \$16.6 million in 2010 to \$9.2 million in 2011 can be seen in the table above. It was expensive to repair the flood damage, and more so to restore the desirability of visiting the damaged scenic site. Thus China Yida eventually sold their interest in 2014 for about \$37 million-- which was at a loss of \$7.1 million.

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## Ming Dynasty Entertainment

In 2010, a subsidiary of China Yida formed a joint venture with Anhui Xinguang to develop the Ming Dynasty Entertainment World in Anhui province. China Yida invested \$9.5 million, or 60% of the \$15.8 million total, for a 60% equity interest in the profits. In June 2013, China Yida sold its 60% interest to its joint venture partner for \$9.7 million.

## Financial Results

After the reduction in revenues from the demise of television advertising services and the damage to the Great Golden Lake Park, China Yida has suffered large annual operating losses. These operating losses increased from \$11 million to \$17.9 million as highlighted below and shown in the audited financial statements that were filed with the Securities and Exchange Commission (SEC) which are summarized in **Exhibit D**.

(\$000)	2009	2010	2011	2012	2013	2014	2015
Total revenue	51,229	54,526	42,210	27,606	12,368	13,124	14,509
Oper inc (loss)	34,395	34,197	18,985	5,189	(11,002)	(17,947)	(11,422)
EBITDA	37,333	37,933	26,002	12,613	(3,722)	(3,090)	(1,109)

Much of the accounting losses are due to large depreciation expenses, amortization of intangible assets and financing costs, goodwill impairment, and other non-cash charges. Adding back these non-cash expenses shows that operating cash flows (i.e. EBITDA, earnings before interest, taxes, depreciation and amortization) are still negative, but not so large as the accounting losses. For example, operating losses in 2013 of \$11 million actually caused a cash drain of \$3.7 million.

China Yida has incurred substantial debts in recent years. Originally the borrowings were used to fund the acquisition and expansion of its tourism sites. This expansion is reflected in the growth of long-term capital assets, such as fixed assets (property, plant and equipment) net of depreciation and intangible assets net of amortization. Net fixed assets grew from \$33 million in 2009 to \$183 million in 2014, and net intangible assets grew from \$8 million in 2009 to \$47 million in 2013.

(\$000)	2009	2010	2011	2012	2013	2014	2015
Net fixed assets	32,996	124,931	136,558	142,928	182,720	177,225	167,176
Net intangibles	7,875	14,042	32,355	61,638	47,838	46,419	42,777
Total assets	86,014	147,822	194,619	218,780	276,601	228,800	218,717

Debts continued to be incurred in order to fund new tourism sites, such as the City of Caves, and also to cover the operations which were losing money. Debts grew from \$4 million in 2009 to \$88 million in 2013, and then up to \$133 million in 2015. Thus debt leverage grew from a minimal 4% of capital to 62%, or an overwhelming 3/5ths of capital.

(\$000)	2009	2010	2011	2012	2013	2014	2015
Short-term debt	1,731	3,676	4,706	8,394	9,326	5,211	5,238
Long-term debt	2,495	2,571	26,041	48,644	78,531	83,047	128,158
Total debts	4,226	6,247	30,747	57,038	87,857	88,258	133,396
Debt / capital	5%	4%	16%	26%	38%	45%	62%

With the increasing debt load, came increased interest payments. The interest expense (net of interest income) grew from zero in 2009 to \$5.5 million in 2013, and then to over \$8.2 million in both 2014 and in 2015.

(\$000)	2009	2010	2011	2012	2013	2014	2015
Interest expense		42	257	1,833	5,538	8,208	8,240

In addition to interest expenses, there were other non-operating expenses. As mentioned above, China Yida sold their interest in the Great Golden Lake Park in 2014 for less than their investment and wrote off a \$7.1-million loss. Also in 2014, goodwill was deemed to have been impaired and the intangible assets written down for a \$4.4-million loss. See the audited financial situation summarized in **Exhibit D**. Due to these charge-offs on top of the operating losses, China Yida's results turned from net earnings after tax of \$25 to \$29 million, to net losses of -\$25 to -\$34 million.



(\$000)	2009	2010	2011	2012	2013	2014	2015
Net earn. (loss)	25,549	29,058	17,670	1,081	(11,943)	(34,545)	(25,274)

## Competition

### Natural and Cultural Sites

There are numerous cultural and historical sites and nature parks in China for visitors to see. They compete directly with China Yida's cultural theme parks. A list of the 30 most popular attractions in China are shown in **Exhibit E**. At the top of the list is the Great Wall of China along the northern border with Mongolia. The second is the Dalai Lama's Potala Palace in far away Tibet. Two cultural sites are located in the capital city of Beijing: #3 the Forbidden City and #18 the Summer Palace.

None of China Yida's theme parks are on this list of the top 30 attractions. In fact the two provinces where China Yida has tourism sites, Fujian and Jiangxi, are not on the list either. Thus China Yida's theme parks are not near the most popular attractions where they can take advantage of visitors easily making side trips from other popular destinations.

### Amusement Theme Parks

There are a growing number of amusement theme parks opening in China that are hoping to cash in on theme park sales which are expected to reach \$12 billion by 2020. Shanghai Disneyland just opened amid great deals and fanfare in June 2016. But Disney was beaten to the punch by the heavily promoted Nanchang Wanda City which opened the month before. The chairman of Dalian Wanda said, "At Wanda I always say we want to ensure Disney is not profitable for 10 to 20 years in China."

The theme parks with the highest attendance last year in 2015 were Chime-along Ocean Kingdom and Hangzhou Song-cheng Park. And they experienced 38% and 26% growth in visitors from the year before. A list of the top ten amusement theme parks in China and Hong Kong is included in **Exhibit F**.

### Tourists

As the relative wealth of the Chinese has grown, so has the desire and ability to take vacations. According to the Travel China Guide, the most important element of China's tourist market is inside China. The domestic market benefits from the very large population. In recent decades,

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domestic traveling was greatly enhanced by the increased employment, consumption and economic development of the country. Currently, the dozen most popular destinations for domestic travelers include: Beijing, Shanghai, Guangzhou, Xian, Guilin, Hangzhou, Sanya, Lhasa in Tibet, Chengdu, Lijiang, and also Hong Kong and Macao.

The number of tourists and visitors soars to amazing numbers during the peak seasons in autumn and spring, especially during the two “golden weeks”: the National Day holidays from October 1-7, and the Spring Festival which varies with the lunar calendar. These annual surges cause traffic problems and poor tourist service. Foreign tourists are forewarned when planning a visit to China to avoid these two vacation periods.

The World Tourism Organization (WTO) predicts that China will become the largest travel destination and the fourth largest source country by 2020. In that year, they predict there will be an estimated 137 million international travelers to China, taking up an 8.6% share of the global market.

In spite of this foreign visitor forecast, the inflow from overseas guests has been relatively stable for the past ten years. See **Exhibit G**. Overseas visitors that stayed overnight (not including Chinese from Taiwan, Hong Kong and Macao) totaled 18.1 million in 2006 and then jumped to 21.4 million in 2007. However, overnight visitor count has remained relatively flat since then, peaking at 21.9 million in 2011 and 2012, and then sliding off to 20.3 million in 2015. The most visitors came from South Korea with over four million tourists, and from Japan, Vietnam and the United States with over two million visitors each. Visits from some countries have declined (Russia), while visits from others have increased (Vietnam). The net result is a relatively flat trend in foreign tourists. Overnight visits from Chinese “overseas” (Taiwan, Hong Kong and Macao) increased a slight 10% over the same 10-year period from 33.3 million in 2006 to 36.6 million in 2015.

Given the historical trends, it will be difficult for China to reach 137 million foreign guests forecast by WTO for 2020. And it is obvious that most of China’s growth in tourism to date has come from their own domestic tourists.

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## EQUITY VALUATION

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### Value Definition

The definition of value in this case is “fair value,” rather than “fair market value.” The fair value of a minority interest is defined as the fair market value *before* considering the minority discounts for lack of control and the illiquidity discounts for lack of marketability that are applicable to minority interests of private companies. Fair value assumes that, for legal purposes under certain circumstances, a minority interest should be given the same pro-rata value per share as a majority control interest.

### Value Approaches

We analyzed the stock market pricing of China Yida, and considered the three standard approaches to valuation: the asset replacement approach, the market comparison approach and the discounted income approach.

### Market Prices

First and foremost we considered the market value of China Yida shares as publicly traded on the NASDAQ with the symbol CNYD. See quarterly stock prices from the first quarter of 2014 in **Exhibit H-1**. In the fourth quarter of 2015 after the October announcement of the intended buy-out, the shares traded between \$2.21 and \$3.20 a share. In the first quarter of 2016 the shares of CNYD traded as low as \$1.35 prior to the announcement of the merger. See **Exhibit H-2** for daily stock prices. The last day prior to the announcement of the merger, the stock closed at \$1.97 per share. Thus the merger offer of \$3.32 represented a 69% premium over the previous day’s closing stock market price. The stock prices had traded in a band of \$1.65 to \$1.90 for the 45 days prior to the merger announcement and averaged about \$1.75 a share. At that price the merger offer represented a 90% premium over the 45-day average.

Interestingly, CNYD traded as low as \$2.32 a share in the second quarter of 2016. That is a significant 30% discount from the merger offer of \$3.32 per share. Also CNYD traded at \$2.98 a share on May 24, the last day for shareholders of record to vote on the merger. Therefore, as reflected in the lower pricing of CNYD, the stock market investors were obviously very uncertain and had their doubts that the merger deal would be executed at the price of \$3.32 a share. They viewed the value of China Yida as much less than the merger offer, and if the merger was not consummated, they did not want to be left holding CNYD shares that they had bought at the full offering price.

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## **Asset Replacement**

In the asset replacement approach, we considered the value of the underlying real properties and a few other assets net of liabilities. IBA does not have expertise in the appraisal of Chinese real estate, and so is not qualified to value the four main properties of China Yida.

However, as currently operated their four tourist properties are experiencing huge losses and therefore the underlying theme park assets that are generating these losses have no value in their current use. They may have value in exchange, however, the properties are not fungible nor movable so they cannot be relocated by potential buyers where they may turn a profit. And minority shareholders, such as Pope, do not have the ability to change current marketing and operating methods. Therefore, given that the current returns on investment are abysmal, in fact, negative, we are of the opinion that the properties are most likely worth much less than the historical costs shown on the accounting books, and are worth less than the \$134 million of debts at the end of the first quarter on 31 March 2016.

## **Market Comparison**

The historical and projected losses made the market comparison approach difficult because the comparable, or at least similar, guideline companies are turning a profit, whereas China Yida is losing millions. Thus valuation ratios in the marketplace based on income, such as price to earnings (P/E) ratios and multiples of enterprise value to earnings before interest, taxes, depreciation and amortization (EV/EBITDA), are not applicable to the subject company's losses. The same is true for the comparable buy/sell transactions of profitable companies that are similar to China Yida. In addition, by the same token, valuation multiples of value to book equity (EV/Book) of profitable companies cannot be applied to China Yida either.

Thus only revenue multiples, such as enterprise value to sales (EV/Sales), can be applied to China Yida. But even then adjustments need to be made from the average multiples derived from profitable companies. The average mean EV/Sales ratio was 2.0 for the similar companies and the median, or 50 percentile, was 1.7 for the average company. Given China Yida's losses, we considered the appropriate valuation ratios to be those that are one standard deviation below the mean, or 0.4 times revenues. This is close to the EV/Sales ratio of 0.3 for the one comparable company that was also losing money (IFA). See **Exhibit I**. Applying these multiples to China Yida revenues of \$14.5 million in 2015, results in a value range of approximately \$4.4 to \$5.8 million for total investment capital. Subtracting borrowed capital of \$134 million results in a negative residual value for common equity of -\$128 million.



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Applying the *average* EV/Sales ratio for the guideline similar companies of 2.0 times revenues results in a \$29 million value for total capital, which is still over \$100 million less than total debts of \$134 million.

We also considered the appropriate multiples for the buy/sell transactions of similar companies. The average mean EV/Sales for the acquisition of these smaller, fast-growing companies was 4.5, and their median ratio was 2.0. See **Exhibit J**. Even applying the generous average ratio of 4.5 to China Yida revenues still results in a total capital value of just \$65 million which net of \$134 million in debts yields a large negative equity value of -\$69 million.

### **Discounted Income**

The discounted income approach is the most accurate in this case, and reflects the market niches, operations, profitability and financing specific to China Yida. A discounted cash flow (DCF) computer model was developed based on management projections for the three years from 2016 through 2018. Their projections are shown within the block outline on the second page of **Exhibit K**. They forecast that revenues will decline from an actual \$14.5 million in 2015 down to a estimated \$8.3 million in 2018. As shown below, this is expected to generate continuing large losses for the next three years of about -\$18 million annually.

<b>Projections (\$000)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Revenues	14,509	10,250	9,230	8,300
Oper. income (loss)	(11,422)	(17,510)	(18,030)	(18,490)

Given the management projections for three years from 2016 to 2018 that forecast continuing losses, we estimated that China Yida would be bankrupt in another two years.

Therefore, we employed optimistic inputs in the DCF computer model that assume a quick turnaround to profitability after 2018. The DCF model assumes that: (1) sales would return to the \$14-million level of 2015 and rise \$6 million each year starting in 2019, (2) that the cost of sales would return to the 2014 levels of 10% of sales, (3) that expenses would return to their 2014 levels and decline as a percent of growing revenues, (4) that depreciation would remain high and decline gradually at its historical rate of \$300,000 a year, while (5) amortization would remain constant at the \$1.1 million annual rate as shown in the SEC filings, (6) that capital expenditures would only be one tenth of depreciation, (7) that net working capital requirements would only be one eighth (12.5%) of increased revenues, and (8) that income taxes would be offset by net operating loss (NOL) carryforwards.

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Note also that the DCF model adjusts for the partial years ending in March by using 9 months of the current calendar year and 3 months of the following calendar year.

Given these robust assumptions, China Yida would become profitable and generate positive cash flows after another two years. (See DCF model in **Exhibit K**.) However, because of debts totaling \$134 million, there is still no value left to China Yida's common stockholders at any reasonable rate of return.

We show the calculated values of the company when discounting these future cash flows at rates of return over a wide range of 15%, 20%, 25% and 30%. See **Exhibit K**. We believe that given (a) the market risks inherent in the nature of the cultural theme sites, (b) the operational risks demonstrated in large historical losses and the management expectations of continuing larger losses, and (c) the financial risks of overbearing debt loads, that the rate of return required by investors is at least 25% and most likely higher than 30%. This resulted in positive present-discounted values for the China Yida business operations.

To these business enterprise values, we added the excess cash of \$3 million that was on the balance sheet at the end of the first quarter, to arrive at the total capital value. In spite of this addition, the net value of China Yida equity is still more than \$100 million below zero.

We also calculated the internal rate of return (IRR) where the present value of the enterprise is equal to the debts, in other words where the net value of common equity is zero. That rate of return, as shown, is approximately 10%. The obvious risks involved with China Yida, make that rate of return much too low. And it needs to be borne in mind, that these estimated DCF values are a reflection of an optimistic forecast for 2019 to 2022 that is the opposite of management projections for 2016 to 2018.

## **Conclusion**

The market price of China Yida common shares as publicly traded on the NASDAQ was \$1.97 or about \$2.00 a share immediately prior to the merger announcement. However, the three approaches to value all yield *negative* values for China Yida equity. In light of the free-market pricing and the aggregated expectations of market investors, we place the most weight on the actual market value of about \$2.00 per share immediately prior to the offer on 8 March 2016..

## **Control Premium**

The stock market price of CNYD already reflects the fact that it is freely traded, so there is no premium for increased marketability. However, in a takeover, there would be a premium paid

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for majority control. This premium has historically been in a range of 20% to 40% as documented by Mergerstat.

In addition, analysis was made of Chinese companies trading on the US stock exchanges that were acquired or offered to be acquired over the period from 2010 to 2015. The median premium for the average transaction was 23% above the stock market price one day prior, and 27% above the weighted average price over the prior 30 days. That's a median premium of about 25%. In addition, the premium at the 75 percentile was 39% above the market price one day prior, and 42% above the average price of the 30 days prior. That's a premium for the upper quartile (75 percentile) of about 40%.

Applying an average premium of about 20% to CNYD yields a majority control value of \$2.40 per share, and applying the 40% premium at the high-end results in a fair market value for a majority interest of \$2.80 a share. Providing the minority shareholders the same pro-rata share of a generous majority control value results in a "fair value" of \$2.80 a share.

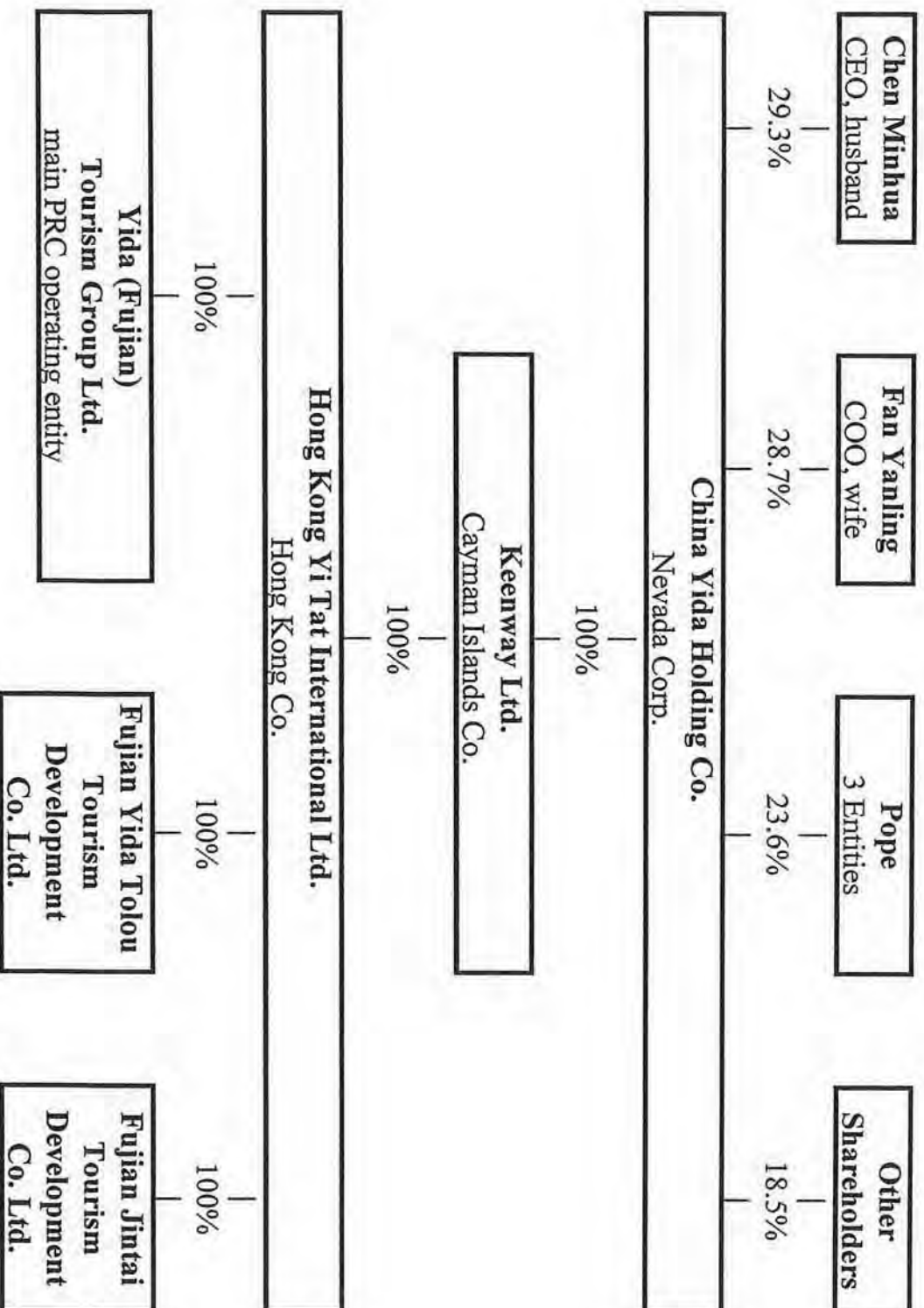
In the subject case, the \$3.32 offering price was a 69% premium over the immediately prior traded price of \$1.97 a share, and a 90% premium over the average price of \$1.75 a share for 45 days prior. Thus, the \$3.32 a share merger offer fully reflects a premium for control.

Based on the foregoing, we recommend that the offered transaction price of \$3.32 per common share for minority interests at the time of the merger and acquisition on or about 8 March 2016 is greater than the estimated "fair value" of its shares, that is, greater than the fair market value *before* the discounts for lack of control and lack of marketability of minority interests.

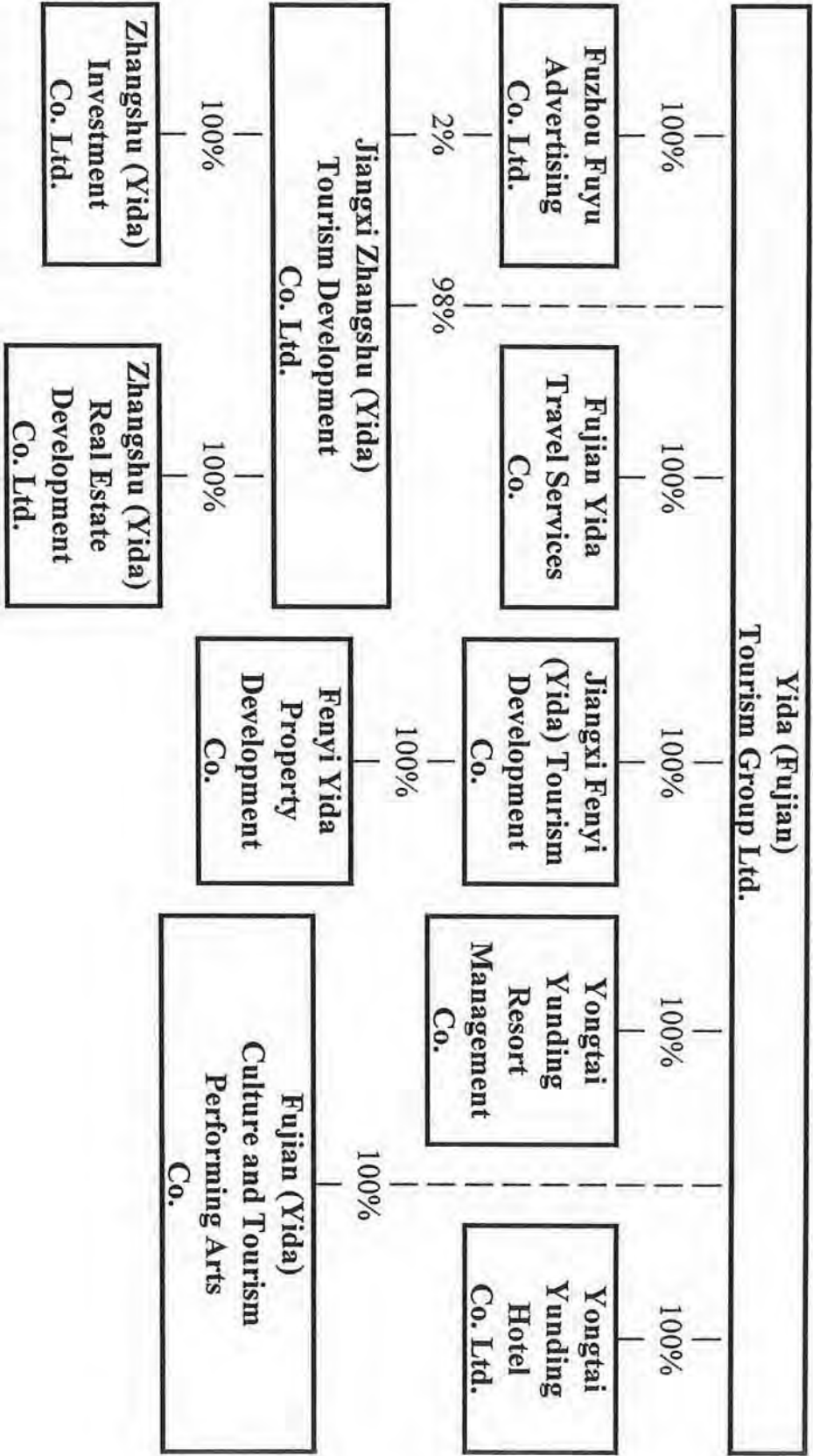
CHINA YIDA

OWNERSHIP CHART

EXHIBIT A









(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Income Statement</b>							
<b>Revenues:</b>							
Advertising	31,519	37,902	32,970	16,994	2,910		
Tourism	19,710	16,624	9,240	10,612	9,458	13,124	14,509
Net revenues	51,229	54,526	42,210	27,606	12,368	13,124	14,509
Cost of revenue	10,580	12,302	13,514	11,429	6,260	9,054	9,563
Gross profit	40,649	42,224	28,696	16,177	6,108	4,070	4,946
Selling expenses	3,108	3,741	4,917	6,692	9,583	10,037	9,528
G&A expenses	3,146	3,883	4,794	4,296	7,527	7,595	6,840
Impairment		403				4,385	
Operating expenses	6,254	8,027	9,711	10,988	17,110	22,017	16,368
Operating income (loss)	34,395	34,197	18,985	5,189	(11,002)	(17,947)	(11,422)

(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Other Income:</b>							
Interest (expense)		(42)	(257)	(1,833)	(5,538)	(8,208)	(8,240)
Other income (exp)	28	83	(7)	(293)	(37)	(383)	(491)
Total other inc (exp)	28	41	(264)	(2,126)	(5,575)	(8,591)	(8,731)
Income (tax)	(8,930)	(8,990)	(6,771)	(2,847)	(133)		
Income (loss) continuing	25,493	25,248	11,950	216	(16,710)	(26,538)	(20,153)
Discontinued oper							
Currency translation	56	3,810	5,720	1,360	4,309	(879)	(5,121)
Net earnings (loss)	25,549	29,058	17,670	1,081	(11,943)	(34,545)	(25,274)
Operating income (loss)	34,395	34,197	18,985	5,189	(11,002)	(17,947)	(11,422)
Depreciation	1,447	2,020	3,613	4,472	5,014	8,476	8,077
Amortiz. intangibles	1,491	2,373	3,337	2,462	1,656	1,192	1,183
Amortiz. financing			67	490	610	805	1,053
Other non-cash		403				4,384	
Operating cash flow	37,333	38,993	26,002	12,613	(3,722)	(3,090)	(1,109)

Confidential &amp; Proprietary

(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Balance Sheet</b>							
<b>Assets:</b>							
Cash equivalents	5,777	7,147	5,685	6,573	2,158	958	5,481
Receivables	192	187	5,070	356	841	493	474
Curr prepayments	1,432	1,020	2,088	2,222	2,020	1,671	1,382
Other current assets	0	281	1	0	587	0	1
Total current assets	7,401	8,635	12,844	9,151	5,606	3,122	7,338
Net fixed assets	32,996	89,739	110,594	142,928	182,720	177,225	167,176
Under construction	36,730	35,192	25,964				
Net intangible assets	7,875	14,042	32,355	61,638	47,838	46,419	42,777
Prepayments	1,012	194	12,759	5,062	2,707	2,033	1,426
Other assets	0	20	103	1	37,730	1	0
Total assets	86,014	147,822	194,619	218,780	276,601	228,800	218,717

(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Liabilities:</b>							
Payables & accruals	1,203	1,867	729	1,150	1,585	2,078	1,734
Due related parties					35,597	31,681	2,082
Airtime commitment		1,891	2,359	1,546			
Short-term debts	1,731	3,676	4,706	8,394	9,326	5,211	5,238
Other current liabilities	2,836	364	1,291	313	2,138	39	35
Total current liabilities	5,770	7,798	9,085	11,403	48,646	39,009	9,089
Long-term debt	2,495	2,571	26,041	48,644	78,531	83,047	128,158
Other liabilities		3,758	1,549		8,135		
Total liabilities	8,265	14,127	36,675	60,047	135,312	122,056	137,247
Paid in capital	21,713	48,480	49,131	49,168	49,168	49,168	49,168
Retained earnings	53,487	82,571	100,200	101,227	89,572	55,027	29,753
Minority interest		95	6,064	5,789			
Statutory reserve	2,549	2,549	2,549	2,549	2,549	2,549	2,549
Total equity	77,749	133,695	157,944	158,733	141,289	106,744	81,470
Total liabilities & equity	86,014	147,822	194,619	218,780	276,601	228,800	218,717

(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Capital Employment</b>							
<b>Assets Employed:</b>							
Cash equivalents	5,777	7,147	5,685	6,573	2,158	958	5,481
Other current assets	1,624	1,488	7,159	2,578	3,448	2,164	1,857
Working capital	7,401	8,635	12,844	9,151	5,606	3,122	7,338
Payables & accruals	1,203	1,867	729	1,150	1,585	2,078	1,734
Other non-int ST	2,836	2,255	3,650	1,859	37,735	31,720	2,117
Other non-int LT	0	3,758	1,549	0	8,135	0	0
Free credits	4,039	7,880	5,928	3,009	47,455	33,798	3,851
Net working capital	3,362	755	6,916	6,142	(41,849)	(30,676)	3,487
Net fixed assets	69,726	124,931	136,558	142,928	182,720	177,225	167,176
Net intangibles	7,875	14,042	32,355	61,638	47,838	46,419	42,777
Other assets	1,012	214	12,862	5,063	40,437	2,034	1,426
Total assets employed	81,975	139,942	188,691	215,771	229,146	195,002	214,866

Confidential &amp; Proprietary



(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Assets Funded:</b>							
Short-term debts	1,731	3,676	4,706	8,394	9,326	5,211	5,238
Long-term debts	2,495	2,571	26,041	48,644	78,531	83,047	128,158
Total debt	4,226	6,247	30,747	57,038	87,857	88,258	133,396
Equity	77,749	133,695	157,944	158,733	141,289	106,744	81,470
Total assets funded	81,975	139,942	188,691	215,771	229,146	195,002	214,866



(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Ratios and Factors</b>							
<b>Growth:</b>							
Advertise yearly		20%	-13%	-48%	-83%		
Tourism yearly		-16%	-44%	15%	-11%	39%	11%
Total annual rate		6%	-23%	-35%	-55%	6%	11%
<b>Profitability:</b>							
Gross margin	79.3%	77.4%	68.0%	58.6%	49.4%	31.0%	34.1%
Operating margin	67.1%	62.7%	45.0%	18.8%	-89.0%	-136.7%	-78.7%
Net margin	49.9%	53.3%	41.9%	3.9%	-96.6%	-263.2%	-174.2%
<b>Utilization:</b>							
Working capital / rev	14%	16%	30%	33%	45%	24%	51%
Net work cap / rev	7%	1%	16%	22%	-338%	-234%	24%
Revenue / assets empl	0.62	0.39	0.22	0.13	0.05	0.07	0.07
Revenue / total assets	0.60	0.37	0.22	0.13	0.04	0.06	0.07

(\$000)	2009	2010	2011	2012	2013	2014	2015
<b>Leverage:</b>							
Debt / total capital	5%	4%	16%	26%	38%	45%	62%
Total assets / equity	1.11	1.11	1.23	1.38	1.96	2.14	2.68
<b>Returns:</b>							
Oper inc / assets empl	42.0%	24.4%	10.1%	2.4%	-4.8%	-9.2%	-5.3%
Net inc / equity	32.9%	21.7%	11.2%	0.7%	-8.5%	-32.4%	-31.0%

Rank	Tourist Site	Location	Description
1	Great Wall	Northern China	Barrier wall against Mongols
2	Potala Palace	Lhasa, Tibet	Residence of the Dalai Lama
3	Forbidden City	Beijing, North China	Imperial Chinese palace
4	Victoria Harbor	Hong Kong, SE China	Port of British crown colony
5	Terracotta Army	Xi'an, West China	Funeral statuary for emperor
6	Li River Cruise	Guangxi, South China	River thru' mountains
7	Mount Huang	Anhui, East China	Scenic mountains
8	Leshan Giant Buddha	Sichuan, SW China	Carved out of river cliffs
9	Hani Terraces	Yuanyuang, SW China	Mountain side rice terraces
10	Pudong Skyline	Shanghai, East China	Modern skyscrapers
11	Long Men Grottos	Henan, Centr. China	Buddhas carved into cliffs
12	Jiuzhaigou	Sichuan, SW China	Mountainous national park
13	West Lake	Hangzhou, East China	Ancient Chinese gardens
14	Yungang Grottos	Shanxi, North China	Buddhas carved into cliffs
15	Reed Flute Cave	Guangxi, South China	Natural limestone cave
16	Hanging Monastery	Shanxi, North China	Pagodas clinging to cliffs
17	Yangtze River Cruise	Hubei, Centr. China	Three River Gorges
18	Summer Palace	Beijing, North China	Lake-side palace gardens
19	Longji Terraces	Guangxi, South China	Mountain side rice terraces
20	Mogao Caves	Gansu, West China	Buddhist caves at oasis
21	Suzhou Gardens & Canals	Jiangsu, East China	Ancient grand canal gardens
22	Tiger Leaping Gorge	Yunnan, South China	Spectacular, deep gorge
23	Mount Tai	Shandong, NE China	6,000-step climb of emperors
24	Zhouzhuang Water Town	Jiangsu, East China	Asian Venice village
25	Wudang Mountains	Hubei, Centr. China	Taoist center in mountains
26	Lijiang Old Town	Yunnan, South China	Carved timber buildings
27	Shilin Stone Forest	Yunnan, South China	Stalagmite-like boulders
28	Zhangjiajie National Forest	Hunan, Centr. China	Quartzite sandstone pillars
29	Three Pagodas	Yunnan, South China	Tallest pagodas in trinagle
30	Xi'an City Walls	Xi'an, West China	Oldest, largest city walls

Rank	Visits*	Name	Locale	Remarks
1	7.5	Ocean Park	Hong Kong	Sea mammal shows, largest dome aquarium, world-class thrill rides
2	7.5	Disneyland	Hong Kong	Children rides, acts and cartoon characters
3	6.0	Chime-along Ocean Kingdom	Guangzhou	World's largest aquarium and longest roller coaster
4	6.0	Song-cheng Park	Hangzhou	Song theme, star theatrical acts, buildings, restaurants, no big rides
5	4.0	Overseas China Town	Shenzhen	Ecological rides, landscapes and mountain scenery, golf
6	4.0	Dinosaur Park	Changzhou	Dinosaur theme, adult and kids rides and outdoor adventures
7	3.5	Window of the World	Shenzhen	Part of OCT, near Happy Valley, building replicas, no big rides
8	3.5	Chime-along Holiday Resort	Guangzhou	Animal safari and zoo, water park, thrill rides, popular with foreigners
9	3.5	Happy Valley	Beijing	Big thrill rides, landscape themes, show and gaming facilities
10	3.5	Happy Valley	Shenzhen	Most advanced thrill rides, entertainment, theater, ballet

\* in millions

## CHINA

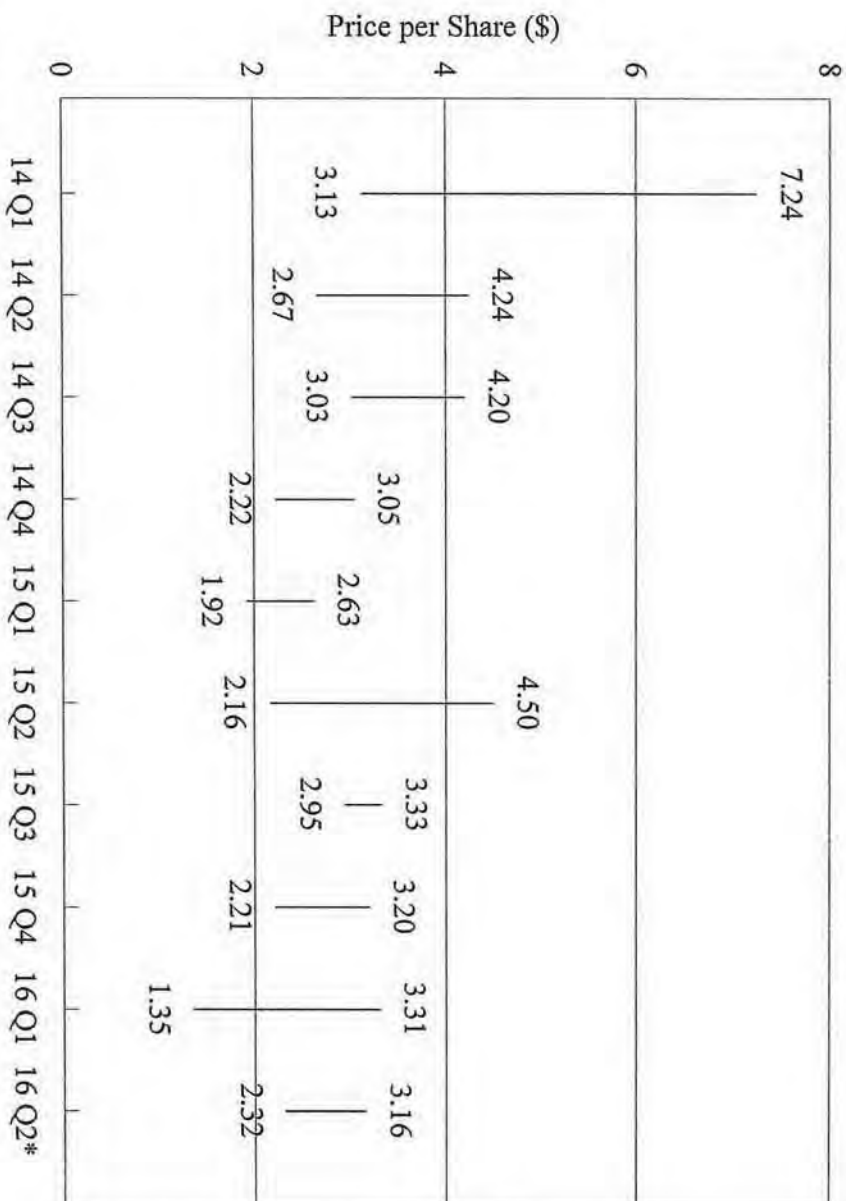
## FOREIGN OVERNIGHT VISITORS

## EXHIBIT G

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
South Korea	3,925	4,777	3,964	3,198	4,076	4,185	4,070	3,969	4,182	4,444
Japan	3,746	3,978	3,446	3,318	3,131	3,658	3,518	2,878	2,718	2,498
Vietnam					920	1,007	1,137	1,365	1,709	2,161
United States	1,710	1,901	1,786	1,710	2,010	2,116	2,118	2,085	2,093	2,086
Russia	2,405	3,004	3,123	1,743	2,370	2,536	2,426	2,186	2,046	1,582
Malaysia	911	1,062	1,041	1,059	1,245	1,245	1,236	1,207	1,130	1,076
Mongolia	631	682	705	577	794	994	1,011	1,050	1,083	1,014
Philippines	704	833	795	749	828	894	962	997	968	1,004
Singapore	828	922	876	890	1,004	1,063	1,027	967	971	905
India	405	462	437	449	549	607	610	677	710	731
Canada	500	577	535	550	685	748	708	684	667	680
Thailand	592	612	554	542	636	608	648	652	613	642
Australia	538	607	572	562	661	726	774	723	672	637
Germany	519	557	529	519	609	637	659	649	663	623
Great Britain	553	605	552	529	575	596	618	625	605	580
Indonesia	433	477	426	469	573	609	622	605	567	545
France	402	463	430	425	513	493	525	534	517	487
Top nations overseas	18,800	21,519	19,771	17,289	21,179	22,722	22,669	21,853	21,914	21,695
Foreign overnight	18,106	21,399	19,704	17,697	21,276	21,941	21,949	20,807	20,813	20,286
Day only	4,104	4,711	4,621	4,241	4,851	5,171	5,243	5,483	5,548	5,699
Total foreigners	22,210	26,110	24,325	21,938	26,127	27,112	27,192	26,290	26,361	25,985
Hong Kong	25,391	25,669	25,498	26,095	26,916	26,710	26,076	25,875	27,090	
Macao	3,909	3,879	3,848	3,929	4,279	4,316	4,230	4,208	4,666	
Taiwan	4,021	3,798	3,832	4,365	4,444	4,750	4,573	4,727	4,844	
Chinese overseas overnight	33,321	33,346	33,178	34,389	35,639	35,776	34,879	34,810	36,600	
Total overnight	59,431	57,671	55,116	60,516	62,751	62,968	61,169	61,171	62,585	

# China Yida Quarterly Stock Prices

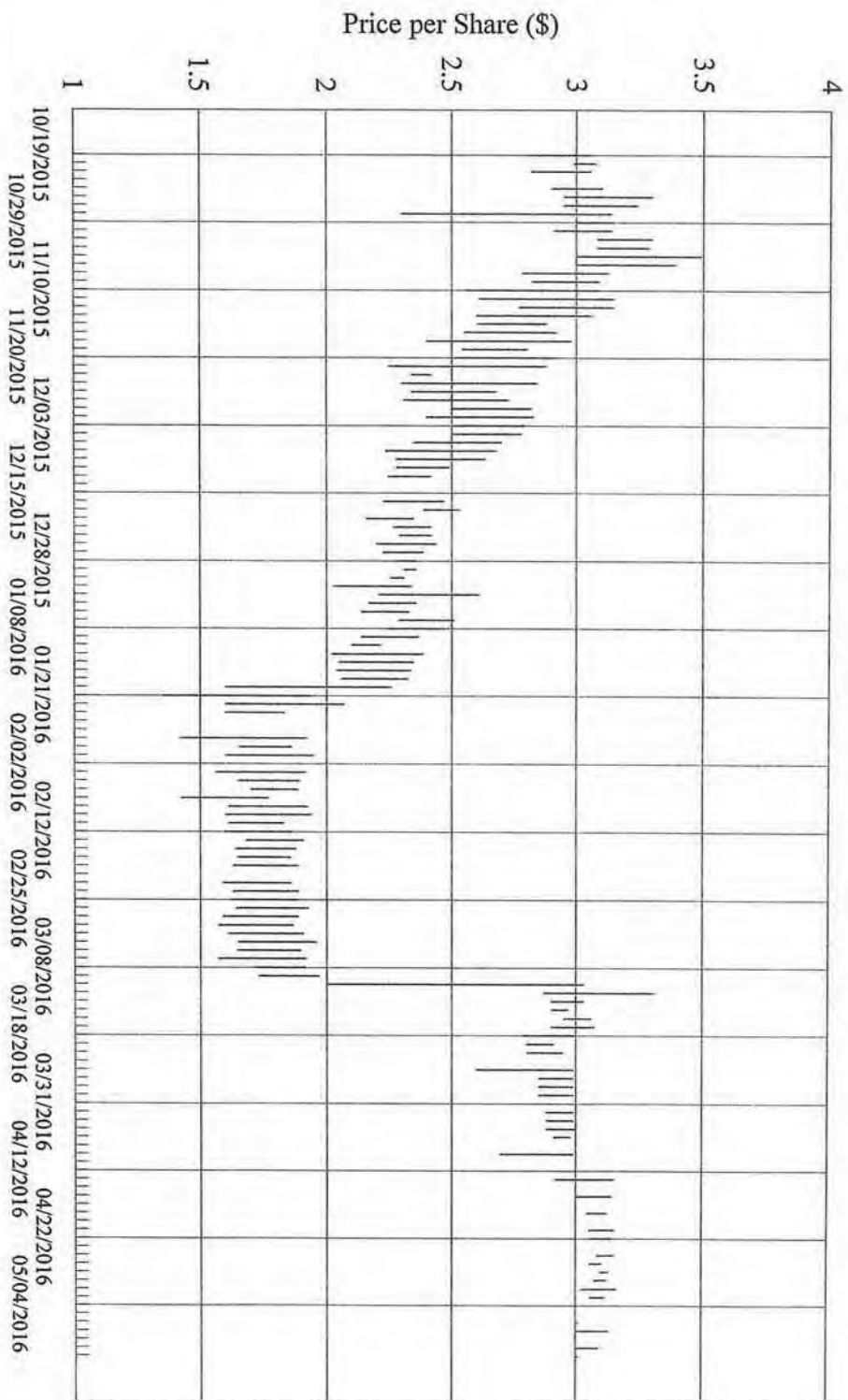
Exhibit H-1: CNYD on NASDAQ



— High for quarter  
— Low for quarter

\*thru May 24

**China Yida Daily Stock Prices**  
 Exhibit H-2: CNYD on NASDAQ





Company	Symbol	Diluted Shares	03/07/16 Share Price	Calc Mkt Cap	Stated Mkt Cap	+Debt - Cash	Adj EV	EV / Rev	EV / EBITDA	EV / Book	Price / Earn
Parks America	PRKA	74.4	0.08	5.95	6.2	3.3	9.5	2.1	7.8	2.9	10.1
Leofoo	TSEC: 2704	330.3	0.32	105.70	106.5	64.4	170.9	1.9	14.7	1.1	9.8
IFA Hotel	DB: IFA	19.5	6.04	117.78	118.1	77.1	195.2	1.4	6.2	1.1	7.7
Tuniu	TOUR	95.5	9.55	912.03	912.0	(512.5)	399.5	0.3		1.1	
Aeon Fantasy	TSE: 4343	19.7	18.32	360.90	360.5	47.7	408.2	0.9	7.9	2.2	
HIS	TSE: 9603	69.0	27.3	1883.70	1,884.7	(491.0)	1,393.7	0.3	6.4	1.9	22.6
Cedar Fair	FUN	55.8	57.71	3220.22	3,220.9	1,462.2	4,683.1	3.8	10.6		28.7
Six Flags	SIX	95.6	52.21	4991.28	4,991.2	1,407.3	6,398.5	5.1	13.8		32.3
Mean + std deviation											
Mean											
Mean - std deviation											
75 percentile											
Median 50 percentile											
25 percentile											

Date	Target	Buyer	Transact Value	EV / Revenue	EV / Earnings	Price / Earnings	Price / Book
28 Jul 2011	Beijing Bayhood	China Jiuhao	63.8	2.8			
30 Apr 2015	BHG Brazil Hospitality	Latin America Hotels	489.4	4.7	17.3		1.1
18 Dec 2015	China Intl. Travel	Nanhua	416.6	2.1	19.6	31.2	4.5
31 Mar 2014	China United Travel	Xiamen Dangdai	48.2	17.5			3.7
24 Jun 2014	Co-operative Travel	Mawasem Travel & Tour	22.7	1.2			
24 Mar 2014	Dawn Properties	Lengrah Investments	6.0	6.1	20.7	35.5	0.4
24 Sep 2015	Euro Disney	EDL Holding	107.2	1.4	15.8		1.7
20 Mar 2015	Hanatour Service	STIC Investments	15.4	1.9	15.7	28.1	5.2
31 Jan 2015	HNA Innovation	HNA Tourism	115.4				3.6
15 Jun 2011	Hurtigruten	Home Capital	9.1	1.3	9.0		1.4
12 Mar 2012	Hurtigruten	Periscopos	14.7	1.3	11.9		1.4
9 Mar 2010	Hurtigruten	Periscopos	21.4	1.5	10.9		1.4
5 Dec 2014	Hurtigruten	TDR Capital	856.0	1.5	7.9	17.2	2.7
30 Nov 2011	Kumhoresort	Kumho Buslines	241.0	3.9	30.5		1.2
9 Dec 2015	Kuoni Travel	Thomas Cook	80.4	0.3	17.6		
15 Feb 2013	New Zealand Experience	Rangitira	14.1	1.5	5.5	9.2	2.0
26 Jan 2010	Pierre & Vacances		35.2	0.4	6.3	12.7	1.0
22 Jan 2014	Port Adventura	KKR	271.3	2.2			
10 Dec 2012	Port Adventura Entertain	InvestIndustrial	134.3	1.2	3.7		
18 Jan 2012	Rusticas	Inversiones Mobiliarias	153.2	12.9			6.8
26 May 2015	Shanghai Oriental Pearl	Shanghai Or. Pearl Media	8,869.6	9.7	39.1	39.8	5.4
13 Nov 2015	USJ	NBC Universal	1,500.0	2.6			
17 Jan 2012	Vinpearl One-Member	Vingroup	940.5	19.9	47.8	49.3	3.7
Mean + std deviation				9.9	29.4	40.9	4.6
Mean			627.2	4.5	17.5	27.9	2.8
Mean - std deviation				-5.4	-11.9	-13.1	-1.8
Median				2.0	15.8		2.0

	Actual		Forecast						
	2014	2015	1	2	3	4	5	6	7
<b>Projections (\$000):</b>									
Sales revenues	13,124	14,509	9,995	8,998	9,725	15,500	21,500	27,500	33,500
Cost of sales	9,054	9,563	9,825	9,333	8,910	8,800	9,200	9,600	10,000
Gross profit	4,070	4,946	170	(335)	815	6,700	12,300	17,900	23,500
S G & A expense	17,632	16,368	17,810	17,810	16,390	12,378	13,503	15,003	16,378
Operating income (loss)	(13,562)	(11,422)	(17,640)	(18,145)	(15,575)	(5,678)	(1,203)	2,897	7,122
Other income (exp)	(4,768)	(491)	0	0	0	0	0	0	0
Pretax income (loss)	(18,330)	(11,913)	(17,640)	(18,145)	(15,575)	(5,678)	(1,203)	2,897	7,122
Income taxes	0	0	0	0	0	0	0	0	0
Net income (loss)	(18,330)	(11,913)	(17,640)	(18,145)	(15,575)	(5,678)	(1,203)	2,897	7,122
Depreciation	8,476	8,077	8,088	7,765	7,480	7,250	7,050	6,850	6,650
Amortization	6,381	2,236	1,213	1,183	1,152	1,128	1,128	1,128	1,128
Capital (expenditures)			(800)	(765)	(885)	(806)	(774)	(743)	(704)
Working capital (reqd)			564	125	(91)	(722)	(750)	(750)	(750)
Unlevered cash flow	(3,473)	(1,600)	(8,574)	(9,837)	(7,919)	1,172	5,451	9,383	13,447
NOL carryforwards	3,861	4,325	9,661	27,806	43,381	49,059	50,262	47,365	40,243
Taxable income			0	0	0	0	0	0	0

Confidential &amp; Proprietary

	Actual		Forecast						
	2014	2015	1	2	3	4	5	6	7
<b>Assumptions:</b>									
Management projections:									
Sales revenues	13,124	14,509	2016	2017	2018	2019	2020	2021	2022
Depreciation	8,476	8,077	10,250	9,230	8,300	14,000	20,000	26,000	32,000
Other costs of sales	578	1,486	8,170	7,840	7,540	7,300	7,100	6,900	6,700
Gross profit	4,070	4,946	1,780	1,610	1,440	1,400	2,000	2,600	3,200
S G & A expense	11,251	14,132	300	(220)	(680)	5,300	10,900	16,500	22,100
Amortization	6,381	2,236	16,590	16,620	16,650	11,000	12,000	13,500	15,000
Operating income	(13,562)	(11,422)	1,220	1,190	1,160	1,128	1,128	1,128	1,128
			(17,510)	(18,030)	(18,490)	(6,828)	(2,228)	1,872	5,972
Sales growth rate		11%	-29%	-10%	-10%	69%	43%	30%	23%
Other sales costs / rev	4.4%	10.2%	17.4%	17.4%	17.3%	10.0%	10.0%	10.0%	10.0%
Gross margin	31.0%	34.1%	2.9%	-2.4%	-8.2%	37.9%	54.5%	63.5%	69.1%
SG&A exp / rev	85.7%	97.4%	161.9%	180.1%	200.6%	78.6%	60.0%	51.9%	46.9%
Operating margin	-103.3%	-78.7%	-170.8%	-195.3%	-222.8%	-48.8%	-11.1%	7.2%	18.7%
Income tax rate			35%	35%	35%	35%	35%	35%	35%
Depreciation / sales	64.6%	55.7%	79.7%	84.9%	90.8%	52.1%	35.5%	26.5%	20.9%
Capital expend / sales			8.00%	8.50%	9.10%	5.20%	3.60%	2.70%	2.10%
Net wrk captl / sales			12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
PV Discount rate			15%	20%	25%	30%	10.03%		
Stable growth rate			5.0%	5.0%	5.0%	5.0%	5.0%		
Capitalization rate			10.0%	15.0%	20.0%	25.0%	5.0%		

	Actual		Forecast				
	2014	2015	1	2	3	4	5
<b>Equity Value (\$000):</b>							<b>IRR</b>
			15%	20%	25%	30%	10.033%
Terminal value			50,550	25,018	14,100	8,572	136,811
Cash flow value			(8,161)	(9,758)	(10,804)	(11,466)	(5,779)
Business value			42,389	15,260	3,296	(2,894)	131,032
Excess cash			3,000	3,000	3,000	3,000	3,000
Total capital value			45,389	18,260	6,296	106	134,032
Short-term debt			(5,272)	(5,272)	(5,272)	(5,272)	(5,272)
Long-term debt			(128,756)	(128,756)	(128,756)	(128,756)	(128,756)
Total debts			(134,028)	(134,028)	(134,028)	(134,028)	(134,028)
Common equity value			<b>(88,639)</b>	<b>(115,768)</b>	<b>(127,732)</b>	<b>(133,922)</b>	<b>4</b>
<b>Value Per Share:</b>							
Shares outstanding (000)			3,915	3,915	3,915	3,915	3,915
Est majority value / share			<b>-22.64</b>	<b>-29.57</b>	<b>-32.60</b>	<b>-34.20</b>	<b>0.00</b>
Combined discounts			0%	0%	0%	0%	0%
Est minority value / share			0.00	0.00	0.00	0.00	0.00

EXHIBIT “2”

EXHIBIT “2”



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## CHRISTIAN BENDIXEN HAVEN

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### PROFESSIONAL EXPERIENCE

As a principal of International Business Advisors (IBA), an Accredited Senior Appraiser (ASA) for over twenty years, and a Registered Investment Advisor with the SEC, Christian provides clients with extensive experience in strategic planning, analysis and valuation of businesses, making use of sophisticated analytical techniques to support his conclusions.

Prior to forming IBA, Christian led consulting teams for national firms, where he was instrumental in mergers and acquisitions, asset allocations, tax assessments, transfer pricing and international privatizations.

**Vice President, Business Valuation**

**Arthur Consulting Group**

**Manager, Financial Valuation**

**Ernst & Young**

Major clients have included: Bank of America, Charles Schwab, Genentech, Levi Strauss, Maxtor, Nestle, PG&E, Sun Microsystems, Symantec and Waste Management.

**Litigation.** He also has provided expert testimony and studies for litigation support. He prepared statistical analyses of illiquidity discounts for real estate partnerships for the IRS that were employed by them in reviews of partnership tax filings. He also developed a scientific method for analyzing the economic depreciation and obsolescence of high-technology equipment for Silicon Valley companies. Afterwards, Christian was part of a 3-member task force, where his depreciation schedules were adopted by Santa Clara County and then for the whole State of California.

**International.** He has extensive overseas experience in the valuation of foreign companies ranging from hydro-electric plants to steel mills and from destination resorts to telecommunications companies. He has valued businesses in Brazil, China, Costa Rica, England, France, Honduras, Singapore, Sweden, Switzerland and Trinidad.

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**Director of Planning and Analysis**  
**Assistant Controller**

**Dillingham Corp.**

As a controller, Christian oversaw the accounting and financial statement preparation for the Energy Group, one fourth of the company, and as the head of corporate planning, he prepared strategic plans, forecasts and annual budgets. Dillingham was a \$1.5-billion, NYSE-listed international company with operations in four areas: construction, marine transportation, energy and real estate.

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**Marketing Representative**  
**Data Processing Division**

**IBM Corp.**

Responsible for marketing IBM mainframe computers. Configured data processing systems for financially justified IT applications.



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**CHRISTIAN BENDIXEN HAVEN**

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**ACADEMIC ACHIEVEMENT**

MBA, Finance, Marriott School of Management, Brigham Young University  
BA, Economics, Brigham Young University  
*Magna cum laude* from the Honors Program

Post-Graduate Courses:

Computer Systems Analysis, IBM, University of Southern California  
Oilfield Economics, University of Louisiana at Lafayette  
Series 2 SEC/NASD General Securities Examination

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**FOREIGN LANGUAGES**

Fluent in Spanish, familiar with Danish

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**PROFESSIONAL ASSOCIATIONS**

Accredited Senior Appraiser (ASA) Business Valuation, American Society of Appraisers  
Registered Investment Advisor (RIA), Securities & Exchange Commission

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**PUBLICATIONS AND PRESENTATIONS**

"A Practical Approach to Estimating Discounts for Real-Estate Limited Partnerships,"  
*Business Valuation Review*, pp.19-31, March 2000.

"Partial-Interest Discounts: Lack of Control and Lack of Marketability," National Appraisal  
Technical Conference, St. Louis, September 1997.

"Improved Estimation of Equity Risk Premiums," *Business Valuation Review*, pp.22-32,  
March 1994.

"Computer Valuation and Depreciation," Institute of Property Taxation, Los Angeles,  
October 1993.

"High Technology Industry and Short-Lived Assets," Industrial Appraisal Seminar, Portland,  
Oregon, June 1992.

Privatization Seminar, American University and CFED, Washington, DC, July 1990. Guest  
Spanish-speaking instructor.

EXHIBIT “3”

EXHIBIT “3”



March 8, 2016

Special Committee of the Board of Directors  
China Yida Holding, Co.  
28/F Yifa Building, No. 111 Wusi Road  
Fuzhou, Fujian, P. R. 350003, China

Members of the Special Committee:

ROTH Capital Partners, LLC (“we” or “ROTH”) understands that China Yida Holding, Co., a corporation organized under the laws of the State of Nevada (“Yida” or the “Company”), and China Yida Holding Acquisition Co., a corporation organized under the laws of the State of Nevada (“Acquisition Co.”), propose to enter into an Agreement and Plan of Merger, substantially in the form of the draft delivered to ROTH on March 1, 2016 (the “Merger Agreement”), which provides, among other things, for the merger (the “Merger”) of Yida with and into Acquisition Co., and the separate corporate existence of Yida shall thereupon cease and Acquisition Co. shall continue as the surviving company following the Merger. Additional defined terms in this letter shall have the meaning set forth in the Merger Agreement. Pursuant to the Merger, each Company Share (other than Excluded Shares) that is issued and outstanding immediately prior to the Effective Time shall be canceled and cease to exist and automatically converted into the right to receive \$3.32 in cash without interest (the “Merger Consideration”). The terms and conditions of the Merger are more fully set forth in the Merger Agreement.

You have asked for our opinion as to whether the Merger Consideration to be received by the holders of Company Shares (other than holders of Excluded Shares) pursuant to the Merger Agreement is fair from a financial point of view to such holders (other than holders of Excluded Shares).

For purposes of the opinion set forth herein, we have, among other things:

- ☐ reviewed certain publicly available financial statements and other business and financial information of Yida;
- ☐ reviewed certain internal financial statements and other financial and operating data concerning Yida prepared by the management of Yida;
- ☐ reviewed certain financial projections concerning Yida prepared by the management of Yida (the “Financial Projections”);
- ☐ discussed the past and current operations, financial condition and the prospects of Yida with senior executives of Yida;
- ☐ reviewed the reported prices and trading activity for Yida common stock;
- ☐ reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions we deemed comparable with the Merger and compared such financial terms with those of the Merger;
- ☐ compared the financial performance of Yida and the prices and trading activity of Yida common stock with that of certain other publicly-traded companies we deemed comparable with Yida and its securities;

- ☐ participated in certain discussions with representatives of the Special Committee and its legal advisors;
- ☐ reviewed the Merger Agreement and a draft Limited Guarantee by Mr. Minhua Chen and Ms. Yanling Fan in favor of Yida delivered to ROTH on March 1, 2016 (the "Limited Guarantee"); and
- ☐ performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by Yida, which formed a substantial basis for this opinion, and have further relied upon the assurances of the management of Yida that such information does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in any material respect. With respect to the Financial Projections, we have been advised by the management of Yida, and assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Yida of the future financial performance of Yida and we express no view as to the assumptions on which they are based. In addition, we have assumed that the final executed Merger Agreement will not differ in any material respect from the draft Merger Agreement reviewed by us, that the final executed Limited Guarantee will not differ in any material respect from the draft Limited Guarantee reviewed by us, and that the Merger will be consummated in accordance with the terms set forth in the Merger Agreement without any waiver, amendment or delay of any terms or conditions. We have also assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Merger, no delays, limitations, conditions or restrictions will be imposed that would have an adverse effect on Yida or the contemplated benefits expected to be derived in the proposed Merger. We are not legal, tax, accounting or regulatory advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of Yida and its legal, tax, accounting and regulatory advisors with respect to legal, tax, accounting and regulatory matters. We express no opinion with respect to the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or any class of such persons, relative to the Merger Consideration to be received by the holders of Company Shares in the Merger. Our opinion does not address the fairness of any consideration to be received by Mr. Minhua Chen, Ms. Yanling Fan or their affiliates or the Rollover Shareholders pursuant to the Merger Agreement or to the holders of any other class of securities, creditors or other constituencies of Yida. Our opinion does not address the underlying business decision of Yida to enter into the Merger or the relative merits of the Merger as compared to any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We have not made any independent valuation or appraisal of the assets or liabilities (fixed, contingent or otherwise) of Yida, nor have we been furnished with any such valuations or appraisals, nor have we assumed any obligation to conduct, nor have we conducted, any physical inspection of the properties, facilities or other assets of Yida. We have not evaluated the solvency of Yida under any law of any jurisdiction relating to bankruptcy, insolvency or similar matters. As you know, we are not legal experts, and for purposes of our analysis, we have not made any assessment of the status of any outstanding litigation involving the Company and have excluded the effects of any such litigation in our analysis. Our

opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

We have acted as financial advisor to the Special Committee of the Board of Directors of Yida in connection with this transaction and will receive a fee for our services, part of which is contingent upon the closing of the Merger. The fee for this opinion is not contingent upon the consummation of the Merger. In addition, Yida has agreed to indemnify us for certain liabilities and other items arising out of our engagement, which indemnity obligation is not contingent on the consummation of the Merger.

ROTH is a full service securities firm engaged in securities trading and brokerage activities, as well as providing investment banking and other financial services. In the ordinary course of business, we and our affiliates may acquire, hold or sell, for our and our affiliates' own accounts and for the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of Yida and the other parties to the Merger, and, accordingly, may at any time hold a long or a short position in such securities. ROTH and its affiliates may in the future provide investment banking and other financial services to Acquisition Co. and their respective affiliates for which we would expect to receive compensation.

This opinion has been approved by a committee of ROTH investment banking and other professionals in accordance with our customary practice. This opinion is for the information of the Special Committee of the Board of Directors of the Company only and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be included in its entirety in any filing Yida is required to make with the Securities and Exchange Commission in connection with the Merger in accordance with the terms of our engagement letter with the Special Committee, if such inclusion is required by applicable law. In addition, ROTH expresses no opinion or recommendation as to how the shareholders of Yida should vote at the shareholders' meeting to be held in connection with the Merger and this opinion does not in any manner address the prices at which Company Shares will trade at any time.

On the basis of and subject to the foregoing, and such other factors as we deemed relevant, we are of the opinion on the date hereof that the Merger Consideration to be received by the holders of Company Shares (other than the holders of Excluded Shares) pursuant to the Merger Agreement is fair from a financial point of view to such holders (other than the holders of Excluded Shares).

Very truly yours,

A handwritten signature in dark ink that reads "Roth Capital Partners". The signature is written in a cursive, flowing style.

ROTH Capital Partners, LLC



## Fairness Opinion

Presentation to the Special Committee of the Board of Directors of China Yida Holding, Co.

March 8, 2016



This presentation was prepared by ROTH Capital Partners, LLC ("ROTH") and provided to the Special Committee of the Board of Directors of China Yida Holding, Co. (the "Company") in connection with their consideration of a potential "go-private" transaction. This presentation has been provided to the Board of Directors by ROTH and may not be used or relied upon by any other person for any purpose without the written consent of ROTH. The information contained herein is confidential. By accepting this presentation you agree to use it for informational purposes only and will not disclose any such information to any other party without the written consent of ROTH. This presentation has not been prepared with a view toward public disclosure under state or federal securities laws or otherwise. Reproduction, dissemination, quotation, summarization or reference to this presentation without our written consent is prohibited.

The information utilized in preparing this presentation was obtained from the Company and other public sources. ROTH assumes no responsibility for independent investigation or verification of such information and has relied on such information being complete and accurate in all material respects. To the extent such information includes estimates and/or forecasts of future performance prepared by Company management, we have assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of Company management. No representation or warranty, express or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past or the future. ROTH has no obligation, express or implied, to update any or all of the information contained in this presentation or to advise you of any changes.

Because this presentation was prepared for use in the context of an oral presentation to the Special Committee of the Board of Directors, which is familiar with the business and affairs of the Company, ROTH does not take any responsibility for the accuracy or completeness of any of the material included in this presentation if used by persons other than the Special Committee of the Board of Directors. This presentation is not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. Prior to entering into any transaction the Company and the Special Committee of the Board of Directors should determine, without reliance on ROTH, the economic merits and risks as well as the legal, tax and accounting consequences of any such transaction.

This presentation does not constitute an opinion and ROTH's only opinion is the written opinion that is to be rendered to the Special Committee of the Board of Directors. In preparing this presentation, ROTH has made certain assumptions regarding the information contained herein and certain limitations apply to such information. For a detailed description of these assumptions and limitations, we refer you to the written fairness opinion to be delivered to the Special Committee of the Board of Directors by ROTH.



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CONFIDENTIAL

APP1292

- I. Transaction Overview
- II. Situation Overview
- III. Valuation Analysis



ROTH  
Capital Partners

## I. Transaction Overview



# Transaction Overview

## Implied Purchase Price Valuation



| March 8, 2016  
CONFIDENTIAL

APP1294

Transaction Value (in millions except per share amounts)		Valuation Summary (in millions except per share amounts and percentages)	
Proposed Per Share Offer Price	\$3.32	Proposed Per Share Offer Price Share Price Day Prior to Offer <sup>2</sup>	\$3.32 \$3.02
Diluted Share Count <sup>1</sup>	3.9	Premium <sup>3</sup> Premium to 1-Day Prior Premium to 7-Days Prior Premium to 30-Days Prior	Price \$3.02 \$2.99 \$3.21
Implied Equity Value	\$13.0		9.9% 11.2% 3.4%
(+) Debt	\$126.4	Enterprise Value to Revenue	Revenue
(-) Cash	\$2.0	Enterprise Value / LTM Revenue <sup>4</sup>	\$14.8
Implied Enterprise Value	\$137.4	Enterprise Value / 2015E Revenue <sup>5</sup>	\$11.6
		Enterprise Value / 2016E Revenue <sup>5</sup>	\$10.4
		Enterprise Value / 2017E Revenue <sup>5</sup>	\$9.4
			9.3x 11.8x 13.2x 14.6x
		Enterprise Value to EBITDA	EBITDA
		Enterprise Value / LTM EBITDA <sup>4</sup>	(\$2.2)
		Enterprise Value / 2015E EBITDA <sup>5</sup>	(\$6.2)
		Enterprise Value / 2016E EBITDA <sup>5</sup>	(\$5.5)
		Enterprise Value / 2017E EBITDA <sup>5</sup>	(\$5.5)
			NM NM NM NM
		Price to Earnings	Earnings
		Price to LTM Earnings <sup>4</sup>	(\$20.1)
		Price to 2015 Earnings <sup>5</sup>	(\$24.1)
		Price to 2016 Earnings <sup>5</sup>	(\$24.4)
		Price to 2017 Earnings <sup>5</sup>	(\$25.4)
			NM NM NM NM
		Price to Book Value <sup>4</sup>	Book Value
		Book Value	\$87.6
		Tangible Book Value	\$43.7
		EV / Tangible Book	\$43.7
			0.1x 0.3x 3.1x

1) Provided by management. Includes common and vested options. Unvested options do not receive consideration.  
2) As of 10/25/15  
3) Source: CapIQ  
4) LTM results as of 09/30/15  
5) Based on company projections

## II. Situation Overview

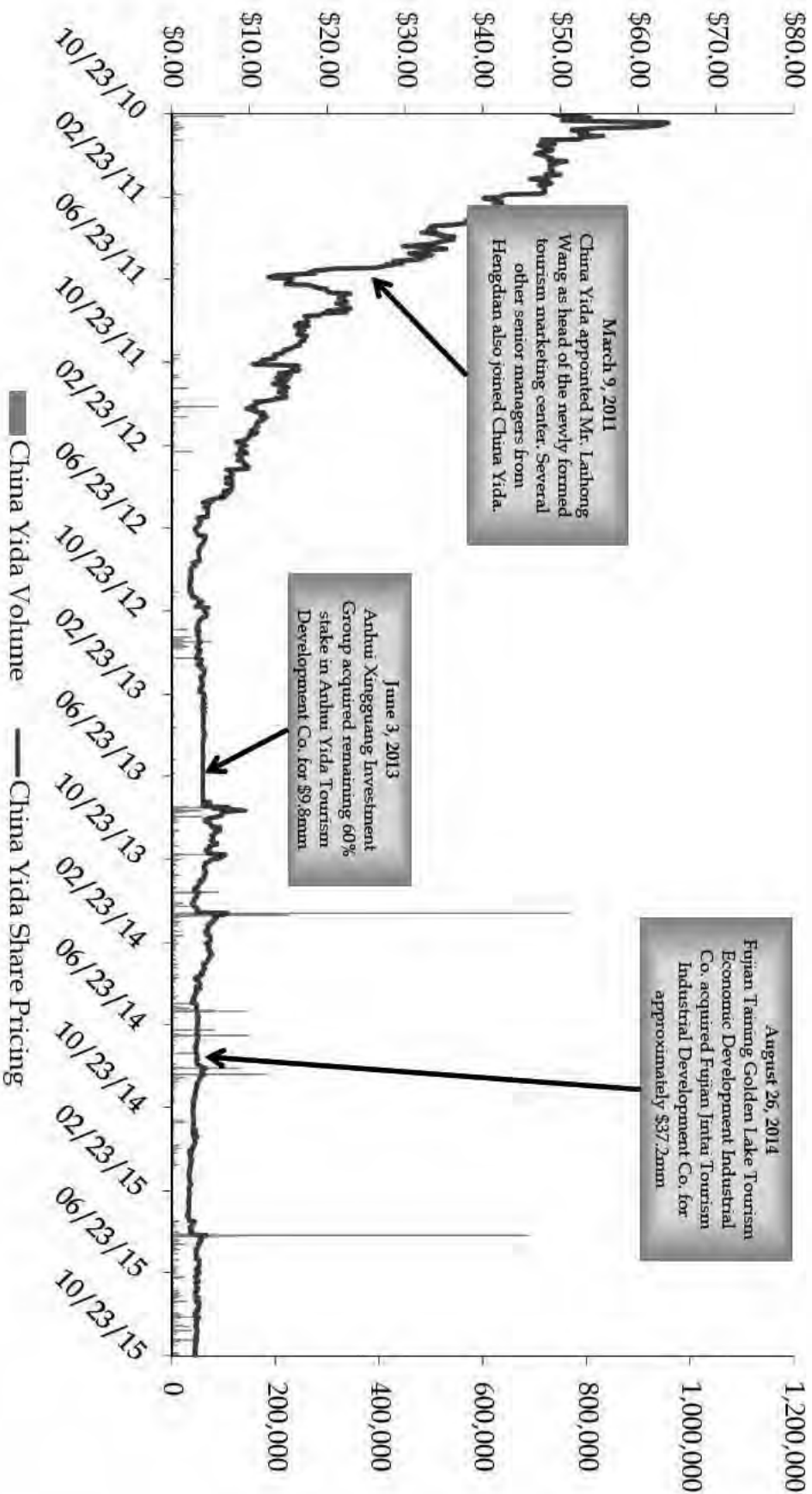


# Situation Overview

## 5 Year Annotated Stock Chart



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# Situation Overview

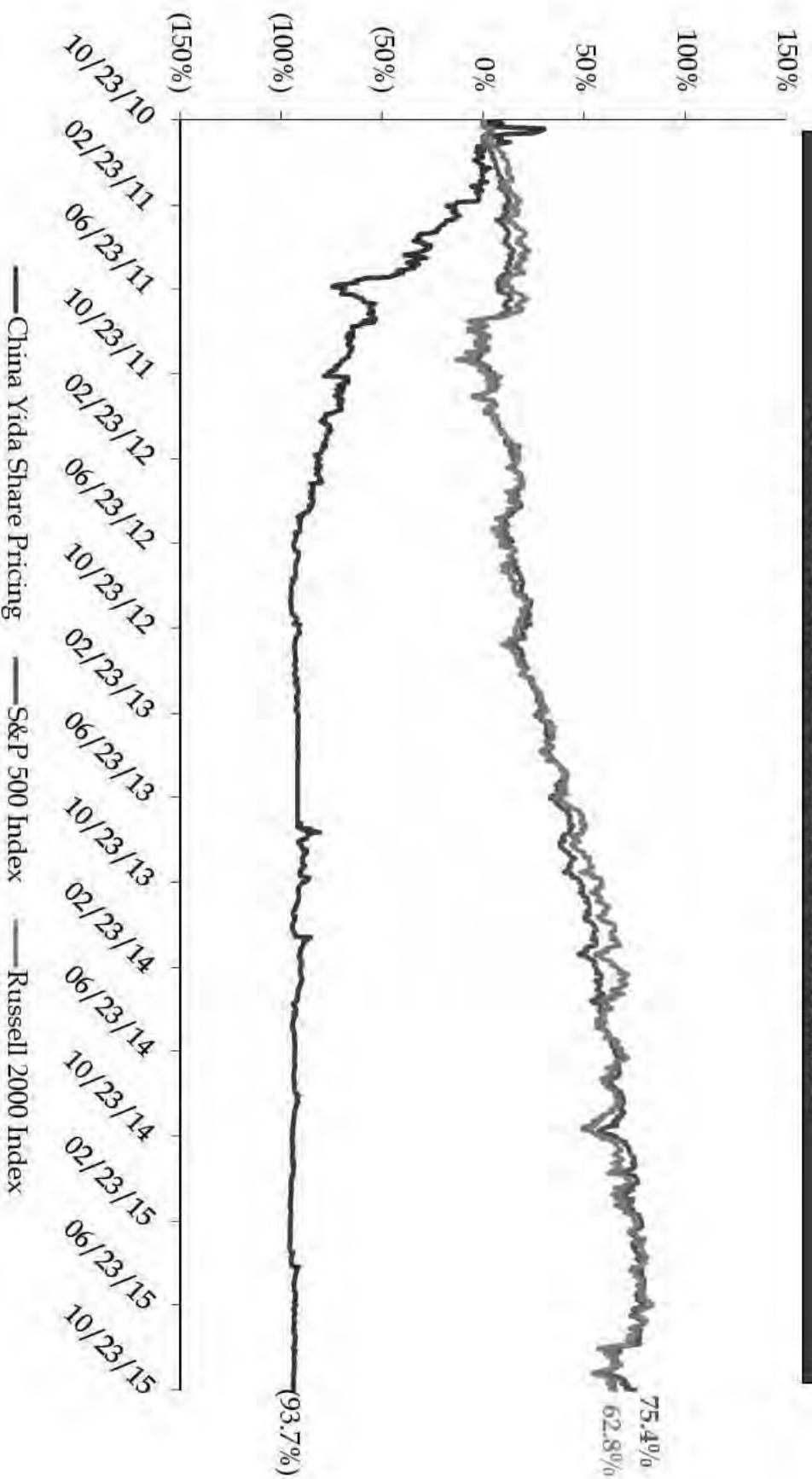
## 5 Year Relative Performance



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### Five Year Relative Stock Price Performance



Source: Capital IQ

### III. Valuation Analysis





# Valuation Analysis

## Valuation Methodologies and Key Assumptions



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### Comparable Companies

- Compared China Yida's offer multiple against the multiples of comparable companies.
- Compared against similar companies in the following groups:
  - Hotels, resorts and cruise lines
  - Amusement parks

### Precedent Transactions

- Compared China Yida's offer multiple against multiples paid in comparable transactions.
- Reviewed comparable transactions from 01/01/10 to Present in the hotels, resorts, cruise lines and amusement parks industry where there was a change of control.

### Premiums Paid Analysis

- Analyzed premiums paid for acquisitions in the industry from 01/01/00 to Present
- ROTH analyzed premiums paid to:
  - 1-Day Prior
  - 7-Days Prior
  - 30-Day Prior

### Other Data and Considerations

- ROTH also considered the following other facts and data:
  - High and low trading prices for China Yida's stock over the 52 weeks prior to 10/23/15
  - Insiders and Pope Asset Mgmt. control about 81.4% of the Company; this further limits alternatives available to public float shareholders who collectively represent less than 18.6% of total shares outstanding
  - Stock has significantly underperformed various benchmarks
  - Chinese "go-private" transactions
  - China Yida's ROA analysis results in a negative return on assets
- ROTH did not perform a DCF analysis on the Company's projections as the result would have been negative

# Summary of Valuation



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## I. Comparable Public Company Trading Analysis<sup>1</sup>

	Min	25th PCTL	Median	75th PCTL	Max	Transaction Multiples
EV/LTM REV	0.3x	0.8x	1.7x	2.5x	5.1x	9.3x
EV/2015 REV	0.3x	0.3x	0.9x	3.8x	5.2x	11.8x
EV/2016 REV	0.2x	0.3x	0.7x	3.6x	4.8x	13.2x
EV/2017 REV	0.1x	0.3x	0.7x	3.5x	4.6x	14.6x
EV/LTM EBITDA	6.2x	7.1x	7.9x	12.2x	14.7x	NM
EV/2015 EBITDA	6.2x	8.2x	10.2x	11.9x	13.7x	NM
EV/2016 EBITDA	5.0x	7.4x	9.8x	11.0x	12.3x	NM
EV/2017 EBITDA	4.4x	6.9x	9.3x	10.3x	11.4x	NM
P/LTM E	7.7x	9.9x	22.6x	30.5x	60.8x	NM
P/2015 E	22.4x	25.2x	28.1x	31.0x	33.8x	NM
P/2016 E	16.9x	19.9x	22.9x	26.0x	29.0x	NM
P/2017 E	15.7x	18.5x	21.4x	24.3x	27.1x	NM
EV/T. Book	1.1x	1.1x	1.5x	2.1x	2.9x	0.3x

## III. Premiums Paid Analysis<sup>3</sup>

	Min	25th PCTL	Median	75th PCTL	Max	Transaction Premiums (%)
1-Day Prior (%)	(63.9)	(9.2)	5.9	21.4	45.9	9.9%
7-Days Prior (%)	(64.3)	(7.0)	14.6	28.1	41.6	11.2%
30-Days Prior (%)	(65.0)	(10.3)	19.5	33.5	41.7	3.4%

## II. Selected Precedent Transactions<sup>2</sup>

	Min	25th PCTL	Median	75th PCTL	Max	Transaction Multiples
EV/LTM REV	0.3x	1.3x	2.0x	4.5x	19.9x	9.3x
EV/LTM EBITDA	3.7x	8.7x	15.7x	19.8x	47.8x	NM
P/LTM E	9.2x	16.1x	29.6x	36.6x	49.3x	NM
P/Book	0.4x	1.4x	2.0x	3.7x	6.8x	0.1x

## IV. China Go Privates<sup>4</sup>

	Min	25th PCTL	Median	75th PCTL	Max	Transaction Metrics
EV/LTM REV	0.1x	0.6x	1.2x	2.4x	47.5x	9.3x
EV/LTM EBITDA	0.5x	5.1x	7.8x	13.7x	141.0x	NM
1-Day Prior	(11.4%)	17.6%	22.9%	39.0%	306.3%	9.9%
30-Day VWAP	(17.0%)	17.8%	26.7%	41.5%	312.3%	4.8%

## V. 52-Week High-Low<sup>5</sup>

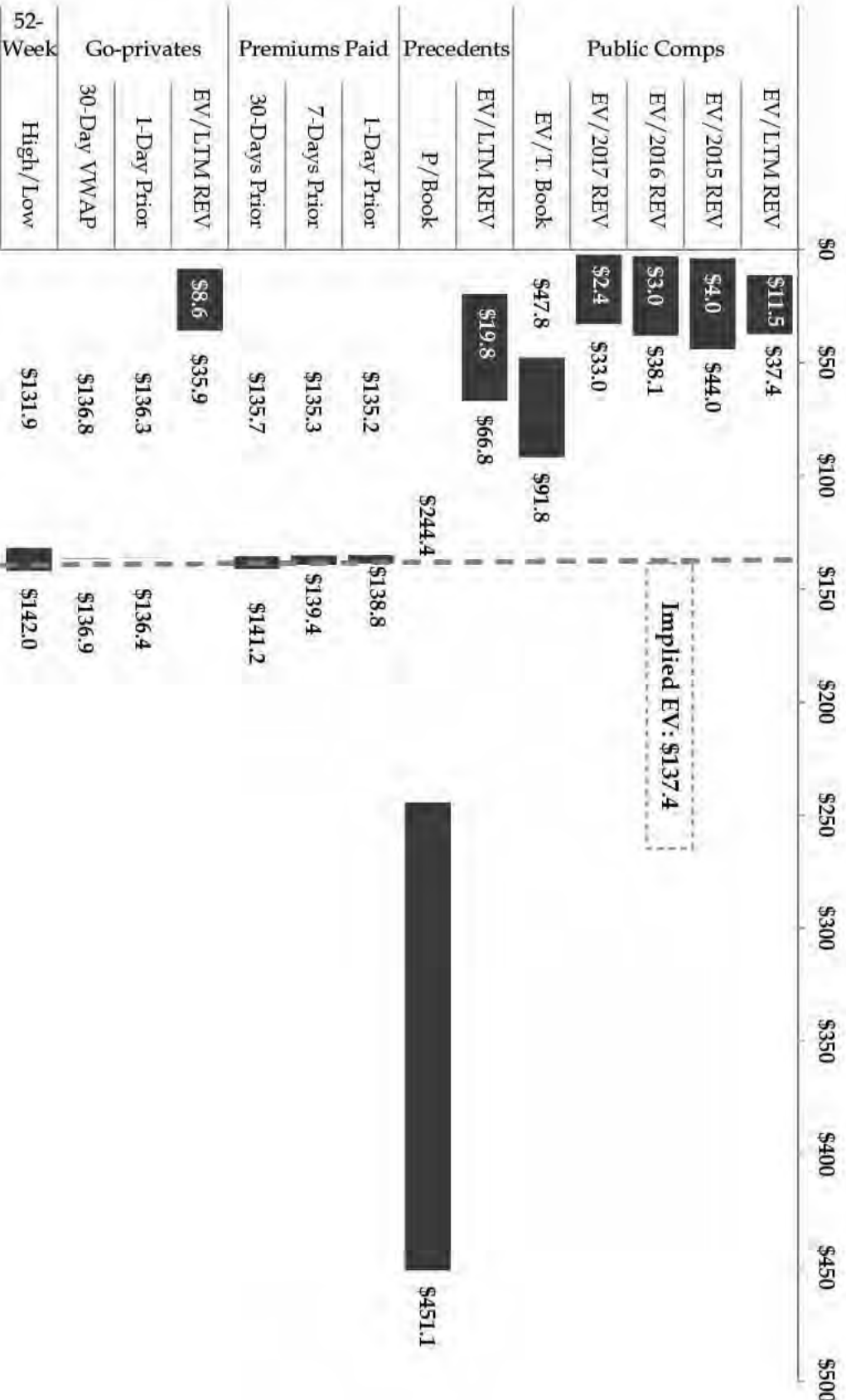
China Yida Stock Price	High	Low	Transaction Price
	\$4.50	\$1.92	\$3.32

- 1) Publicly traded companies that own and operate hotels, resorts, amusement parks and cruise lines
- 2) Transactions in the hotels, cruise lines, resorts and amusement parks space from 01/01/10-Present with publicly available data
- 3) From 01/01/00-Present in the amusement parks space
- 4) Transactions from 01/01/09-Present
- 5) Source: CapitalIQ 10/23/14-10/23/15

# Valuation Range<sup>1</sup>



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<sup>1</sup> Based on 25th-75th percentile

# Valuation Analysis

## Comparable Company Multiples



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				Share Price	Mkt. Cap	TEV	EV/Revenue			EV/EBITDA			P/Earnings			Proj. Growth		LTM Margins (%)		ROA	EV/ T. Book			
Company	Ticker	Shares	03/07/16	03/07/16	03/07/16		LTM	CV	CV	CV	LTM	CV	CV	CV	LTM	CV	CV	15-16	16-17	Gross EBITDA	Net	%		
ParkS/ America	PRKA	74.4	\$0.08	\$6.2	\$9.5	2.1x	NA	NA	NA	NA	7.8x	NA	NA	NA	10.1x	NA	NA	NA	NA	87.6	27.1	13.6	7.8	2.9x
Leofeo	TSEC:2705	330.3	\$0.32	\$106.5	\$170.9	1.9x	NA	NA	NA	NA	14.7x	NA	NA	NA	9.8x	NA	NA	NA	NA	34.4	13.2	12.3	0.6	1.1x
IFA Hotel	DE:IFA	19.5	\$6.04	\$118.1	\$195.2	1.4x	NA	NA	NA	NA	6.2x	NA	NA	NA	7.7x	NA	NA	NA	NA	31.3	23.2	11.4	3.8	1.1x
Tunuu	TOUR	95.5	\$9.55	\$912.0	\$399.5	0.3x	0.3x	0.2x	0.1x	NM	NM	NM	NM	NM	NM	NM	NM	85.4%	37.5%	4.8	(18.9)	(19.1)	(18.5)	1.1x
Aeon Fantasy	TSE:4343	19.7	\$18.32	\$360.5	\$408.2	0.9x	0.9x	0.7x	0.7x	7.9x	NA	NA	NA	NA	60.8x	NA	NA	25.9%	7.5%	10.0	11.7	1.3	3.2	2.2x
H.I.S.	TSE:9603	69.0	\$27.30	\$1,884.7	\$1,393.7	0.3x	0.3x	0.3x	0.3x	6.4x	6.2x	5.0x	4.4x	22.6x	NA	NA	NA	9.4%	12.7%	20.4	5.0	1.9	4.0	1.9x
Cedar Fair	FUN	55.8	\$57.71	\$3,220.9	\$4,683.1	3.8x	3.8x	3.6x	3.5x	10.6x	10.2x	9.8x	9.3x	28.7x	22.4x	16.9x	15.7x	3.9%	3.9%	49.6	35.8	9.1	9.8	NM
Six Flags	SIX	95.6	\$52.21	\$4,991.2	\$6,398.5	5.1x	5.2x	4.8x	4.6x	13.8x	13.7x	12.3x	11.4x	32.3x	33.8x	29.0x	27.1x	6.9%	4.8%	55.2	36.6	12.2	9.2	NM
	Mfn	19.5	\$0.08	\$6.2	\$9.5	0.3x	0.3x	0.2x	0.1x	6.2x	6.2x	5.0x	4.4x	7.7x	22.4x	16.9x	15.7x	3.9%	3.9%	4.8	(18.9)	(19.1)	(18.5)	1.1x
	25th PCTL	46.8	\$4.61	\$115.2	\$189.1	0.8x	0.3x	0.3x	0.3x	7.1x	8.2x	7.4x	6.9x	9.9x	25.2x	19.9x	18.5x	6.9%	4.8%	17.8	10.0	1.8	2.5	1.1x
	Median	71.7	\$13.93	\$636.3	\$403.8	1.7x	0.9x	0.7x	0.7x	7.9x	10.2x	9.8x	9.3x	22.6x	28.1x	22.9x	21.4x	9.4%	7.5%	32.9	18.2	10.2	3.9	1.5x
	75th PCTL	95.5	\$33.53	\$2,218.7	\$2,216.1	2.5x	3.8x	3.6x	3.5x	12.2x	11.9x	11.0x	10.3x	30.5x	31.0x	26.0x	24.3x	25.9%	12.7%	51.0	29.3	12.3	8.1	2.1x
	Max	330.3	\$57.71	\$4,991.2	\$6,398.5	5.1x	5.2x	4.8x	4.6x	14.7x	13.7x	12.3x	11.4x	60.8x	33.8x	29.0x	27.1x	85.4%	37.5%	87.6	36.6	13.6	9.8	2.9x
China Yida	CNYD	3.9	\$3.32	\$13.0	\$137.4	9.3x	11.8x	13.2x	14.6x	NM	NM	NM	NM	NM	NM	NM	NM	(10.0%)	(10.0%)	36.5	(15.0)	(135.5)	(3.2)	3.1x

Source: Capital IQ & Bloomberg. Projected financials based on median analyst estimates  
Enterprise Value = Market Cap + Debt - Cash. All values in millions  
LTM as of 09/30/15  
All EV/EBITDA multiples less than 0 or greater than 50 are considered NM  
All P/E multiples less than 0 or greater than 100 are considered NM

# Valuation Analysis

## Precedent Transactions<sup>1,2</sup>



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Closed Date	Target	Buyer	Transaction Value (\$M)	EV/LTM REV	EV/LTM EBITDA	P/LTME	P/BV
12/31/15	HNA Innovation	HNA Tourism Holding	\$115.4	NM	-	NM	3.6x
12/18/15	China Intl. Travel	Nanhua	\$416.6	2.1x	19.6x	31.2x	4.5x
12/09/15	Kuoni Travel	Thomas Cook	\$80.4	0.3x	17.6x	-	-
11/13/15	USJ	NBCUniversal	\$1,500.0	2.6x	-	-	-
09/24/15	Euro Disney	EDL Holding	\$107.2	1.4x	15.8x	-	1.7x
05/26/15	Shanghai Oriental Pearl	Shanghai Oriental Pearl Media	\$8,869.6	9.7x	39.1x	39.8x	5.1x
04/30/15	BHG S.A. - Brazil Hospitality	Latin America Hotels	\$489.4	4.7x	17.3x	-	1.1x
03/20/15	HANATOUR Service	STIC Investments	\$15.4	1.9x	15.7x	28.1x	5.2x
12/05/14	Hurtigruten	TDR Capital	\$856.0	1.5x	7.9x	17.2x	2.7x
06/24/14	Co-operative Travel	Mawasen Travel & Tourism	\$22.7	1.2x	-	-	-
03/31/14	China United Travel	Xiamen Dangdai	\$48.2	17.5x	-	NM	3.7x
03/24/14	Dawn Properties	Lengrah Investments	\$6.0	6.1x	20.7x	35.5x	0.4x
01/22/14	Port Aventura	KKR	\$271.3	2.2x	-	-	-
02/15/13	New Zealand Experience	Rangitira	\$14.1	1.5x	5.5x	9.2x	2.0x
12/10/12	Port Aventura Entertainment	InvestIndustrial	\$134.3	1.2x	3.7x	-	-
03/12/12	Hurtigruten	Periscopos	\$14.7	1.3x	11.9x	-	1.4x
01/18/12	Rustcas	Inversiones Mobiliarias	\$153.2	12.9x	NM	-	6.8x
01/17/12	Vinpearl One-member	Vingroup	\$940.5	19.9x	47.8x	49.3x	3.7x
11/30/11	Kunthoresort	Kunhuo Busines	\$241.0	3.9x	30.5x	-	1.2x
07/28/11	Beijing Bayhood	China Jinhao	\$63.8	2.8x	-	-	-
06/15/11	Hurtigruten	Honne Capital	\$9.1	1.3x	9.0x	NM	1.4x
03/09/10	Hurtigruten	Periscopos	\$21.4	1.5x	10.9x	-	1.4x
01/26/10	Pierre & Vacances	-	\$35.2	0.4x	6.3x	12.7x	1.0x

Min	\$6.0	0.3x	3.7x	9.2x	0.4x
25th PCTL	\$22.0	1.3x	8.7x	16.1x	1.4x
Median	\$107.2	2.0x	15.7x	29.6x	2.0x
75th PCTL	\$343.9	4.5x	19.8x	36.6x	3.7x
Max	\$8,869.6	19.9x	47.8x	49.3x	6.8x
China Yida	\$137.4	9.3x	NM	NM	0.1x

1) ROTH analyzed transactions in the Leisure, Tourism, Hotels, Amusement Parks, Resorts & Cruise Lines space from 01/01/10-Present that had publicly available data

2) EV/REV, EV/EBITDA and P/E multiples greater than 25x, 50x and 100x, respectively, are considered NM



# Valuation Analysis

## Premiums Paid<sup>1</sup>



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Closed Date	Target	Buyer	Transaction Value (\$M)	Target Stock Premium 1- Day Prior (%)	Target Stock Premium 7- Days Prior (%)	Target Stock Premium 30-Days Prior (%)
12/24/15	E-World Co.	E-Land Fashion	\$29.4	0.0	1.9	(10.3)
09/24/15	Euro Disney	EDL Holding	\$107.2	(63.9)	(64.3)	(65.0)
02/15/13	New Zealand Experience	Rangatira	\$14.1	(12.2)	(10.0)	(10.0)
05/21/09	USJ Co	Owl Creek Asset Management	\$1,749.1	22.9	30.9	37.6
06/26/07	Puthayama Oyi	Aspro Parks	\$49.5	45.9	41.6	41.7
12/31/05	Six Flags	Red Zone	\$140.4	0.2	19.7	23.8
12/18/03	Parques Reunidos S.A.	Advent	\$263.8	11.6	12.0	32.0
08/31/02	Grévin & Cie SA	Compagnie des Alpes	\$208.4	34.5	34.8	34.0
07/19/02	Danoptira Limited	Motion Equity Partners	\$166.6	17.2	17.2	15.3
06/27/00	Queensborough	Cloudhurst Holdings	\$14.1	(46.0)	(46.0)	(46.0)

Min	\$14.1	(63.9)	(64.3)	(65.0)
25th PCTL	\$34.4	(9.2)	(7.0)	(10.3)
Median	\$123.8	5.9	14.6	19.5
75th PCTL	\$197.9	21.4	28.1	33.5
Max	\$1,749.1	45.9	41.6	41.7
China Yida	\$136.8	9.9	11.2	3.4

1) ROTH analyzed closed transactions in the amusement park space from 01/01/00-Present

# Valuation Analysis

## China "go-privates"<sup>1</sup>



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Company	Date	Status	EV (\$M)	Premium as a % of		
				EV/LTM REV	EV/LTM EBITDA	30 Day 1 Day Prior VWAP
China Ming Yang Wind Power Group	11/01/15	Announced	\$364.2	0.3x	5.2x	13.1%
SORL Auto Parts	10/31/15	Announced	\$22.6	NM	0.5x	21.9%
Youtu Tudou	10/16/15	Announced	\$4,317.0	5.3x	NM	30.2%
iKang Healthcare Group	08/31/15	Announced	\$1,221.0	3.9x	17.0x	10.8%
Country Style Cooking Restaurant Chain	08/14/15	Announced	\$44.0	0.2x	2.6x	18.9%
eLong Inc	08/03/15	Announced	\$476.0	3.0x	NM	24.1%
Global-Tech Advanced Innovations	08/01/15	Announced	\$2.6	NM	NM	191.7%
Mecox Lane	07/21/15	Announced	\$31.0	0.6x	9.2x	17.7%
E-Commerce China Dangdang	07/09/15	Announced	\$367.0	0.3x	NM	20.0%
YY	07/09/15	Announced	\$3,595.0	4.8x	17.2x	17.4%
China Negstar Chain Drugstore	07/06/15	Announced	\$78.0	0.2x	5.9x	18.2%
Kongzhong	06/29/15	Announced	\$281.0	1.2x	7.3x	21.8%
Momo	06/23/15	Announced	\$3,118.0	47.5x	NM	20.5%
Vinuto Intentional Corp	06/21/15	Announced	\$403.0	3.9x	41.1x	9.5%
China Information Technology	06/19/15	Announced	\$220.0	3.6x	NM	31.9%
Armmedia Group	06/19/15	Announced	\$326.0	1.3x	NM	70.4%
iDreamSky Technology Limited	06/13/15	Announced	\$481.0	2.5x	NM	(3.8%)
Bona Film	06/12/15	Announced	\$1,047.0	3.3x	41.1x	6.5%
Homeplus Hotel	06/11/15	Announced	\$1,624.0	1.6x	7.4x	8.8%
21 Vianet Group	06/10/15	Announced	\$2,410.0	4.8x	32.6x	15.5%
Renren	06/10/15	Announced	\$1,022.0	13.9x	NM	2.2%
E-House (China) Holdings	06/09/15	Announced	\$901.0	1.0x	15.7x	10.0%
JA Solar	06/05/15	Announced	\$891.0	0.5x	4.1x	19.9%
Mindray Medical	06/04/15	Announced	\$1,958.0	1.5x	8.5x	(1.7%)
Teamee Holdings	05/30/15	Announced	\$55.0	1.4x	NM	20.0%
China Mobile Games and Entertainment Group	05/18/15	Closed	\$650.0	2.7x	12.7x	7.9%
WuXi PharmaTech	04/29/15	Closed	\$3,087.0	4.4x	21.5x	16.5%
China Cord Blood	04/27/15	Announced	\$216.0	2.1x	4.7x	(11.4%)
Xueda Education Group	04/20/15	Announced	\$135.0	NM	NM	95.0%
Sungy Mobile	04/13/15	Closed	\$56.0	0.9x	NM	8.9%

<sup>1</sup> Transactions from 01/01/09-Present EV/REV and EV/EBITDA multiples less than 0 and greater than 50x were considered NM



# Valuation Analysis

## China "go-privates"<sup>1</sup>



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Company	Date	Status	EV (\$M)	EV/LTM REV	EV/LTM EBITDA	Premium as a % of	
						1 Day Prior	30 Day VWAP
Jiayuan.com International	03/03/15	Announced	\$67.0	0.6x	19.2x	3.4%	(0.7%)
Perfect World	12/31/14	Closed	\$662.0	1.1x	5.9x	28.2%	28.0%
Montage Technology Group	03/10/14	Closed	\$504.0	4.0x	NM	31.7%	38.4%
Chindex International	02/17/14	Closed	\$450.0	2.5x	37.2x	39.9%	44.9%
AutoNavi	02/10/14	Closed	\$1,168.0	8.2x	NM	27.0%	36.8%
Shanda Games	01/27/14	Closed	\$1,872.0	3.1x	8.2x	25.7%	50.0%
Noah Education	12/24/13	Closed	\$22.0	0.6x	2.8x	26.7%	24.3%
Trunkbow International	12/10/13	Closed	\$58.0	2.2x	5.5x	22.7%	25.5%
Giant Interactive	11/25/13	Closed	\$2,368.0	6.2x	9.5x	18.5%	32.6%
Asia Green Agriculture	11/18/13	Closed	\$33.0	0.3x	0.8x	10.0%	22.9%
RDA Microelectronics	10/25/13	Closed	\$811.0	2.0x	12.9x	19.0%	23.0%
Charm Communications	09/30/13	Closed	\$110.0	0.7x	NM	17.2%	15.0%
Exceed Company	08/17/13	Cancelled	(\$25.0)	NM	NM	19.5%	41.7%
Spreadtrum Communications	06/20/13	Closed	\$1,485.0	1.7x	10.6x	39.1%	56.0%
ChinaBdu Corporation	06/20/13	Closed	\$95.0	1.2x	4.5x	19.9%	18.5%
iSoftStone Holdings	06/06/13	Closed	\$442.0	0.9x	14.9x	17.6%	26.6%
Le Gaga Holdings	05/21/13	Closed	\$165.0	1.8x	3.7x	21.6%	NA
Pactera Technology International	05/20/13	Closed	\$452.0	0.7x	8.7x	38.8%	39.7%
UT Starcom	03/27/13	Cancelled	\$100.4	0.5x	NM	35.6%	22.6%
Anbow Education Holding	03/18/13	Cancelled	\$103.6	0.5x	3.3x	(5.8%)	0.7%
Camelot Information Systems	03/12/13	Closed	\$36.0	0.1x	NM	36.7%	41.3%
Sincere Pharmaceutical	03/11/13	Closed	\$519.0	1.5x	16.7x	21.4%	21.9%
New Energy Systems Group	03/04/13	Cancelled	\$16.4	0.3x	NA	251.4%	217.1%
China Shenghuo Pharma	02/15/13	Effective	\$0.7	0.4x	NA	NA	NA
MEMSIC	11/10/12	Closed	\$69.0	1.3x	NM	153.0%	130.6%
China Shengda Packaging Group	10/15/12	Cancelled	\$25.0	0.4x	4.2x	53.8%	40.3%
American Lorain Corp	10/15/12	Cancelled	\$107.0	0.5x	3.6x	39.1%	26.4%
Yongye International	10/15/12	Closed	\$357.0	0.5x	1.4x	48.2%	53.7%
Ninetown Internet Technology Group	10/12/13	Closed	\$5.0	0.3x	NM	66.7%	54.9%
Felhe International	10/03/12	Closed	\$275.0	1.0x	10.6x	21.3%	25.9%

1) Transactions from 01/01/09-Present EV/REV and EV/EBITDA multiples less than 0 and greater than 50x were considered NM

# Valuation Analysis

## China "go-privates"<sup>1</sup>



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Company	Date	Status	EV (\$M)	EV/ITM REV	EV/ITM EBITDA	Premium as a % of	
						1 Day Prior	30 Day VWAP
China Kanghui	09/27/12	Closed	\$745.0	13.0x	28.2x	25.5%	23.5%
7 Days Group Holdings	09/26/12	Closed	\$666.0	1.6x	7.2x	30.6%	44.3%
3SBio	09/12/12	Closed	\$119.0	1.2x	4.5x	44.1%	N/A
Syswin	09/07/12	Closed	\$27.0	0.4x	NM	28.1%	44.4%
LJ International	08/13/12	Closed	\$148.0	0.8x	9.3x	24.2%	23.5%
Focus Media Holdings	08/12/12	Closed	\$2,884.0	3.4x	9.1x	17.6%	40.1%
Vanceho Technologies	08/10/12	Closed	\$428.0	1.3x	15.8x	19.5%	16.0%
ShangPharma	07/06/12	Closed	\$142.0	1.2x	8.2x	30.8%	40.6%
Yucheng Technologies	05/21/12	Closed	\$79.0	0.9x	7.9x	26.4%	27.3%
China Niukang	05/09/12	Closed	\$83.0	1.9x	9.8x	56.8%	57.3%
China Mass Media Corp.	05/04/12	Closed	\$3.5	0.1x	0.9x	100.0%	139.1%
Sino Gas International Holdings	04/28/12	Closed	\$124.0	1.8x	8.7x	306.3%	312.3%
Shengtai Pharmaceutical	04/17/12	Under Review	\$87.4	0.5x	5.6x	50.0%	71.4%
Winmer Medical Group	04/01/12	Closed	\$99.0	0.6x	5.1x	33.7%	35.7%
Zhongpin	04/01/12	Closed	\$694.0	0.5x	6.5x	46.6%	36.4%
Gushan Environmental Energy	02/24/12	Closed	\$35.0	0.2x	3.8x	34.1%	27.9%
China TransInfo Technology	02/19/12	Closed	\$152.0	1.0x	8.2x	12.6%	25.6%
AsiatInfo-Linkage	01/20/13	Closed	\$574.0	1.2x	5.4x	21.0%	50.3%
Pansoft Company Limited	01/07/12	Closed	\$15.0	0.7x	8.1x	106.5%	85.6%
Jingwei International	01/06/12	Closed	\$26.5	0.7x	6.0x	64.2%	67.1%
WSP Holdings Limited	12/13/11	Cancelled	\$6.0	NM	NM	50.0%	39.6%
Andatee China Marine Fuel Services	11/23/11	Cancelled	\$16.6	0.3x	4.4x	20.6%	36.8%
Global Education & Technology Group	11/19/11	Closed	\$174.0	3.1x	22.1x	105.0%	213.1%
China GrenTech Corp	11/12/11	Closed	\$218.0	0.8x	7.3x	23.0%	35.6%
Shanda Interactive Entertainment	10/15/11	Closed	\$1,559.0	1.5x	7.8x	23.5%	25.0%
SOKO Fitness & Spa Group	07/25/11	Closed	\$87.0	2.3x	5.8x	21.6%	N/A
Tians Biotech Group	06/27/11	Closed	\$150.0	3.5x	15.9x	67.0%	39.9%
Funtalk China Holdings	03/25/11	Closed	\$631.0	0.6x	7.3x	17.1%	31.7%
China Fire & Security Group	03/07/11	Closed	\$233.8	2.9x	14.4x	43.8%	52.2%

1) Transactions from 01/01/09-Present EV/REV and EV/EBITDA multiples less than 0 and greater than 50x were considered NM

# Valuation Analysis

## China "go-privates"<sup>1</sup>



| March 8, 2016  
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Company	Date	Status	EV (\$M)	EV/LTM REV	EV/LTM EBITDA	Premium as a % of	
						1 Day Prior VWAP	30 Day VWAP
Chuan Security & Surveillance Technology	01/28/11	Closed	\$754.0	1.1x	6.5x	33.2%	29.9%
Chemspec International	11/11/10	Closed	\$289.0	1.9x	5.8x	28.2%	23.6%
Fushu Copperweld	11/03/10	Closed	\$205.0	0.7x	3.0x	4.4%	(0.8%)
Harbin Electric	10/10/10	Closed	\$762.0	1.8x	6.7x	20.2%	36.3%
Tongtong Chinese Medicines	04/08/10	Closed	\$103.0	1.4x	NM	19.0%	21.0%
Sinoenergy	04/09/09	Closed	\$69.8	2.0x	NA	48.4%	78.3%

Mfn	(\$25.0)	0.1x	0.5x	(11.4%)	(17.0%)
25th PCTL	\$69.4	0.6x	5.1x	17.6%	17.8%
Median	\$216.0	1.2x	7.4x	22.9%	26.7%
75th PCTL	\$664.0	2.4x	12.7x	39.0%	41.5%
Max	\$4,317.0	47.5x	41.1x	306.3%	312.3%

China Yida	10/27/15	Announced	\$137.4	9.3x	NM	9.9%	4.8%
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1) Transactions from 01/01/09-Present EV/REV and EV/EBITDA multiples less than 0 and Greater than 50x were considered NM

# Valuation Analysis

## Stock Trading History

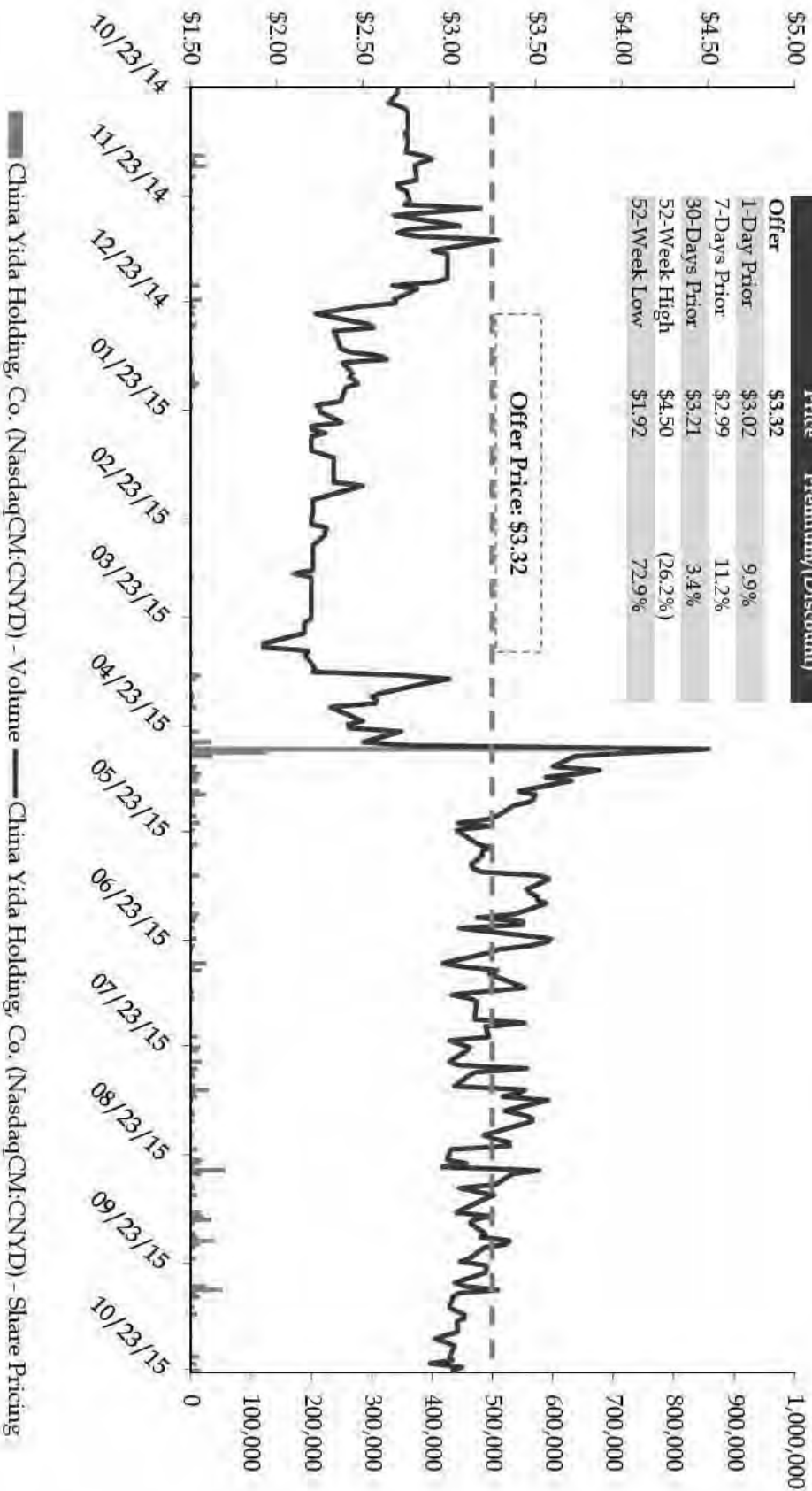


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### 52-Week Trading History Prior to Offer

	Price	Premium/(Discount)
<b>Offer</b>	<b>\$3.32</b>	
1-Day Prior	\$3.02	9.9%
7-Days Prior	\$2.99	11.2%
30-Days Prior	\$3.21	3.4%
52-Week High	\$4.50	(26.2%)
52-Week Low	\$1.92	72.9%





| March 8, 2016  
**CONFIDENTIAL**

## IV. Appendix



**ROTH** Capital Partners

	Actual			Projections			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015E</u>	<u>2016E</u>	<u>2017E</u>	<u>2018E</u>
Revenue	\$27.6	\$17.8	\$13.1	\$11.6	\$10.4	\$9.4	\$8.5
EBITDA				(\$6.2)	(\$5.5)	(\$5.5)	(\$5.4)
Net Income	(\$0.3)	(\$16.3)	(\$29.3)	(\$24.1)	(\$24.4)	(\$25.4)	(\$26.3)





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**EWD**  
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*Attorneys for Petitioner*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

CHINA YIDA HOLDING, CO., a Nevada  
corporation,

Petitioner,

v.

POPE INVESTMENTS, LLC, a Delaware  
limited liability company; POPE  
INVESTMENTS II, LLC, a Delaware limited  
liability company; and ANNUITY & LIFE  
REASSURANCE, LTD., an unknown limited  
company;

Respondents.

Case No. A-16-746732-P  
Dept. No. XXVII

**PETITIONER'S REBUTTAL EXPERT  
WITNESS DESIGNATION**

Petitioner China Yida Holding, Co. ("CYH"), by and through its undersigned counsel of record, hereby submits its Rebuttal Expert Witness Designation pursuant to NRCP 16.1(a)(2), and in accordance with the Stipulation and Order to Continue Discovery and Trial filed January 25, 2018, as follows:

1. Jack W.J Li, CFA, MRICS, MBA  
PARTNER  
ASIA-PACIFIC CONSULTING AND APPRAISAL LIMITED  
Room 1501, 15/F, Centre, 53-55 Lockhart  
Wanchai, Hongkong

Mr. Li is expected to offer expert witness testimony in this matter as rebuttal to the report of Savills Valuation and Professional Services Ltd. Mr. Li's opinions to be expressed, and the basis and reasons upon which those opinions are based, are set forth in the three valuation reports attached as **Exhibit 1** (CYH-EXP 000074 - CYH-EXP 000123). In addition

1 to the relevant section of Mr. Li's reports, his qualifications are also set forth in his executive  
2 biography attached as **Exhibit 2** (CYH-EXP 000124). Mr. Li has not published any articles  
3 and has not testified as an expert at trial or deposition in the last 4 years. The compensation to  
4 be paid Mr. Li for his study and testimony is set forth below.

5 EXPERT COMPENSATION:

6 Consulting, Preparation of Report: \$30,000.00

7 Testimony at trial, mediation, and/or deposition: \$550.00 per hour

8 2. Christian Bendixen Haven, ASA  
9 INTERNATIONAL BUSINESS ADVISORS  
10 793 Island Court  
Columbus, OH 43214  
Telephone: 760-815-8148

11 Mr. Haven is expected to offer expert witness testimony in this matter in rebuttal to the  
12 report of Anthem Forensics. Mr. Haven's opinions to be expressed, and the basis and reasons  
13 upon which those opinions are based, are set forth in his expert witness report attached as  
14 **Exhibit 3** (CYH-EXP 000125 - CYH-EXP 000128). As Mr. Haven was designated as a  
15 primary expert witness, Mr. Haven's qualifications, publications, expert testimony, and  
16 compensation are set forth in Petitioner's Expert Witness Designation electronically served on  
17 November 7, 2017.

18 CYH reserves the right to amend and supplement this disclosure as appropriate, and to  
19 name additional expert witnesses as permitted by the Nevada Rules of Civil Procedure and the  
20 Court, including by supplementing the areas of testimony by each identified expert based on  
21 the content of their reports. CYH also reserves the right to supplement the areas of testimony  
22 by each identified expert based on the content of reports provided by other witnesses who are  
23 identified as experts by other parties. Defendants also reserve the right to rely on the expert

24 ///

25 ///

1 opinions offered by other parties in support of summary judgment and/or at trial, and to call  
2 any such expert witness previously designated by another party and to rely on the opinions set  
3 forth in their respective expert reports.

4 DATED this 16th day of February, 2018.

5 HOLLAND & HART LLP

6 /s/J. Robert Smith

7 J. Robert Smith, Esq. (SBN 10992)

8 9555 Hillwood Drive, 2nd Floor

9 Las Vegas, Nevada 89134

10 *Attorneys for Petitioner*

**CERTIFICATE OF SERVICE**

I hereby certify that on February 16, 2018, a true and correct copy of the foregoing  
**PETITIONER'S REBUTTAL EXPERT WITNESS DESIGNATION** was served by the  
following method(s):

☒ Electronic: by submitting electronically for filing and/or service with the Eighth  
Judicial District Court's e-filing system and served on counsel electronically in accordance  
with the E-service list to the following email addresses:

Peter L. Chasey, Esq.  
CHASEY LAW OFFICES  
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[Shannon@chaseylaw.com](mailto:Shannon@chaseylaw.com)

*Attorneys for Respondents*

☐ U.S. Mail: by depositing same in the United States mail, first class postage fully  
prepaid to the persons and addresses listed below:

☐ Email: by electronically delivering a copy via email to the following e-mail address:

☐ Facsimile: by faxing a copy to the following numbers referenced below:

/s/ Yalonda Dekle  
An Employee of HOLLAND & HART LLP

# **EXHIBIT "1"**

# **EXHIBIT "1"**



**VALUATION REPORT**  
**CONSIDERING**  
**THE MARKET VALUE OF 9 PARCELS OF LAND**  
**LOCATED AT**  
**LINGLU VILLAGE**  
**YONGTAI COUNTY, FUZHOU CITY**  
**FUJIAN PROVINCE**  
**THE PEOPLE'S REPUBLIC OF CHINA**

**Client** : Yida (Fujian) Tourism Group Limited  
**Ref. No.** : 201712508-2  
**Date** : 10 February 2018

**Important**

This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear

10 February 2018  
The Board of Directors  
Yida (Fujian) Tourism Group Limited  
Linglu Village, Yongtai County,  
Fuzhou City,  
Fujian Province,  
The People's Republic of China

Dear Sir,

**Re: Valuation of 9 parcels of land located at Linglu Village, Yongtai County, Fuzhou City, Fujian Province, the People's Republic of China ("the PRC")**

Instructions, Purpose and Valuation Date

Asia-Pacific Consulting and Appraisal Limited ("APA" or "we") are delighted to have been appointed by **Yida (Fujian) Tourism Group Limited** (the "Company") to provide valuation services on the captioned property which is held by the Company.

In accordance with your instructions, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 8 March 2016 (the "**valuation date**") for internal reference purpose.

The Property

As advised by the Company, the property comprises 9 parcels of land (excluding the buildings and structures erected thereon) with a total site area of approximately 130,513 sq.m. for commercial use.

On 17 January 2018, the date of our site inspection, portions of the property have been developed into a tourism project with various buildings and structures erected thereon while the remaining of the property is vacant for future development.

Basis of Valuation

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and



where the parties had each acted knowledgeably, prudently and without compulsion”.

### General Assumptions

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

For the purpose of this valuation, we have assumed that all title certificates of the property have been obtained and the property can be freely transferred in the market in its existing state with no outstanding payable fees or monies.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

### Special Assumptions

We have made the following special assumptions in the course of our valuation:

- ◆ We have been supplied with basic information likely to have an effect on the value of the property, and that the information supplied to us and summarized in this report is both completed and correct. We reserve the rights to amend our assessment if other information further obtained which could affect the value of the property;
- ◆ The property can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees; during the land use rights terms, the Company is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
- ◆ The property will be developed appropriately in accordance with the PRC Government requisite approvals during its land use rights term.

### Methods of Valuation

We have adopted the comparison approach in our assessment of the property. This approach rests on the wide acceptance of the market transactions as the best indicator and presupposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

### Valuation Standards

In the course of our valuation, we have complied with all the requirements contained in the RICS Valuation - Professional Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

### Source of Information

We have relied to a very considerable extent on the information given by the Company, and have accepted advice given to us on such matters as tenure, particulars of occupancy and all other relevant matters.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

### Document and Title Investigation

We have been shown copies of title documents including 9 State-owned Land Use Rights Certificates and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrances that might be attached to the property or any lease amendments. It is assumed that the copies of the documents obtained are consistent with their originals. We recommend that a PRC legal opinion is sought to verify the existing title to the property interest in the PRC.

### Area Measurement and Inspection

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for an development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

The site inspection was carried out on 17 January 2018 by Mr. Elvin Zhang who has 4 years' experience in the property valuation in the PRC.

### Currency

All monetary figures stated in this report are in Renminbi (RMB).

### Limiting Conditions

This report is subject to our standard Limiting Conditions as attached.

### Caveats and Non-publication Clause

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed for the specific purposes to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.

### Opinion of Value

Based on the above assumptions and analysis, we are of the opinion that the market value of the property in its existing state as at the valuation date is in the amount of **RMB58,531,000 (rounded) (RENMINBI FIFTY EIGHT MILLION FIVE HUNDRED AND THIRTY EIGHT THOUSAND)** assuming that it could be freely transferred.

Our valuation summary and details are hereby enclosed for your attention.

Yours faithfully,

For and on behalf of

**Asia-Pacific Consulting and Appraisal Limited**



---

**Jack W.J Li**

CFA, MRICS, MBA

Partner



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## EXECUTIVE SUMMARY

- THE PROPERTY** : 9 parcels of land (excluding the buildings and structures erected thereon) of a tourism project known as Yida China Yundi ng Park located at Linglu Village, Yongtai County, Fuzhou City, Fujian Province, the PRC.
- LAND USAGE** : Commercial
- TOTAL SITE AREA** : Approximately 130,513 sq.m.
- LAND USE TERM** : Expiring on 8 October 2050 for commercial use.
- TITLE DOCUMENTS** : Zhang Guo Yong (2011) Di Nos. 203 to 211
- OCCUPANCY STATUS** : The property was operated by the Company for tourism purpose.
- VALUATION DATE** : 8 March 2016
- MARKET VALUE** : We are of the opinion that the market value of the property in existing state as at the valuation date is in the amount of **RMB58,538,000 (rounded) (RENMINBI FIFTY EIGHT MILLION FIVE HUNDRED AND THIRTY EIGHT THOUSAND)** assuming that it could be freely transferred.

*Notes:*

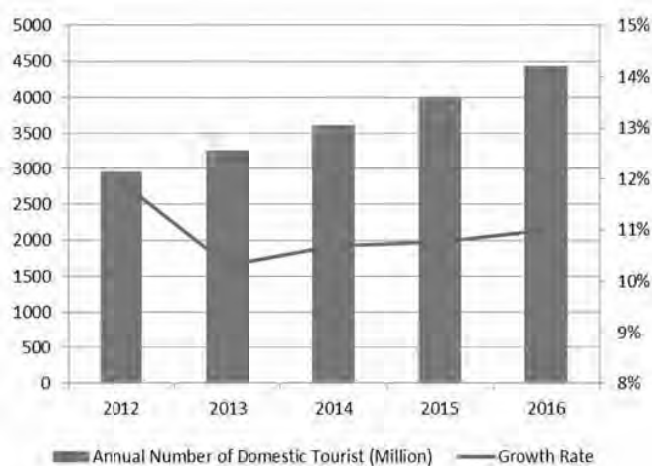
*Our valuation is for internal reference only and is subject to relevant assumptions and limiting conditions in this report.*

## 1. TOURISM MARKET OVERVIEW

### 1.1 Overview of China Domestic Tourism Market

Benefited from the sustainable economic growth, the large number of population and the substantial increase in people's personal income, China domestic tourism maintained a steady growth in recent years. The statistics illustrated that the number of domestic tourists reached 4.4 billion in 2016, with an average annual growth rate of 11% in the last five years. Correspondingly, the domestic tourism revenue was 3.9 trillion yuan in 2016, increased by 15.1%. In detail, urban residents contributed about 3.2 trillion yuan and rural residents contributed about 0.7 trillion yuan.

**Chart 1.1 Number of Domestic Tourists and Growth Rate**



Source: National Bureau of Statistics of China

As predicted by World Tourism Organization, China would become the largest travel destination by 2020. Undoubtedly, the tourism in China has already become a new pillar of economic growth. Furthermore, the boom of domestic tourism industry has also dramatically stimulated on related industries, such as hotel, catering, transportation.

### 1.2 Overview of Fujian Tourism Market

Fujian Province is located at southeast coast of China and it lies west of Taiwan Province. It shares a border with 4 provinces. It covers an area of around 12.4 sq.km. and its permanent population was 38.39 million in 2015. Fujian Province consists of 9 prefecture-level divisions and subdivided into 85 county-level divisions.

The province is mostly mountains in the central and western area of the province and the Min River and its tributaries cut through much of northern and central area of the province. Furthermore, Fujian Province enjoys a premier advantage of bays and islands as it has a long coastline.

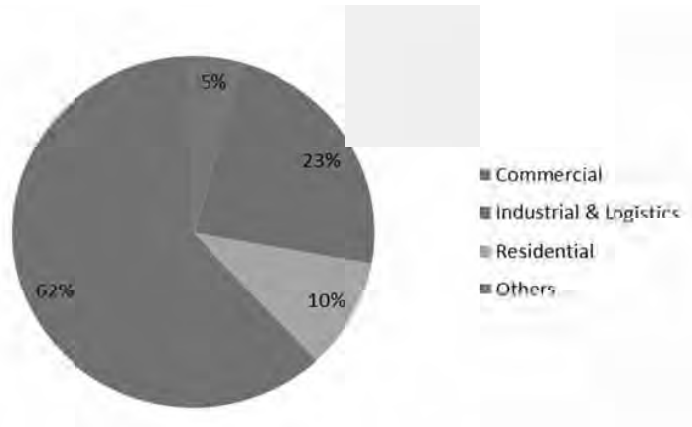
According to Fujian Statistical Yearbook, the number of domestic tourists reached 309 million in 2016, with an increase of about 18% yearly. The provincial tourism revenue was about 350 billion yuan in 2016, with a dramatic increase of about 25% compared it in 2015. Tourists from other provinces account for 51% of the revenue.

## 2. LAND MARKET OVERVIEW

According to the State-owned Land Resources Statistics Report of Fujian Province released by Fujian Provincial Department of Land and Resources, the overall supply of constructive land in Fujian Province reached about 876 million sq.m. during the 12<sup>th</sup> Five-Year period (2011-2015).

The overall supply of constructive land was about 138 million sq.m. in 2015. In detail, the supply of infrastructural and other types of land occupied the largest proportion, representing 85.5 million sq.m. (about 62%). This was followed by the supply of industrial and logistics land, stood at 32.3 million sq.m. (about 23%). On the other hand, the supply of residential and commercial land shared the smallest proportions, with 14.3 million sq.m. (about 10%) and 6.2 million sq.m. (about 5%) respectively.

**Chart 2.1-1 Supply of Land in Fujian Province in 2015**

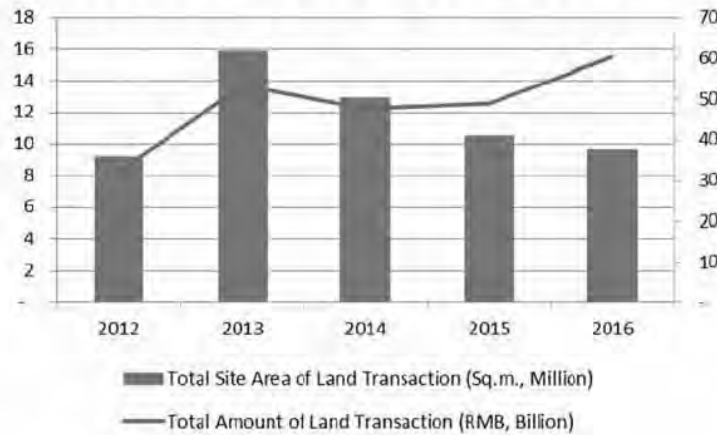


Source: Fujian Provincial Department of Land and Resources and APA.

The total site area of land transaction for real estate developers in Fujian Province peaked at 15.9 million sq.m. in 2013. Afterwards, it illustrated a rapid decreasing trend and recorded at about 9.7 million sq.m. in 2016. However, the total amount of land transaction for real estate developers in Fujian Province showed an increasing trend from 2014 and it reached on a new peak, reaching about RMB60.1 billion in 2016. The contrary figures indicated the fierce competition in land market.



Chart 2.1-2 Land Transaction in Jiangxi Province from 2012 to 2016



Source: National Bureau of Statistics of China and APA

### 3. DESCRIPTION OF THE SUBJECT PROPERTY

#### 3.1 Situation and Surroundings

The property is situated at Yida China Yunding Park, Linglu Village, Yongtai County, which is at the southwest of Fuzhou City. Yida China Yunding Park is a famous resort attraction in local area. The property is located closely to the S202 Provincial Highway and it takes about 55 minutes' driving distance to the center of Fuzhou City.

The surroundings of the property are rural area and vacant lands.

Chart 2.1 Location Map of the Property



Source: Baidu Map and APA

### 3.2 Detail of the Property

As advised by the Company, the property comprises 9 parcels of land (excluding the buildings and structures erected thereon) with a total site area of approximately 130,513 sq.m. for commercial use. The property is located at Yida China Yunding Park, which is a tourism project in Yongtai County, Fuzhou City, Fujian Province.

On 17 January 2018, the date of our site inspection, portions of the property have been developed into a tourism project with various buildings and structures erected thereon while the remaining of the property is vacant.

**Chart 3.2 Status of the Property**



**Image 1**



**Image 2**



**Image 3**



**Image 4**



**Image 5**

(the existing state at the inspection date, 17 January 2018)



**Image 6**

## 4. TITLE DOCUMENTS

### ◆ State-owned Land Use Rights Certificates

Pursuant to 9 State-owned Land Use Rights Certificates – Zhang Guo Yong (2011) Di Nos. 203 to 211 issued by local government, the property was granted to the Company for commercial use. The details are set out as follows:

Certificate No.	: Zhang Guo Yong (2011) Di No. 203	Zhang Guo Yong (2011) Di No. 204
Site Area	: 19,500 sq.m.	23,937 sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 8 October 2050	Expiry on 8 October 2050

Certificate No.	: Zhang Guo Yong (2011) Di No. 205	Zhang Guo Yong (2011) Di No. 206
Site Area	: 33,832 sq.m.	1,017 sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 8 October 2050	Expiry on 8 October 2050

Certificate No.	: Zhang Guo Yong (2011) Di No. 207	Zhang Guo Yong (2011) Di No. 208
Site Area	: 2,893 sq.m.	25,896 sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 8 October 2050	Expiry on 8 October 2050

Certificate No.	: Zhang Guo Yong (2011) Di No. 209	Zhang Guo Yong (2011) Di No. 210
Site Area	: 17,192 sq.m.	5,185sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 8 October 2050	Expiry on 8 October 2050

Certificate No.	: Zhang Guo Yong (2011) Di No. 211
Site Area	: 1,115 sq.m.
Land Usage	: Commercial
Expiry Date	: Expiry on 8 October 2050

## 5. VALUATION CONSIDERATIONS

### 5.1 Valuation Methodology

We have adopted the comparison approach in our assessment of the property. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

### 5.2 Land Comparables

Based on our analysis, two land transactional comparables have been employed to reach the market value of the land portion of the property.

The summaries of comparables considered in the valuation are illustrated in the tables below:

**Chart 5.2-1 Land Comparables for Commercial Usage**

Indicators	Comp. A	Comp. B
<b>Address</b>	Lianjiang County, Fuzhou City	Yongtai County, Fuzhou City
<b>Purchaser</b>	福建贵安新天地旅游文化投资有限公司	泰禾集团股份有限公司
<b>Site Area (sq.m.)</b>	38,073	225,009
<b>Total Transaction Price (RMB)</b>	20,100,000	102,400,000
<b>Accommodation Value (RMB)</b>	528	569
<b>Transaction Date</b>	8 September, 2014	9 September, 2014

### 5.3 Valuation Assumptions

We have made the following special assumptions in the course of our valuation:

- ◆ We have been supplied with basic information likely to have an effect on the value of the property, and that the information supplied to us and summarized in this report is both completed and correct. We reserve the rights to amend our assessment if other information further obtained which could affect the value of the property;
- ◆ The property can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees; during the land use rights terms, the Company is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
- ◆ The property will be developed appropriately in accordance with the PRC Government requisite approvals during its land use term.

## 6. VALUATION CONCLUSION

Based on the above mentioned assumptions and analysis, we are of the opinion that the market value of the subject property in its existing state as at the valuation date is in the amount of **RMB58,538,000 (rounded) (RENMINBI FIFTY EIGHT MILLION FIVE HUNDRED AND THIRTY EIGHT THOUSAND)** assuming that the property could be transferred.

Yours faithfully,

For and on behalf of

**Asia-Pacific Consulting and Appraisal Limited**



---

**Jack W.J Li**

CFA, MRICS, MBA

Partner

## LIMITING CONDITION

1. We are not able to report whether the property is free from rot, infestation or any other structural defects. No test was carried out on any of the utility services.
2. We have assumed that the conditions of the property as at the valuation date are consistent with the information provided to us. We take no responsibility for the accuracy of such information.
3. Asia-Pacific Consulting and Appraisal Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made.
4. As instructed, this report has been compiled for internal reference purpose and certain assumptions have been made which may not be confirmed upon external checking. For this reason this report is not intended for external reference and should not be relied upon for that purpose.
5. Our valuation is based upon various assumptions. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions; therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the property.
6. Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.
7. This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

\*\*\*\*\*

## VALUER'S DECLARATION

**We represent that, to the best of our knowledge and belief:**

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The reported analyses and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

**Jack Li**

Partner

**Kathy Hao**

Partner

**Elvin Zhang**

Manager







**VALUATION REPORT**  
**CONSIDERING**  
**THE MARKET VALUE OF 4 PARCELS OF LAND**  
**LOCATED AT**  
**DONGCUN VILLAGE**  
**FENYI COUNTY, XINYU CITY**  
**JIANGXI PROVINCE**  
**THE PEOPLE'S REPUBLIC OF CHINA**

**Client** : **Jiangxi Fenyi (Yida) Tourism Development Co., Limited**  
**Ref. No.** : **201712508-3**  
**Date** : **10 February 2018**

**Important**

This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear

10 February 2018  
The Board of Directors  
Jiangxi Fenyi (Yida) Tourism Development Co., Ltd  
Zhaikou Village, Louxia Village,  
Fenyi County, Xinyu City,  
Jiangxi Province,  
The People's Republic of China

Dear Sir,

**Re: Valuation of 4 parcels of land located at Dongcun Village, Fenyi County, Xinyu City,  
Jiangxi Province, the People's Republic of China ("the PRC")**

Instructions, Purpose and Valuation Date

Asia-Pacific Consulting and Appraisal Limited ("APA" or "we") are delighted to have been appointed by **Jiangxi Fenyi (Yida) Tourism Development Co., Ltd** (the "Company") to provide valuation services on the captioned property which is held by the Company.

In accordance with your instructions, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 8 March 2016 (the "**valuation date**") for internal reference purpose.

The Property

As advised by the Company, the property comprises 4 parcels of land (excluding the buildings and structures erected thereon) with a total site area of approximately 40,343.63 sq.m. for commercial use.

On 16 January 2018, the date of our inspection, the property has been developed into a tourism project with various buildings and structures erected thereon.

Basis of Valuation

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

### General Assumptions

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

For the purpose of this valuation, we have assumed that all title certificates of the property have been obtained and the property can be freely transferred in the market in its existing state with no outstanding payable fees or monies.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

### Special Assumptions

We have made the following special assumptions in the course of our valuation:

- ◆ We have been supplied with basic information likely to have an effect on the value of the property, and that the information supplied to us and summarized in this report is both completed and correct. We reserve the rights to amend our assessment if other information further obtained which could affect the value of the property;
- ◆ The property can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees; during the land use rights terms, the Company is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
- ◆ The property will be developed appropriately in accordance with the PRC Government requisite approvals during its land use rights term.

### Methods of Valuation

We have adopted the comparison approach in our assessment of property. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

### Valuation Standards

In the course of our valuation, we have complied with all the requirements contained in the RICS Valuation - Professional Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

### Source of Information

We have relied to a very considerable extent on the information given by the Company, and have accepted advice given to us on such matters as tenure, particulars of occupancy and all other relevant matters.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

### Document and Title Investigation

We have been shown copies of title documents including 4 State-owned Land Use Rights Certificates and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrances that might be attached to the property or any lease amendments. It is assumed that the copies of the documents obtained are consistent with their originals. We recommend that a PRC legal opinion is sought to verify the existing title to the property interest in the PRC.

### Area Measurement and Inspection

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for an industrial development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

The site inspection was carried out on 16 January 2018 by Mr. Elvin Zhang who has 4 years' experience in the property valuation in the PRC.

### Currency

All monetary figures stated in this report are in Renminbi (RMB).

Limiting Conditions

This report is subject to our standard Limiting Conditions as attached.

Caveats and Non-publication Clause

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed for the specific purposes to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.

Opinion of Value

Based on the above assumptions and analysis, we are of the opinion that the market value of the property in its existing state as at the valuation date is in the amount of **RMB17,193,000 (rounded) (RENMINBI SEVENTEEN MILLION ONE HUNDRED AND NINETY EIGHT THOUSAND)** assuming that it could be freely transferred.

Our valuation summary and details are hereby enclosed for your attention.

Yours faithfully,  
For and on behalf of  
**Asia-Pacific Consulting and Appraisal Limited**



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**Jack W.J Li**  
CFA, MRICS, MBA  
Partner

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## EXECUTIVE SUMMARY

<b>THE PROPERTY</b>	:	4 parcels of land (excluding the buildings and structures erected thereon) of a tourism project known as Yida China Cave Capital located at Dongcun Village, Fenyi County, Xinyu City, Jiangxi Province, the PRC.
<b>LAND USAGE</b>	:	Commercial
<b>TOTAL SITE AREA</b>	:	Approximately 40,343.63 sq.m.
<b>LAND USE TERM</b>	:	Expiring on 30 January 2052 for commercial use.
<b>TITLE DOCUMENTS</b>	:	Fen Xiang Guo Yong (2012) Di [nos. 003 to 006]
<b>OCCUPANCY STATUS</b>	:	The property was operated by the Company for tourism purpose.
<b>VALUATION DATE</b>	:	8 March 2016
<b>MARKET VALUE</b>	:	We are of the opinion that the market value of the property in existing state as at the valuation date is in the amount of <b>RMB17,198,000 (rounded) (RENMINBI SEVENTEEN MILLION ONE HUNDRED AND NINETY EIGHT THOUSAND)</b> assuming that it could be freely transferred.

### **Notes:**

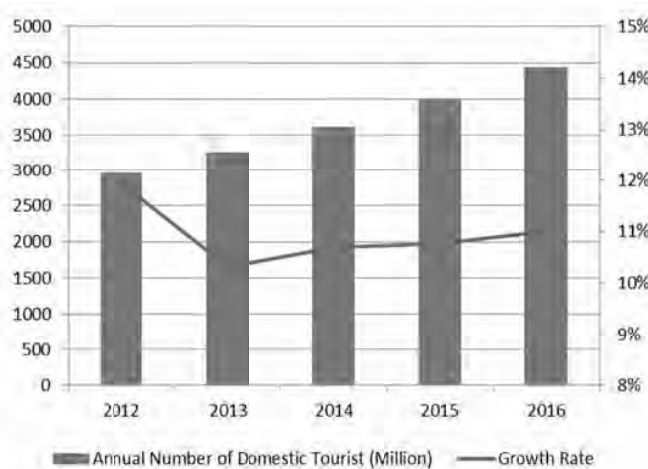
- 1. Our valuation is for internal reference only and is subject to relevant assumptions and limiting conditions in this report.*

## 1. TOURISM MARKET OVERVIEW

### 1.1 Overview of China Domestic Tourism Market

Benefited from the sustainable economic growth, the large number of population and the substantial increase in people's personal income, China domestic tourism maintained a steady growth in recent years. The statistics illustrated that the number of domestic tourists reached 4.4 billion in 2016, with an average annual growth rate of 11% in the last five years. Correspondingly, the domestic tourism revenue was 3.9 trillion yuan in 2016, increased by 15.1%. In detail, urban residents contributed about 3.2 trillion yuan and rural residents contributed about 0.7 trillion yuan.

**Chart 1.1 Number of Domestic Tourists and Growth Rate**



Source: National Bureau of Statistics of China

As predicted by World Tourism Organization, China would become the largest travel destination by 2020. Undoubtedly, the tourism in China has already become a new pillar of economic growth. Furthermore, the boom of domestic tourism industry has also dramatically stimulated on related industries, such as hotel, catering, transportation.

### 1.2 Overview of Jiangxi Tourism Market

Jiangxi Province is located in the south east of China and it shares a border with 6 provinces. It covers an area of around 16.69 sq. km. and its permanent population was 45.65 million in 2015. Jiangxi Province consists of 11 prefecture-level divisions and subdivided into 100 county-level divisions.

Mountains surround Jiangxi Province on three sides and the Gan River dominates the province flowing through the south to north. Numbers of famous resorts, such as Mount Lu, Poyang Lake, Tiesho Temple, lie in Jiangxi Province due to its unique geographic location.



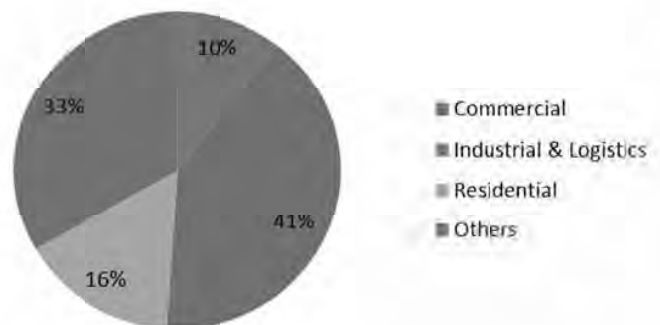
According to Jiangxi Statistical Yearbook, the provincial tourism revenue was 363 billion yuan in 2015, with a dramatic increase of about 37% compared it in 2014. Furthermore, tourism industry plays an important role in contributing the development of local economy, the revenue from tourism earnings reached 21.75% of the total provincial GDP in 2015, almost two times compared it in 2013. Nanchang City, Jiujiang City and Ji'an City have been regarded as the most popular destinations in the province by the number of domestic tourists.

## 2. JIANGXI LAND MARKET OVERVIEW

According to the Department of Land and Resources of Jiangxi Province, the overall supply of constructive land in Jiangxi Province shows a stable trend from 2012 to 2016 with an average at about 270 million sq.m. annually.

The overall supply of constructive land was about 173.7 million sq.m. in 2016. In detail, the supply of industrial and logistics land occupied 111 million sq.m. (about 41%) and it played as the dominant role in the market. The supply of other types of land, which includes public administration, transportation and water resource facilities, took the second largest proportion at 51.3 million sq.m. (about 33%). This was followed by the supply of residential land, reached 42.7 million sq.m. (about 16%). On the other hand, the supply of commercial land accounted for only 28.7 million sq.m. which was about one fourth (about 10%) of the largest one in the market.

**Chart 2.1-1 Supply of Land in Jiangxi Province in 2016**



*Source: Department of Land and Resources of Jiangxi Province and APA*

The total site area of land transaction for real estate developers in Jiangxi Province illustrated a stable increasing trend from 2012 and it peaked at about 9.18 million sq.m. in 2014.

However, the figure showed a rapid decrease since 2014 and it stood at about 4.43 million sq.m. in 2016. Correspondingly, the total amount of land transaction for real estate developers in Jiangxi Province decreased from RMB322.74 billion in 2013 to RMB12.12 billion in 2016. The decreasing trend of two figures indicated a negative signal in local land market.

**Chart 2.1-2 Land Transaction in Jiangxi Province from 2012 to 2016**



Source: National Bureau of Statistics of China and APA

### 3. DESCRIPTION OF THE SUBJECT PROPERTY

#### 3.1 Situation and Surroundings

The property is situated at Yida China Cave Capital, Dongcun Village, Xinyu City, which is the northern part of Xinyu City. Dongcun Village has been regarded as the traditional tourism area in local area. The property is located closely to the Daguang Expressway and it takes about 50 minutes' driving distance to the center of Xinyu City.

The surroundings of the property are rural area and vacant lands.

**Chart 3.1 Location Map of the Property**



Source: Baidu Map and APA

### 3.2 Detail of the Property

As advised by the Company, the property comprises 4 parcels of land (excluding the buildings and structures erected thereon) with a total site area of approximately 40,343.63 sq.m. for commercial use. The property is located at Yida China Cave Capital, which is a tourism project in Fenxi County, Xinyu City, Jiangxi Province.

On 16 January 2018, the date of our site inspection, the property has been developed into a tourism project with various buildings and structures erected thereon.

**Chart 3.2 Status of the Property**



**Image 1**



**Image 2**



**Image 3**



**Image 4**

(the existing state at the inspection date, 16 January 2018)

## 4. TITLE DOCUMENTS

### ◆ State-owned Land Use Rights Certificates

Pursuant to 4 State-owned Land Use Rights Certificates – Fen Xiang Guo Yong (2012) Di Nos. 003 to 006 issued by local government, the property was granted to the Company for commercial use. The details are set out as follows:

Certificate No.	: Fen Xiang Guo Yong (2012) Di No. 003	Fen Xiang Guo Yong (2012) Di No. 004
Site Area	: 10,804.92 sq m.	5,766.35 sq m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 30 January 2052	Expiry on 30 January 2052
Certificate No.	: Fen Xiang Guo Yong (2012) Di No. 005	Fen Xiang Guo Yong (2012) Di No. 006
Site Area	: 8,000.03 sq m.	15,772.33 sq m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 30 January 2052	Expiry on 30 January 2052

## 5. VALUATION CONSIDERATIONS

### 5.1 Valuation Methodology

We have adopted the comparison approach in our assessment of the property. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

### 5.2 Land Comparables

Based on our analysis, two land transactional comparables have been employed to reach the market value of the land portion of the property. The summaries of comparables considered in the valuation are illustrated in the tables below:

**Chart 5.2-1 Land Comparables for Commercial Usage**

Indicators	Comp. A	Comp. B
<b>Address</b>	Fenyi County, Xinyu City	Shangli County, Pingxiang City
<b>Purchaser</b>	分宜县城市建设投资开发有限公司	江西孽龙洞旅游投资开发有限公司
<b>Site Area (sq.m.)</b>	88,610	7,018
<b>Total Transaction Price (RMB)</b>	29,010,000	3,760,000
<b>Accommodation Value (RMB)</b>	1,091	893
<b>Transaction Date</b>	29 October, 2013	7 July, 2016

### 5.3 Valuation Assumptions

We have made the following special assumptions in the course of our valuation:

- ◆ We have been supplied with basic information likely to have an effect on the value of the property, and that the information supplied to us and summarized in this report is both completed and correct. We reserve the rights to amend our assessment if other information further obtained which could affect the value of the property;
- ◆ The property can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees; during the land use rights terms, the Company is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
- ◆ The property will be developed appropriately in accordance with the PRC Government requisite approvals during its land use term.

## 6. VALUATION CONCLUSION

Based on the above mentioned assumptions and analysis, we are of the opinion that the market value of the subject property in its existing state as at the valuation date is in the amount of **RMB17,198,000 (rounded)** (**RENMINBI SEVENTEEN MILLION ONE HUNDRED AND NINETEEN THOUSAND**) assuming that the property could be transferred.

Yours faithfully,  
For and on behalf of  
**Asia-Pacific Consulting and Appraisal Limited**



---

**Jack W.J Li**  
CFA, MRICS, MBA  
Partner

## LIMITING CONDITION

1. We are not able to report whether the property is free from rot, infestation or any other structural defects. No test was carried out on any of the utility services.
2. We have assumed that the conditions of the property as at the valuation date are consistent with the information provided to us. We take no responsibility for the accuracy of such information.
3. Asia-Pacific Consulting and Appraisal Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made.
4. As instructed, this report has been compiled for internal reference purpose and certain assumptions have been made which may not be confirmed upon external checking. For this reason this report is not intended for external reference and should not be relied upon for that purpose.
5. Our valuation is based upon various assumptions. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions; therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the property.
6. Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.
7. This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

\*\*\*\*\*

## VALUER'S DECLARATION

**We represent that, to the best of our knowledge and belief:**

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The reported analyses and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

**Jack Li**

Partner

**Kathy Hao**

Partner

**Elvin Zhang**

Manager







**VALUATION REPORT**  
**CONSIDERING**  
**THE MARKET VALUE OF 23 PARCELS OF LAND**  
**LOCATED AT**  
**NO. 99 GEXUAN ROAD**  
**ZHANGSHU CITY, YICHUN CITY**  
**JIANGXI PROVINCE**  
**THE PEOPLE'S REPUBLIC OF CHINA**

**Client** : Jiangxi Zhangshu (Yida) Tourism Development Co., Ltd  
**Ref. No.** : 201712508-1  
**Date** : 10 February 2018

**Important**

This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear

10 February 2018  
The Board of Directors  
Jiangxi Zhangshu (Yida) Tourism Development Co., Ltd  
No. 99 Gexuan Road,  
Zhangshu City,  
Jiangxi Province,  
The People's Republic of China

Dear Sir,

**Re: Valuation of 23 parcels of land located at No. 99 Gexuan Road, Zhangshu City, Yichun City, Jiangxi Province, the People's Republic of China ("the PRC")**

Instructions, Purpose and Valuation Date

Asia-Pacific Consulting and Appraisal Limited ("APA" or "we") are delighted to have been appointed by **Jiangxi Zhangshu (Yida) Tourism Development Co., Ltd** (the "Company") to provide valuation services on the captioned property which is held by the Company.

In accordance with your instructions, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 8 March 2016 (the "**valuation date**") for internal reference purpose.

The Property

As advised by the Company, the property comprises 23 parcels of land (excluding the buildings and structures erected thereon) with a total site area of approximately 533,338 sq.m. for residential, commercial and scenic facilities uses.

On 15 January 2018, the date of our site inspection, portions of the property have been developed into a tourism project with various buildings and structures erected thereon while the remaining of the property is vacant for future development.

Basis of Valuation

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and

where the parties had each acted knowledgeably, prudently and without collusion”.

### General Assumptions

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

For the purpose of this valuation, we have assumed that all title certificates of the property have been obtained and the property can be freely transferred in the market in its existing state with no outstanding payable fees or monies.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

### Special Assumptions

We have made the following special assumptions in the course of our valuation:

- ◆ We have been supplied with basic information likely to have an effect on the value of the property, and that the information supplied to us and summarized in this report is both completed and correct. We reserve the rights to amend our assessment if other information further obtained which could affect the value of the property;
- ◆ The property can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees; during the land use rights terms, the Company is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
- ◆ The property will be developed appropriately in accordance with the PRC Government requisite approvals during its land use term.

### Methods of Valuation

We have adopted the comparison approach in our assessment of the property. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

### Valuation Standards

In the course of our valuation, we have complied with all the requirements contained in the RICS Valuation - Professional Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

### Source of Information

We have relied to a very considerable extent on the information given by the Company, and have accepted advice given to us on such matters as tenure, particulars of occupancy and all other relevant matters.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

### Document and Title Investigation

We have been shown copies of title documents including 23 State-owned Land Use Rights Certificates and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrances that might be attached to the property or any lease amendments. It is assumed that the copies of the documents obtained are consistent with their originals. We recommend that a PRC legal opinion is sought to verify the existing title to the property interest in the PRC.

### Area Measurement and Inspection

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for an industrial development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

The site inspection was carried on 15 January 2018 by Mr. Elvin Zhang who has 4 years' experience in the property valuation in the PRC.

### Currency

All monetary figures stated in this report are in Renminbi (RMB).

### Limiting Conditions

This report is subject to our standard Limiting Conditions as attached.

### Caveats and Non-publication Clause

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed for the specific purposes to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.

### Opinion of Value

Based on the above assumptions and analysis, we are of the opinion that the market value of the property in its existing state as at the valuation date is in the amount of **RMB185,711,000 (rounded) (RENMINBI ONE HUNDRED EIGHTY FIVE MILLION SEVEN HUNDRED AND ELEVEN THOUSAND)** assuming that it could be freely transferred.

Our valuation summary and details are hereby enclosed for your attention.

Yours faithfully,

For and on behalf of

**Asia-Pacific Consulting and Appraisal Limited**



---

**Jack W.J Li**

CFA, MRICS, MBA

Partner

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## EXECUTIVE SUMMARY

<b>THE PROPERTY</b>	:	23 parcels of land (excluding the buildings and structures erected thereon) of a tourism project known as Yida China Ancient Sea located at No. 99 Gexuan Road, Zhangshu City, Yichun City, Jiangxi Province, the PRC.
<b>LAND USAGE</b>	:	Residential, Commercial and Scenic Facilities
<b>TOTAL SITE AREA</b>	:	Approximately 533,338 sq.m.
<b>LAND USE TERM</b>	:	Expiring on 17 July 2082 and 25 September 2083 for residential use; Expiring on 17 July 2052 and 25 September 2053 for commercial use; Expiring on 25 September 2063 for scenic facilities use
<b>TITLE DOCUMENTS</b>	:	Zhang Guo Yong (2012) Di Nos. 2641 to 2649; Zhang Guo Yong (2013) Di Nos. 4399 to 4412
<b>OCCUPANCY STATUS</b>	:	Portions of the property were operated by the Company for tourism purpose while the remaining of the property was vacant.
<b>VALUATION DATE</b>	:	8 March 2016
<b>MARKET VALUE</b>	:	We are of the opinion that the market value of the property in existing state as at the valuation date is in the amount of <b>RMB185,711,000 (rounded) (RENMINBI ONE HUNDRED EIGHTY FIVE MILLION SEVEN HUNDRED AND ELEVEN THOUSAND)</b> assuming that it could be freely transferred.

### *Notes:*

- Our valuation is for internal reference only and is subject to relevant assumptions and limiting conditions in this report.*

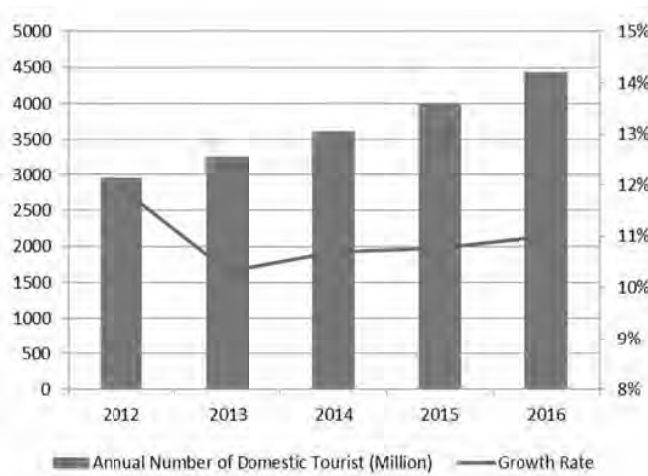


## 1. TOURISM MARKET OVERVIEW

### 1.1 Overview of China Domestic Tourism Market

Benefited from the sustainable economic growth, the large number of population and the substantial increase in people's personal income, China domestic tourism maintained a steady growth in recent years. The statistics illustrated that the number of domestic tourists reached 4.4 billion in 2016, with an average annual growth rate of 11% in the last five years. Correspondingly, the domestic tourism revenue was 3.9 trillion yuan in 2016, increased by 15.1%. In detail, urban residents contributed about 3.2 trillion yuan and rural residents contributed about 0.7 trillion yuan.

Chart 1.1 Number of Domestic Tourists and Growth Rate



Source: National Bureau of Statistics of China

As predicted by World Tourism Organization, China would become the largest travel destination by 2020. Undoubtedly, the tourism in China has already become a new pillar of economic growth. Furthermore, the boom of domestic tourism industry has also dramatically stimulated on related industries, such as hotel, catering, transportation.

### 1.2 Overview of Jiangxi Tourism Market

Jiangxi Province is located in the south east of China and it shares a border with 6 provinces. It covers an area of around 16.69 sq. km. and its permanent population was 45.65 million in 2015. Jiangxi Province consists of 11 prefecture-level divisions and subdivided into 100 county-level divisions.

Mountains surround Jiangxi Province on three sides and the Gan River dominates the province flowing through the south to north. Numbers of famous resorts, such as Mount Lu, Poyang Lake, Tiesho Temple, lie in Jiangxi Province due to its unique geographic location.

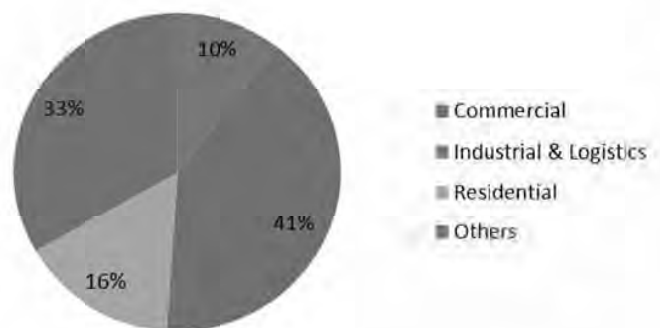
According to Jiangxi Statistical Yearbook, the provincial tourism revenue was 363 billion yuan in 2015, with a dramatic increase of about 37% compared it in 2014. Furthermore, tourism industry plays an important role in contributing the development of local economy, the revenue from tourism earnings reached 21.75% of the total provincial GDP in 2015, almost two times compared it in 2013. Nanchang City, Jiujiang City and Ji'an City have been regarded as the most popular destinations in the province by the number of domestic tourists.

## 2. LAND MARKET OVERVIEW

According to the Department of Land and Resources of Jiangxi Province, the overall supply of constructive land in Jiangxi Province shows a stable trend from 2012 to 2016 with an average at about 270 million sq.m. annually.

The overall supply of constructive land was about 173.7 million sq.m. in 2016. In detail, the supply of industrial and logistics land occupied 111 million sq.m. (about 41%) and it played as the dominant role in the market. The supply of other types of land, which includes public administration, transportation and water resource facilities, took the second largest proportion at 51.3 million sq.m. (about 33%). This was followed by the supply of residential land, reached 42.7 million sq.m. (about 16%). On the other hand, the supply of commercial land accounted for only 28.7 million sq.m. which was about one fourth (about 10%) of the largest one in the market.

**Chart 2.1-1 Supply of Land in Jiangxi Province in 2016**

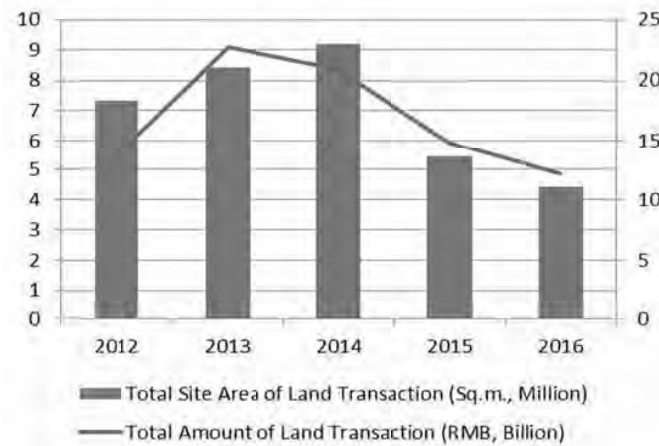


Source: Department of Land and Resources of Jiangxi Province and APA

The total site area of land transaction for real estate developers in Jiangxi Province illustrated a stable increasing trend from 2012 and it peaked at about 9.18 million sq.m. in 2014.

However, the figure showed a rapid decrease since 2014 and it stood at about 4.43 million sq.m. in 2016. Correspondingly, the total amount of land transaction for real estate developers in Jiangxi Province decreased from RMB322.74 billion in 2013 to RMB12.12 billion in 2016. The decreasing trend of two figures indicated a negative signal in local land market.

**Chart 2.1-2 Land Transaction in Jiangxi Province from 2012 to 2016**



Source: National Bureau of Statistics of China and APA

### **3. DESCRIPTION OF THE SUBJECT PROPERTY**

#### **3.1 Situation and Surroundings**

The property is situated at Yida China Ancient Sea, No. 99 Gexuan Road, Zhangshu City, which is at the southern part of Zhangshu City. Yida China Ancient Sea is a famous resort attraction in local area. The property is located closely to the Gexuan Road, which connects the property and the downtown area, and it takes about 20 minutes' driving distance to the center of Zhangshu City.

The surroundings of the property are rural area and vacant lands.

**Chart 3.1 Location Map of the Property**



Source: Baidu Map and APA

### 3.2 Detail of the Property

As advised by the Company, the property comprises 23 parcels of land (excluding the buildings and structures erected thereon) with a total site area of approximately 533,338 sq.m. (including the site area of approximately 296,171 sq.m. for residential use, approximately 182,868 sq.m. for commercial use and approximately 54,299 sq.m. for scenic facilities use respectively). The property is located at Yida China Ancient Sea, which is tourism project in Zhangshu City, Yichun City, Jiangxi Province.

On 15 January 2018, the date of our site inspection, portions of the property have been developed into a tourism project with various buildings and structures erected thereon while the remaining of the property is vacant.

**Chart 3.2 Status of the Property**



**Image 1**



**Image 2**



**Image 3**



**Image 4**



**Image 5**



**Image 6**

(the existing state at the inspection date, 15 January 2018)

## 4. TITLE DOCUMENTS

### ◆ State-owned Land Use Rights Certificates

Pursuant to 23 State-owned Land Use Rights Certificates – Zhang Guo Yong (2012) Di Nos. 2641 to 2649 and Zhang Guo Yong (2013) Di Nos. 4399 to 4403 issued by local government, the property was granted to the Company for residential, commercial and scenic facilities uses respectively. The details are set out as follows:

Certificate No.	: Zhang Guo Yong (2012) Di No. 2641	Zhang Guo Yong (2012) Di No. 2642
Site Area	: 28,892 sq.m.	68,986 sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 17 July 2052	Expiry on 17 July 2052
Certificate No.	: Zhang Guo Yong (2012) Di No. 2643	Zhang Guo Yong (2012) Di No. 2644
Site Area	: 43,784 sq.m.	15,642 sq.m.
Land Usage	: Commercial	Residential
Expiry Date	: Expiry on 17 July 2052	Expiry on 17 July 2082
Certificate No.	: Zhang Guo Yong (2012) Di No. 2645	Zhang Guo Yong (2012) Di No. 2646
Site Area	: 42,474 sq.m.	19,542 sq.m.
Land Usage	: Residential	Residential
Expiry Date	: Expiry on 17 July 2082	Expiry on 17 July 2082
Certificate No.	: Zhang Guo Yong (2012) Di No. 2647	Zhang Guo Yong (2012) Di No. 2648
Site Area	: 69,672 sq.m.	69,690 sq.m.
Land Usage	: Residential	Residential
Expiry Date	: Expiry on 17 July 2082	Expiry on 17 July 2082
Certificate No.	: Zhang Guo Yong (2012) Di No. 2649	Zhang Guo Yong (2013) Di No. 4399
Site Area	: 69,576 sq.m.	4,278 sq.m.
Land Usage	: Residential	Commercial
Expiry Date	: Expiry on 17 July 2082	Expiry on 25 September 2053
Certificate No.	: Zhang Guo Yong (2013) Di No. 4400	Zhang Guo Yong (2013) Di No. 4401
Site Area	: 3,802 sq.m.	1,579 sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 25 September 2053	Expiry on 25 September 2053
Certificate No.	: Zhang Guo Yong (2013) Di No. 4402	Zhang Guo Yong (2013) Di No. 4403
Site Area	: 14,830 sq.m.	7,765 sq.m.
Land Usage	: Scenic facilities use	Commercial
Expiry Date	: Expiry on 25 September 2063	Expiry on 25 September 2053

Certificate No.	: Zhang Guo Yong (2013) Di No. 4404	Zhang Guo Yong (2013) Di No. 4405
Site Area	: 19,482 sq.m.	2,428 sq.m.
Land Usage	: Commercial	Commercial
Expiry Date	: Expiry on 25 September 2053	Expiry on 25 September 2053
Certificate No.	: Zhang Guo Yong (2013) Di No. 4406	Zhang Guo Yong (2013) Di No. 4407
Site Area	: 249 sq. m.	1,265 sq.m.
Land Usage	: Commercial	Scenic facilities use
Expiry Date	: Expiry on 25 September 2053	Expiry on 25 September 2063
Certificate No.	: Zhang Guo Yong (2013) Di No. 4408	Zhang Guo Yong (2013) Di No. 4409
Site Area	: 6,982 sq.m.	1,064 sq.m.
Land Usage	: Residential	Residential
Expiry Date	: Expiry on 25 September 2083	Expiry on 25 September 2083
Certificate No.	: Zhang Guo Yong (2013) Di No. 4410	Zhang Guo Yong (2013) Di No. 4411
Site Area	: 1,529 sq.m.	1,604 sq.m.
Land Usage	: Residential	Commercial
Expiry Date	: Expiry on 25 September 2083	Expiry on 25 September 2053
Certificate No.	: Zhang Guo Yong (2013) Di No. 4412	
Site Area	: 38,204 sq.m.	
Land Usage	: Scenic facilities use	
Expiry Date	: Expiry on 25 September 2063	

## 5. VALUATION CONSIDERATIONS

### 5.1 Valuation Methodology

We have adopted the comparison approach in our assessment of the property. This approach rests on the wide acceptance of the market transactions as the best indicator and presupposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

### 5.2 Land Comparables

Based on our analysis, two land transactional comparables for each kind of land usages have been employed to reach the market value of the land portion of the property. The summaries of comparables considered in the valuation are illustrated in the tables below:

**Chart 5.1-1 Land Comparables for Residential Usage**

Indicators	Comp. A	Comp. B
<b>Address</b>	West to Yanghu Road, Zhangshu City	Yongtai Town, Zhangshu City
<b>Purchaser</b>	樟树市诚信置业有限公司	江西柳牌食品有限公司
<b>Site Area (sq.m.)</b>	23,020	1,549
<b>Total Transaction Price (RMB)</b>	24,860,000	620,000
<b>Accommodation Value (RMB)</b>	372	334
<b>Transaction Date</b>	31 May, 2016	14 April, 2016

**Chart 5.2-2 Land Comparables for Commercial Usage**

Indicators	Comp. A	Comp. B
<b>Address</b>	North to Zhangdian Road, Zhangshu City	Gexuan Road, Zhangshu City
<b>Purchaser</b>	樟树市百世嘉悦餐饮服务有限责任公司	江西云之龙假日酒店有限公司
<b>Site Area (sq.m.)</b>	26,674	7,157
<b>Total Transaction Price (RMB)</b>	4,970,000	1,650,000
<b>Accommodation Value (RMB)</b>	143	177
<b>Transaction Date</b>	2 June, 2015	8 September, 2015

**Chart 5.2-3 Land Comparables for Scenic Facilities Usage**

Indicators	Comp. A	Comp. B
<b>Address</b>	Yangming Lake, Ganzhou City	Dajue Mountain, Fuzhou City
<b>Purchaser</b>	江西章江源旅游发展有限公司	江西大觉山景区有限公司
<b>Site Area (sq.m.)</b>	2,795	9,012
<b>Total Transaction Price (RMB)</b>	560,000	1,510,000
<b>Unit Value (RMB)</b>	200	168
<b>Transaction Date</b>	9 February, 2017	3 April, 2015



### 5.3 Valuation Assumptions

We have made the following special assumptions in the course of our valuation:

- ◆ We have been supplied with basic information likely to have an effect on the value of the property, and that the information supplied to us and summarized in this report is both completed and correct. We reserve the rights to amend our assessment if other information further obtained which could affect the value of the property;
- ◆ The property can be freely transferred, leased or disposed without payment of any further land premium, penalty or transfer fees; during the land use rights terms, the Company is entitled to occupy, use, lease, mortgage, transfer or otherwise dispose of the property; and
- ◆ The property will be developed appropriately in accordance with the PRC Government requisite approvals during its land use term.

## 6. VALUATION CONCLUSION

Based on the above mentioned assumptions and analysis, we are of the opinion that the market value of the subject property in its existing state as at the valuation date is in the amount of **RMB185,711,000 (rounded)** (**RENMINBI ONE HUNDRED EIGHTY FIVE MILLION SEVEN HUNDRED AND ELEVEN THOUSAND**) assuming that the property could be transferred.

Yours faithfully,

For and on behalf of

**Asia-Pacific Consulting and Appraisal Limited**



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**Jack W.J Li**

CFA, MRICS, MBA

Partner

## **LIMITING CONDITION :**

1. We are not able to report whether the property is free from rot, infestation or any other structural defects. No test was carried out on any of the utility services.
2. We have assumed that the conditions of the property as at the valuation date are consistent with the information provided to us. We take no responsibility for the accuracy of such information.
3. Asia-Pacific Consulting and Appraisal Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made.
4. As instructed, this report has been compiled for internal reference purpose and certain assumptions have been made which may not be confirmed upon external checking. For this reason this report is not intended for external reference and should not be relied upon for that purpose.
5. Our valuation is based upon various assumptions. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions; therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the property.
6. Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.
7. This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.

\*\*\*\*\*

## VALUER'S DECLARATION

**We represent that, to the best of our knowledge and belief:**

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The reported analyses and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

**Jack Li**

Partner

**Kathy Hao**

Partner

**Elvin Zhang**

Manager

## **EXHIBIT "2"**

## **EXHIBIT "2"**

Asia-Pacific Consulting and Appraisal Limited	
Jack Li	Partner

#### Current responsibilities

Ms. Jack Li currently serves as partner of Asia-Pacific Consulting and Appraisal Limited. He is being the person in charge of numbers of projects to providing fixed assets, properties and intangible assets as well as business appraisal and consulting services, mainly for overseas IPO, accounting reference, acquisition, and internal reference purposes.

#### Previous experience

Mr. Li has extensive experiences in consulting and valuations in capital market for various companies, including HK listed companies, US listed companies, SOEs and multinational companies. He has been responsible for the consulting and valuation works for over 100 listed companies in Hong Kong, US, Singapore and UK, to provide the financial reporting reference and internal investment reference on the value of fixed assets, properties, equity interest, intangible assets, mineral assets, and financial instruments etc.

#### Positions

Partner

#### Education and affiliations

CFA

MRICS

MBA, McGill University

# **EXHIBIT "3"**

# **EXHIBIT "3"**

# INTERNATIONAL BUSINESS ADVISORS

BUSINESS VALUATION • CORPORATE PLANNING • ECONOMIC ANALYSIS

15 February 2018

Mr. J. Robert Smith  
Holland & Hart  
5441 Kietzke Ln.  
Reno, NV 89511

## *CONFIDENTIAL AND PROPRIETARY*

Re: Review and Commentary  
Anthem Forensics Letter Report  
China Yida vs. Pope

Dear Mr. Smith:

Pursuant to your request, International Business Advisors (IBA) has reviewed a letter report issued by Anthem Forensics (Anthem) dated 7 November 2017 regarding the value of China Yida Holding Company (China Yida).

### **Professional Valuation**

First, the Anthem letter report is *not* a valuation, and its conclusions should not be used as such in a court of law. It does not follow accepted valuation procedures, does not utilize required information, and does not employ the standard three valuation approaches.

Anthem even stated in their letter report that it is not a valuation, although they later provided opinions of value. Under item 2. in section 3. General Considerations, they stated that “it does not represent a business valuation report, is not intended to be interpreted as such, and cannot be characterized as such.” (Page 6) Later at the bottom of the same page under section 4. Business Valuation Considerations, Anthem said, “we have not performed a business valuation of China Yida.” So what they have provided does not qualify as an opinion of value.

What they have done is push the limits of ethical appraisal practices under the Uniform Standards of Professional Appraisal Practice (USPAP). They have provided misleading conclusions as to value, without the necessary information and analysis required under USPAP. And they try to circumvent this problem by stating that their letter report is not a valuation, but then they provide valuation opinions anyway.

## Valuation Approaches

Anthem employed only one of the three standard valuation approaches, and that approach, the asset (or asset replacement) approach, is the least reliable of the three. The income (or discounted income) and market (or market comparison) approaches are much preferred for the valuation of an on-going business enterprise.

The asset replacement approach assumes that the value of a business is the cost to replace its assets. But the historical costs of purchasing assets, does not reflect the current market value of the enterprise using those assets. Businessmen buy assets to earn more money than what they paid for the underlying assets. So in a profitable business, the enterprise is worth more than the assets. And in an unprofitable business the assets are worth less than the cost to buy them, unless they can be sold to another company who can use them profitably in their operations.

For example, a high tech company can spend \$10 million developing a patented product. But if it turns out there's no market for the product, then the patent is worthless, even though it cost \$10 million.

And in the case of China Yida, if it cost them \$10 million to acquire the "land use rights" of a particular tourism site which then loses money, that asset is not worth the \$10-million historical cost.

With China Yida we're dealing with real estate assets of natural and cultural tourism sites. These are not fungible items that can be freely switched out or interchanged. The scenic and historical sites cannot be relocated to a profitable site. You don't purchase a scenic location, then uproot it and plunk it down somewhere else.

## Valuation Procedures

Investment Holding Company. Anthem emphasized the asset approach, because they know a company like China Yida that has been losing millions over the prior three years, is not worth much under the income approach or the market approach. So Anthem sought support for using only the asset approach by quoting one part of the venerable **IRS Revenue Ruling 59-60** where it says the "value of the stock of a closely held investment or real estate holding company... is closely related to the value of the assets underlying the stock. For companies of this type the appraiser should determine the fair market values of the assets of the company." (Bottom of page 9)

However, despite its name, China Yida Holding Company, China Yida is not a holding company that is passively invested in securities and properties. It is actively managing and operating tourist sites.

Stock Market Prices. Also 59-60 says that the IRS ruling is for "valuing the stock of closely held corporations, or the stock of corporations where market quotations are not available." However, China Yida was publicly traded and the stock quotes were readily available.



“As a generalization, the prices of stocks which are traded in volume in a free and active market by informed persons best reflect the consensus of the investing public as to what the future holds for the corporations.” So according to 59-60, the stock price of China Yida is the best indication of value.

Income and Market Approaches. And “the next best measure may be found in the prices at which the stocks of companies engaged in the same or a similar line of business are selling in a free and open market.” So the next best measure is the market approach that Anthem did not utilize.

Furthermore, 59-60 states that the “valuation of securities is, in essence, a prophesy as to the future and must be based on facts available.” Looking at future income is the income approach that Anthem did not use.

### **Background Information**

On pages 4-5, Anthem presented in section 2. Background only a time line of events for the merger and legal proceedings. There is no background information on China Yida. Anthem lists the 21 documents and sources of information that they used in Appendix 1 on pages 14-15. The first 12 documents listed are legal filings with the court. They have nothing to do with understanding the company. The next 4 documents 13-16 are real estate appraisal reports from Savills. The remaining items 17-21 are legal filings and documents. Anthem cannot analyze and opine on the value of China Yida without using necessary information about the company itself. This is contrary to USPAP and to common sense.

Anthem stated that “if the scope of our engagement is expanded... and if the trier of fact finds that alternative valuation approaches should be considered... then we will need additional and more timely information.” (Page 9) The information they said they lack is already available on-line for free in the Forms 10K and 10Q and other filings with the Securities and Exchange Commission (SEC). This SEC filing information goes back several years and describes in detail the organization of China Yida, its businesses, assets, management, markets and operations, and provides audited financial accounting statements and related notes.

### **Three Value Indications**

Anthem provided an opinion in three valuation “indications” in three exhibits for three scenarios based on three overarching assumptions. (Pages 11-13)

**Scenario 1** assumed that the historical cost of the assets on the balance sheet, net of liabilities, is the business value of China Yida. Anthem’s “value indication” was \$76.5 million or **\$19.55 per share**. However, the historical cost of assets in the past rarely reflects the current market value of assets.

Since these asset values came right off the balance sheet filed publicly with the SEC, why was the publicly traded stock price at the time only **\$2.00 per share**?

Anthem included the value of all the intangible assets at year end 2015. However, China Yida had recorded impairments of \$4.4 million to assets in 2014, and given their continuing losses would most likely incur more impairments in 2016. This will decrease rather than increase asset values.

Also Anthem included among the net assets \$2.8 million of prepayments. It is difficult to sell prepaid expenses in the market for assets.

**Scenario 2** assumed that the current real estate appraisals of Savills were correct, but excluded Savills' speculation that some China Yida assets were not reported to the SEC. Their appraisals were of "land use rights" which are the bulk of the intangible assets on the China Yida balance sheet. This second scenario added \$11.6 million to the historical value of the intangible assets, in spite of the potential for large impairments that would reduce intangible values. Their "value indication" was \$88.2 million or **\$22.52 per share**. That's **11 times** the \$2.00 market value on the freely traded stock exchange.

**Scenario 3** assumed that the "land use rights" of Savills were correct, and in addition included Savills' speculation as to assets not being reported to the SEC. Thus \$54.1 million was added to the value of intangible assets, resulting in a "value indication" of \$130.7 million or **\$33.38 per share**.

Anthem left it up to the "trier of fact" to "determine which of these indications of net asset value will be most representative of CYH's [China Yida's] business value." (Page 12) Thus these expert witnesses herein abdicated their responsibility to provide meaningful opinions and dumped it into the lap of the court.

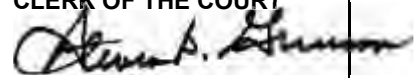
In conclusion, the Anthem letter report cannot be relied upon. It does not employ correct valuation procedures, it lacks necessary information, it does not include two of three appraisal approaches, and it is not even a valuation by their own admission.

Respectfully yours,



Christian Bendixen Haven  
Principal

chinayida\review.b15



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Attorneys for Respondents  
POPE INVESTMENTS, LLC,  
POPE INVESTMENTS II, LLC, and  
ANNUITY & LIFE REASSURANCE, LTD.

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

CHINA YIDA HOLDING CO., a Nevada	)	CASE NO.: A-16-746732-P
corporation,	)	DEPT NO.: XXVII
	)	
Petitioner,	)	
	)	
v.	)	<b>RESPONDENTS'</b>
	)	<b>NOTICE OF APPEAL</b>
POPE INVESTMENTS, LLC, a Delaware	)	
limited liability company; POPE	)	
INVESTMENTS II, LLC, a Delaware	)	
limited liability company; and ANNUITY	)	
& LIFE REASSURANCE, LTD.,	)	
an unknown limited company;	)	
	)	
Respondents.	)	

Notice is hereby given that Pope Investments, LLC, Pope Investments II, LLC and Annuity & Life Reassurance, Ltd. (the "Respondents") appeals to the Supreme Court of Nevada from the September 9, 2019 Order Granting Petitioner China Yida Holding Company's

1 Motion for Summary Judgment, and the Notice of Entry regarding the same, as well as all  
2 orders, rulings, or decisions related thereto that are made appealable thereby.

3 Dated this 9<sup>th</sup> day of October, 2019.

4 BOIES SCHILLER FLEXNER LLP

5  
6 By: /s/ Richard J. Pocker  
7 RICHARD J. POCKER, ESQ.  
8 Nevada Bar No. 3568  
300 S. Fourth St., Suite 800  
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9 - AND -

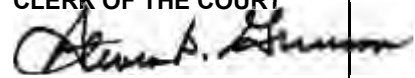
10  
11 CHASEY LAW OFFICES  
12 PETER L. CHASEY, ESQ.  
13 Nevada Bar No. 7650  
3295 N. Fort Apache Rd., Suite 110  
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14 Attorneys for Respondents  
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# CERTIFICATE OF SERVICE

I hereby certify that on the 9<sup>th</sup> day of October, 2019, a true and correct copy of the foregoing ***RESPONDENTS' NOTICE OF APPEAL*** was served by electronically submitting and filing with the Eighth Judicial District Court's e-filing system and by mailing a true and correct copy to the party below:

J. Robert Smith, Esq.  
Joshua M. Halen, Esq.  
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Las Vegas, Nevada 89134  
Attorneys for Petitioner, China Yida Holding, Co.

/s/ Shilah Wisniewski  
An employee of Boies Schiller Flexner LLP



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Attorneys for Respondents  
POPE INVESTMENTS, LLC,  
POPE INVESTMENTS II, LLC, and  
ANNUITY & LIFE REASSURANCE, LTD.

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

CHINA YIDA HOLDING CO., a Nevada	)	CASE NO.: A-16-746732-P
corporation,	)	DEPT NO.: XXVII
	)	
Petitioner,	)	
	)	
v.	)	<b>RESPONDENTS' CASE APPEAL</b>
	)	<b>STATEMENT</b>
POPE INVESTMENTS, LLC, a Delaware	)	
limited liability company; POPE	)	
INVESTMENTS II, LLC, a Delaware	)	
limited liability company; and ANNUITY	)	
& LIFE REASSURANCE, LTD.,	)	
an unknown limited company;	)	
	)	
Respondents.	)	

**1. Name of appellants filing this case appeal statement:**

Pope Investments, LLC  
Pope Investments II, LLC

1           Annuity & Life Reassurance, Ltd.

2           **2.       Name of the judge issuing the decision, judgment, or order appealed from:**

3           Judge Nancy L. Allf

4           **3.       Each appellant and the name and address of counsel for each appellant:**

5           (1)     Pope Investments, LLC

6                   Counsel:     Peter L. Chasey, Esq.  
7                                   Chasey Law Offices  
8                                   3295 N. Forth Apache Rd., Suite 110  
9                                   Las Vegas, Nevada 89129

10                    -and-

11                               Richard J. Pocker, Esq.  
12                               Boies Schiller Flexner LLP  
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14                               Las Vegas, Nevada 89101

15           (2)     Pope Investments II, LLC

16                   Counsel:     Peter L. Chasey, Esq.  
17                                   Chasey Law Offices  
18                                   3295 N. Forth Apache Rd., Suite 110  
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20                    -and-

21                               Richard J. Pocker, Esq.  
22                               Boies Schiller Flexner LLP  
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24                               Las Vegas, Nevada 89101

25           (3)     Annuity & Life Reassurance, Ltd.

26                   Counsel:     Peter L. Chasey, Esq.  
27                                   Chasey Law Offices  
28                                   3295 N. Forth Apache Rd., Suite 110  
29                                   Las Vegas, Nevada 89129

30                    -and-

31                               Richard J. Pocker, Esq.  
32                               Boies Schiller Flexner LLP  
33                               300 S. Fourth St., Suite 800  
34                               Las Vegas, Nevada 89101

1           **4. Each respondent and the name and address of appellate counsel, if known,**  
2 **for each respondent:**

3           (1) China Yida Holding, Co.

4                   Counsel: J. Robert Smith, Esq.  
5                               Joshua M. Halen, Esq.  
6                               Holland & Hart LLP  
7                               9555 Hillwood Drive, 2<sup>nd</sup> Floor  
8                               Las Vegas, Nevada 89134

9           **5. Whether any attorney identified above in response to question 3 through 5**  
10 **is not licensed to practice law in Nevada:**

11           All attorneys are licensed to practice law in Nevada.

12           **6. Whether appellant is represented by appointed or retained counsel in the**  
13 **district court:**

14           Retained counsel.

15           **7. Whether appellant was represented by appointed or retained counsel in the**  
16 **appeal:**

17           Retained counsel.

18           **8. Whether appellant was granted leave to proceed in forma pauperis:**

19           No.

20           **9. The date the proceedings commenced in the district court (e.g., date**  
21 **complaint, indictment, information, or petition was filed):**

22           November 15, 2016

23           **10. A brief description of the nature of the action and result in the district**  
24 **court, including the type of judgment or order being appealed and the relief granted by**  
25 **the district court:**

26           The present action is a dissenter's rights action commenced on November 15, 2016 by  
27 China Yida Holding Co. (CYH) pursuant to Chapter 92A of the Nevada Revised Statutes, as a  
28 consequence of the decision by the appellants (stockholders in CYH) to exercise their rights to  
dissent from a CYH corporate action characterized by the company as a "merger", and to seek a  
fair value determination as to the value of the appellants CYH stock. CYH moved for



1 summary judgment, arguing that despite the company having represented to the appellants that  
2 dissenter's rights were available and having litigated the fair value petition for two and one-half  
3 years, the appellants had no dissenter's rights due to the provisions of Section 92A.390 of the  
4 Nevada Revised Statutes. The District Court granted the Petitioner's Motion for Summary  
5 Judgment, filing and entering its Order on September 9, 2019. The Notice of Entry of the  
6 Court's Order was filed on that same date.

7 **11. Whether the case has previously been the subject of an appeal to or original**  
8 **writ proceeding in the Supreme Court and, if so, the caption and Supreme Court docket**  
9 **number of the prior proceeding:**

10 No.

11 **12. Whether this appeal involves child custody or visitation:**

12 No.

13 **13. If this is a civil case, indicate whether this appeal involves the possibility of**  
14 **settlement:**

15 There is the possibility that this appeal could settle, but the respondents' interest in  
16 pursuing settlement has not been ascertained.

17 Dated this 9<sup>th</sup> day of October, 2019.

18 BOIES SCHILLER FLEXNER LLP

19  
20 By: /s/ Richard J. Pocker  
21 RICHARD J. POCKER, ESQ.  
22 Nevada Bar No. 3568  
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25 - AND -

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Attorneys for Respondents

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**CERTIFICATE OF SERVICE**

I hereby certify that on the 9<sup>th</sup> day of October, 2019, a true and correct copy of the foregoing ***RESPONDENTS' CASE APPEAL STATEMENT*** was served by electronically submitting and filing with the Eighth Judicial District Court's e-filing system and by mailing a true and correct copy to the party below:

J. Robert Smith, Esq.  
Joshua M. Halen, Esq.  
Holland & Hart LLP  
9555 Hillwood Drive, 2<sup>nd</sup> Floor  
Las Vegas, Nevada 89134  
Attorneys for Petitioner, China Yida Holding, Co.

/s/ Shilah Wisniewski  
An employee of Boies Schiller Flexner LLP