

Shanda Games Ltd
Form SC 13D/A
April 06, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A
Under the Securities Exchange Act of 1934
(Amendment No. 5)*

Shanda Games Limited

(Name of Issuer)

Class A Ordinary Shares, par value US\$0.01 per share

(Title of Class of Securities)

81941U105**

(CUSIP Number)

Shengming Ma

Ningxia Zhongyincashmere International Group Co., Ltd.

Zhongyin Ave. Cashmere Industrial Park,

Lingwu, China

(86) 0951 4038 950-8946

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

April 3, 2015

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: "

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

** This CUSIP applies to the American Depositary Shares, evidenced by American Depositary Receipts, each representing two Class A ordinary shares.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 81941U105

(1) Names of reporting persons

Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

BK

(5) Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e)

(6) Citizenship or place of organization

Hong Kong

(7) Sole voting power

Number of

shares

48,759,187 Class B Ordinary Shares⁽¹⁾

beneficially (8) Shared voting power

owned by

each

0
(9) Sole dispositive power

reporting

person

48,759,187 Class B Ordinary Shares⁽¹⁾

with (10) Shared dispositive power

0

(11) Aggregate amount beneficially owned by each reporting person

48,759,187 Class B Ordinary Shares⁽¹⁾

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) x

(13) Percent of class represented by amount in Row (11)

50.0%⁽²⁾⁽³⁾

(14) Type of reporting person (see instructions)

CO

- (1) Representing 48,759,187 Class B Ordinary Shares (as defined below) held by Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited, a company formed under the laws of Hong Kong.
- (2) Percentage calculated based on total Class B Ordinary Shares outstanding as of April 3, 2015. As of April 3, 2015, 443,179,215 Class A Ordinary Shares (as defined below) (including Class A Ordinary Shares represented by ADSs (as defined below)) and 97,518,374 Class B Ordinary Shares were outstanding.
- (3) Each Class A Ordinary Share is entitled to one vote per share and is not convertible into Class B Ordinary Share. Each Class B Ordinary Share is entitled to 10 votes per share and is convertible at any time into one Class A Ordinary Share at the election of its holder. The 48,759,187 Class B Ordinary Shares held by Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited of record represent approximately 34.4% of total number of votes represented by the total ordinary shares outstanding as of April 3, 2015.

CUSIP No. 81941U105

(1) Names of reporting persons

Ningxia Zhongrong Shengda Equity Investment Partnership Enterprise (Limited Partnership)

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

BK

(5) Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e)

(6) Citizenship or place of organization

People's Republic of China

(7) Sole voting power

Number of

shares

48,759,187 Class B Ordinary Shares⁽¹⁾

beneficially

(8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

48,759,187 Class B Ordinary Shares⁽¹⁾

with

(10) Shared dispositive power

0

(11) Aggregate amount beneficially owned by each reporting person

48,759,187 Class B Ordinary Shares⁽¹⁾

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) x

(13) Percent of class represented by amount in Row (11)

50.0%⁽²⁾⁽³⁾

(14) Type of reporting person (see instructions)

PN

- (1) Representing 48,759,187 Class B Ordinary Shares held by Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited, a company formed under the laws of Hong Kong and a directly wholly owned subsidiary of Ningxia Zhongrong Shengda Equity Investment Partnership Enterprise (Limited Partnership).
- (2) Percentage calculated based on total Class B Ordinary Shares outstanding as of April 3, 2015. As of April 3, 2015, 443,179,215 Class A Ordinary Shares (including Class A Ordinary Shares represented by ADSs) and 97,518,374 Class B Ordinary Shares were outstanding.
- (3) Each Class A Ordinary Share is entitled to one vote per share and is not convertible into Class B Ordinary Share. Each Class B Ordinary Share is entitled to 10 votes per share and is convertible at any time into one Class A Ordinary Share at the election of its holder. The 48,759,187 Class B Ordinary Shares held by Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited of record represent approximately 34.4% of total number of votes represented by the total ordinary shares outstanding as of April 3, 2015.

CUSIP No. 81941U105

(1) Names of reporting persons

Zhongrong Investment Holdings (Hong Kong) Co., Ltd.

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

BK

(5) Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e)

(6) Citizenship or place of organization

People's Republic of China

(7) Sole voting power

Number of

shares

80,577,828 Class A Ordinary Shares⁽¹⁾

beneficially (8) Shared voting power

owned by

each

0
(9) Sole dispositive power

reporting

person

80,577,828 Class A Ordinary Shares⁽¹⁾

with (10) Shared dispositive power

0

(11) Aggregate amount beneficially owned by each reporting person

80,577,828 Class A Ordinary Shares⁽¹⁾

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) x

(13) Percent of class represented by amount in Row (11)

18.2%⁽²⁾⁽³⁾

(14) Type of reporting person (see instructions)

CO

- (1) Representing 80,577,828 Class A Ordinary Shares held by Zhongrong Investment Holdings (Hong Kong) Co., Ltd., a company formed under the laws of Hong Kong.
- (2) Percentage calculated based on total Class A Ordinary Shares outstanding as of April 3, 2015. As of April 3, 2015, 443,179,215 Class A Ordinary Shares (including Class A Ordinary Shares represented by ADSs) and 97,518,374 Class B Ordinary Shares were outstanding.
- (3) Each Class A Ordinary Share is entitled to one vote per share and is not convertible into Class B Ordinary Share. Each Class B Ordinary Share is entitled to 10 votes per share and is convertible at any time into one Class A Ordinary Share at the election of its holder. The 80,577,828 Class A Ordinary Shares held by Zhongrong Investment Holdings (Hong Kong) Co., Ltd. of record represent approximately 5.7% of total number of votes represented by the total ordinary shares outstanding as of April 3, 2015.

CUSIP No. 81941U105

(1) Names of reporting persons

Ningxia Zhongyincashmere International Group Co., Ltd.

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

BK

(5) Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e)

(6) Citizenship or place of organization

People's Republic of China

Number of (7) Sole voting power

shares

beneficially (i) 48,759,187 Class B Ordinary Shares⁽¹⁾

owned by (ii) 80,577,828 Class A Ordinary Shares⁽²⁾

(8) Shared voting power

each

reporting

0

person (9) Sole dispositive power

with

(i) 48,759,187 Class B Ordinary Shares⁽¹⁾

(ii) 80,577,828 Class A Ordinary Shares⁽²⁾

(10) Shared dispositive power

0

(11) Aggregate amount beneficially owned by each reporting person

(i) 48,759,187 Class B Ordinary Shares⁽¹⁾

(ii) 80,577,828 Class A Ordinary Shares⁽²⁾

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions)

(13) Percent of class represented by amount in Row (11)

(i) 50.0%⁽³⁾⁽⁵⁾

(ii) 18.2%⁽⁴⁾⁽⁵⁾

(14) Type of reporting person (see instructions)

CO

- (1) Representing 48,759,187 Class B Ordinary Shares held by Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited, a company formed under the laws of Hong Kong and a directly wholly-owned subsidiary of Ningxia Zhongrong Shengda Equity Investment Partnership Enterprise (Limited Partnership), whose general partner is Ningxia Zhongyincashmere International Group Co., Ltd.
- (2) Representing 80,577,828 Class A Ordinary Shares held by Zhongrong Investment Holdings (Hong Kong) Co., Ltd., a company formed under the laws of Hong Kong and a directly wholly-owned subsidiary of Ningxia Zhongyincashmere International Group Co., Ltd.
- (3) Percentage calculated based on total Class B Ordinary Shares outstanding as of April 3, 2015. As of April 3, 2015, 443,179,215 Class A Ordinary Shares (including Class A Ordinary Shares represented by ADSs) and 97,518,374 Class B Ordinary Shares were outstanding.
- (4) Percentage calculated based on total Class A Ordinary Shares outstanding as of April 3, 2015. As of April 3, 2015, 443,179,215 Class A Ordinary Shares (including Class A Ordinary Shares represented by ADSs) and 97,518,374 Class B Ordinary Shares were outstanding.
- (5) Each Class A Ordinary Share is entitled to one vote per share and is not convertible into Class B Ordinary Share. Each Class B Ordinary Share is entitled to 10 votes per share and is convertible at any time into one Class A Ordinary Share at the election of its holder. The 48,759,187 Class B Ordinary Shares held by Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited of record and the 80,577,828 Class A Ordinary Shares held by Zhongrong Investment Holdings (Hong Kong) Co., Ltd. of record represent an aggregate of approximately 40.1% of total number of votes represented by the total ordinary shares outstanding as of April 3, 2015.

CUSIP No. 81941U105

(1) Names of reporting persons

Ningxia Zhongrong Legend Equity Investment Partnership Enterprise (Limited Partnership)

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

OO

(5) Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e)

(6) Citizenship or place of organization

People's Republic of China

(7) Sole voting power

Number of

shares

0

beneficially

(8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

0

(10) Shared dispositive power

with

0

(11) Aggregate amount beneficially owned by each reporting person

0

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions)

(13) Percent of class represented by amount in Row (11)

0.0%

(14) Type of reporting person (see instructions)

PN

CUSIP No. 81941U105

(1) Names of reporting persons

Ningxia Silkroad Equity Investment Partnership Enterprise (Limited Partnership)

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

OO

(5) Check box if disclosure of legal proceedings is required pursuant to Item 2(d) or 2(e)

(6) Citizenship or place of organization

People's Republic of China

(7) Sole voting power

Number of

shares

0

beneficially (8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

0

with (10) Shared dispositive power

0

(11) Aggregate amount beneficially owned by each reporting person

0

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions)

(13) Percent of class represented by amount in Row (11)

0.0%

(14) Type of reporting person (see instructions)

PN

Introduction.

This statement on Schedule 13D/A (this Statement) amends the previous 13D filed by Ningxia Zhongyincashmere International Group Co., Ltd. with the Securities and Exchange Commission on September 11, 2014, as amended and supplemented by the Amendment No. 1 filed under Schedule 13D/A on September 25, 2014, the Amendment No. 2 filed under Schedule 13D/A on November 26, 2014, the Amendment No. 3 filed under Schedule 13D/A on December 9, 2014 and the Amendment No. 4 filed under Schedule 13D/A on March 17, 2015 (the Original 13D) with respect to Shanda Games Limited (the Issuer). Except as amended and supplemented herein, the information set forth in the Original 13D remains unchanged. Capitalized terms used herein without definition have meanings assigned thereto in the Original 13D.

Item 2. Identity and Background.

Item 2 is hereby amended and restated as follows:

(a)-(c) This Statement is being filed jointly by and on behalf of (a) Zhongrong Shengda Investment Holdings (Hong Kong) Company Limited, a company established under the laws of Hong Kong (Zhongrong Shengda), (b) Ningxia Zhongrong Shengda Equity Investment Partnership Enterprise (Limited Partnership), a partnership established under the laws of the People's Republic of China (Zhongrong Equity), (c) Zhongrong Investment Holdings (Hong Kong) Co., Ltd., a company established under the laws of Hong Kong (Zhongrong), (d) Ningxia Zhongyincashmere International Group Co., Ltd., a company established under the laws of the People's Republic of China (Ningxia), (e) Ningxia Zhongrong Legend Equity Investment Partnership Enterprise (Limited Partnership), a partnership established under the laws of the People's Republic of China (Zhongrong Legend), and (f) Ningxia Silkroad Equity Investment Partnership Enterprise (Limited Partnership) (Ningxia Silkroad), together with Zhongrong Shengda, Zhongrong Equity, Zhongrong, Ningxia, and Zhongrong Legend, the Reporting Persons), pursuant to their agreement to the joint filing of this Statement, filed herewith as Exhibit 7.01.

Zhongrong Shengda's principal business is making investments in private and public companies. Its principal business address, which also serves as its principal office, is Room 3606, 99 Queen's Road Central, Hong Kong. Zhongrong Shengda's sole shareholder is Zhongrong Equity.

Zhongrong Equity's principal business is making equity investments in private and public companies. Its principal business address, which also serves as its principal office, is Ecological Textile Park, Lingwu, China. Zhongrong Equity's general partner is Ningxia.

Zhongrong's principal business is making equity investments in private and public companies. Its principal business address, which also serves as its principal office, is Room 3606, 99 Queen's Road Central, Hong Kong. Zhongrong's sole shareholder is Ningxia.

Ningxia is a holding company with operating subsidiaries engaged in the business of the production, processing and sale of cashmere wool products. Its principal business address, which also serves as its principal office, is Zhongyin Ave. Cashmere Industrial Park, Lingwu, China.

Zhongrong Legend's principal business is making equity investments in private and public companies. Its principal business address, which also serves as its principal office, is Ecological Textile Park, Lingwu, China. Zhongrong Legend's general partner is Ningxia.

Ningxia Silkroad's principal business is making equity investments in private and public companies. Its principal business address, which also serves as its principal office, is Ecological Textile Park, Lingwu, China. Ningxia Silkroad's general partner is Ningxia.

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Certain information required by this Item 2(a)-(c) and (f) concerning the directors and executive officers of Zhongrong Shengda, Zhongrong Equity, Zhongrong, Ningxia, Zhongrong Legend, and Ningxia Silkroad is set forth on Schedule A annexed hereto, which is incorporated herein by reference.

(d)-(e) During the past five years, none of the Reporting Persons and the persons named on Schedule A annexed hereto (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source or Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated as follows:

On September 1, 2014, Ningxia entered into a share purchase agreement (the Ningxia Share Purchase Agreement) with Shanda SDG Investment Limited (SDG), pursuant to which Ningxia agreed to purchase from SDG 80,577,828 Class A Ordinary Shares of the Issuer for an aggregate consideration of approximately US\$278 million. Zhongrong obtained the funds used to acquire shares under the Ningxia Share Purchase Agreement by securing a loan from Bank of China Ltd., Macau Branch. This loan has a term of 12 months starting from the disbursement of the loan proceeds on September 22, 2014, and bears an interest rate of LIBOR plus 2.5%.

On November 25, 2014, Zhongrong Shengda and SDG, among other parties thereto, entered into the SDG Class B Share Purchase Agreement (as defined below), pursuant to which Zhongrong Shengda agreed to purchase 48,759,187 Class B Ordinary Shares from SDG for an aggregate consideration of approximately US\$250 million. Zhongrong Shengda obtained the funds used to acquire shares under the SDG Class B Share Purchase Agreement by securing a loan from Bank of China Ltd., Macau Branch. This loan has a term of 12 months starting from the disbursement of the loan proceeds on November 25, 2014, and bears an interest rate of LIBOR plus 2.25%.

Pursuant to the Merger Agreement (as defined below), Merger Sub (as defined below) will be merged with and into the Issuer, with the Issuer surviving the Merger (as defined below) and becoming a wholly-owned subsidiary of Parent (as defined below) as a result of the Merger. The descriptions of the Merger and the Merger Agreement set forth in Item 4 below are incorporated by reference in their entirety into this Item 3. The information disclosed in this paragraph is qualified in its entirety by reference to the Merger Agreement, a copy of which is filed as Exhibit 7.05, and is incorporated herein by reference in its entirety.

It is anticipated that, at a price of US\$7.10 in cash per ADS (each representing two Class A Ordinary Shares) or US\$3.55 in cash per Class A Ordinary Share, approximately US\$467.2 million will be expended in acquiring approximately 131.6 million outstanding Class A Ordinary Shares (calculated based on the number of Ordinary Shares outstanding as of April 3, 2015) owned by shareholders of the Issuer other than the Third Consortium Members (as defined below) in connection with the Merger. Pursuant to the Zhongrong Legend Equity Commitment Letter (as defined below), the Ningxia Silkroad Equity Commitment Letter (as defined below) and the Zhengjun Investment Equity Commitment Letter (as defined below), the Merger will be financed with cash contributions in Parent from each of Zhongrong Legend, Ningxia Silkroad and Zhengjun Investment (as defined below) or their affiliates.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and restated as follows:

On January 27, 2014, Shanda Interactive Entertainment Limited (Shanda Interactive) and Primavera Capital (Cayman) Fund I L.P. (Primavera) (together with Shanda Interactive, the Initial Consortium and each member in the Initial Consortium, an Initial Consortium Member) entered into a consortium agreement (the Initial Consortium Agreement). Under the Initial Consortium Agreement, the Initial Consortium Members agreed, among other things, (i) to jointly deliver a preliminary non-binding proposal (the Proposal) to the board of directors of the Issuer (the Board) to acquire the Issuer in a going-private transaction (the Initial Consortium Transaction), (ii) to deal exclusively with each other with respect to the Initial Consortium Transaction until the earlier of (x) nine months after the date thereof, and (y) termination of the Initial Consortium Agreement by all Initial Consortium Members, (iii) to use their reasonable efforts and cooperate in good faith to arrange debt financing to support the Initial Consortium Transaction, and (iv) to cooperate and proceed in good faith to negotiate and consummate the Initial Consortium Transaction.

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On January 27, 2014, SDG and Primavera entered into a share purchase agreement (the Primavera Share Purchase Agreement) pursuant to which SDG sold, and Primavera purchased, 28,959,276 Class A Ordinary Shares (the Primavera Purchase Shares) at US\$2.7625 per Class A Ordinary Share. The purchase and sale of the Primavera Purchase Shares was completed on February 17, 2014.

On April 18, 2014, SDG and Perfect World Co., Ltd. (Perfect World) entered into a share purchase agreement (the PW Share Purchase Agreement) pursuant to which SDG sold, and Perfect World purchased, 30,326,005 Class A Ordinary Shares (the PW Purchase Shares) at US\$3.2975 per Class A Ordinary Shares. The purchase and sale of the PW Purchase Shares was completed on May 16, 2014.

Concurrently with the execution of the PW Share Purchase Agreement, Shanda Interactive, Primavera and Perfect World entered into an adherence agreement (the PW Adherence Agreement), pursuant to which Perfect World became a party to the Initial Consortium Agreement and joined the Initial Consortium.

On April 25, 2014, FV Investment Holdings (FV Investment), which is an affiliate of FountainVest Partners, Shanda Interactive, Primavera and Perfect World entered into an adherence agreement (the FV Adherence Agreement), pursuant to which FV Investment became a party to the Initial Consortium Agreement and joined the Initial Consortium.

On May 19, 2014, CAP IV Engagement Limited (Carlyle), which is an affiliate of Carlyle Asia Partners IV, L.P., Shanda Interactive, Primavera, Perfect World and FV Investment entered into an adherence agreement (the Carlyle Adherence Agreement), pursuant to which Carlyle became a party to the Initial Consortium Agreement and joined the Initial Consortium.

On August 31, 2014, SDG and Orient Finance Holdings (Hong Kong) Limited (Orient HK) entered into a share purchase agreement (the Orient Share Purchase Agreement) pursuant to which SDG agreed to sell, and Orient HK agreed to purchase, 123,552,669 Class A Ordinary Shares (the Orient Purchase Shares) at US\$3.45 per Class A Ordinary Share (the Orient Purchase Price) subject to the terms and conditions thereof. Pursuant to the Orient Share Purchase Agreement, if (i) a going-private transaction occurs within one year of the closing date of the sale of the Orient Purchase Shares where Orient HK is part of the buyer consortium and the Going-private Price is higher than the Orient Purchase Price, or (ii) a going-private transaction occurs within one year of the closing date of the sale of the Orient Purchase Shares where Orient HK is not part of the buyer consortium due to its own decision or election without SDG's written consent and the Going-private Price is higher than the Orient Purchase Price, Orient shall pay SDG the shortfall between the Orient Purchase Price and the Going-private Price with respect to all the Orient Purchase Shares. Pursuant to the Orient Share Purchase Agreement, if a going-private transaction is not consummated within one year of the closing date of the sale of the Orient Purchase Shares solely due to SDG's failure to vote in favor of such going-private transaction, SDG shall repurchase the Orient Purchase Shares at a per share price equal to the Orient Purchase Price. The purchase and sale of the Orient Purchase Shares was completed on September 23, 2014.

On September 1, 2014, Perfect World, FV Investment and Carlyle withdrew from the Initial Consortium pursuant to a withdrawal notice (the Withdrawal Notice).

On September 1, 2014, Shanda Interactive, Primavera and Orient HK entered into an adherence agreement (the Orient Adherence Agreement), pursuant to which Orient HK became a party to the Initial Consortium Agreement and joined the Initial Consortium.

On September 1, 2014, SDG and Shanghai Buyout Fund L.P., a limited partnership formed under the laws of the People's Republic of China (Haitong) entered into a share purchase agreement (the Haitong Share Purchase Agreement I) pursuant to which SDG agreed to sell, and Haitong agreed to purchase, 48,152,848 Class A Ordinary Shares (the Haitong Purchase Shares) at US\$3.45 per Class A Ordinary Share subject to the terms and conditions thereof. The purchase and sale of the Haitong Purchase Shares was completed on September 23, 2014.

Concurrently with the execution of the Haitong Share Purchase Agreement I, Primavera, Perfect World and Haitong entered into a share purchase agreement (the Haitong Share Purchase Agreement II), pursuant to which Haitong agreed to purchase 28,959,276 and 30,326,005 Class A Ordinary Shares (collectively, the Haitong Secondary Purchase Shares) from Primavera and Perfect World, respectively. The purchase and sale of the Haitong Secondary Purchase Shares was completed on September 23, 2014. In connection with the transaction, SDG, Primavera and Perfect World entered into a consent and release dated as of September 1, 2014 (the Consent and Release), pursuant to which all remaining obligations of Primavera and its affiliates and SDG and its affiliates under the Primavera Share

Purchase Agreement, and all remaining obligations of Perfect World and its affiliates and SDG and its affiliates under the PW Share Purchase Agreement, as applicable, automatically terminated upon consummation of the transaction.

On September 1, 2014, Shanda Interactive, Primavera and Haitong entered into an adherence agreement (the Haitong Adherence Agreement), pursuant to which Haitong became a party to the Initial Consortium Agreement and joined the Initial Consortium.

On September 1, 2014, SDG and Ningxia entered into a share purchase agreement (the Ningxia Share Purchase Agreement) pursuant to which SDG agreed to sell, and Ningxia agreed to purchase, 80,577,828 Class A Ordinary Shares (the Ningxia Purchase Shares) at US\$3.45 per Class A Ordinary Share subject to the terms and conditions thereof. The purchase and sale of the Ningxia Purchase Shares was completed on September 23, 2014.

On September 1, 2014, Shanda Interactive, Primavera and Ningxia entered into an adherence agreement (the Ningxia Adherence Agreement), pursuant to which Ningxia became a party to the Initial Consortium Agreement and joined the Initial Consortium.

On September 1, 2014, Primavera withdrew from the Initial Consortium pursuant to a withdrawal notice (the Primavera Withdrawal Notice).

From and after September 1, 2014, references to the Initial Consortium or the Initial Consortium Members should include Shanda Interactive, Ningxia, Orient HK and Haitong, and should not include Perfect World, FV Investment, Carlyle or Primavera.

On October 27, 2014, the exclusivity period under the Initial Consortium Agreement expired. On October 28, 2014, Shanda Interactive and Ningxia entered into a letter agreement (the Exclusivity and Release Letter), pursuant to which (i) Shanda Interactive and Ningxia agreed to continue to work exclusively with each other until November 25, 2014 to undertake a going-private transaction involving the Company; (ii) Ningxia agreed to release Shanda Interactive and its affiliates from any and all liabilities or claims relating to, among other things, the Initial Consortium Agreement, the Initial Consortium Transaction and any proposal or offer of similar transactions; and (iii) Ningxia agreed to indemnify Shanda Interactive and its affiliates against any and all liabilities or claims relating to, among other things, the Initial Consortium Agreement, the Initial Consortium Transaction and any proposal or offer of similar transactions, and Shanda Interactive's negotiation, execution, delivery and performance of the Exclusivity and Release Letter.

On November 24, 2014, Orient HK entered into two share purchase agreements with Orient Hongtai (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and an affiliate of Orient HK (Hongtai HK) and Orient Hongzhi (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and an affiliate of Orient HK (Hongzhi HK), respectively, pursuant to which Hongtai HK and Hongzhi HK purchased from Orient HK 61,776,334 Class A Ordinary Shares and 61,776,335 Class A Ordinary Shares, respectively.

On November 25, 2014, SDG, Ningxia, Zhongrong Shengda, and Yili Shengda Investment Holdings (Hong Kong) Company Limited, a company formed under the laws of Hong Kong (Yili Shengda) entered into a share purchase agreement (the SDG Class B Share Purchase Agreement), pursuant to which each of Zhongrong Shengda and Yili Shengda agreed to purchase 48,759,187 Class B Ordinary Shares from SDG. The purchase and sale under the SDG Class B Share Purchase Agreement were completed on the same day (the Closing). As a result, all of the Class B Ordinary Shares held by SDG immediately prior to the Closing are transferred to Zhongrong Shengda and Yili Shengda, and SDG no longer beneficially owns any ordinary shares of the Issuer.

On December 5, 2014, Ningxia Yilida Capital Investment Limited Partnership, an affiliate of Yili Shengda (Ningxia Yilida) and Ningxia (together with Ningxia Yilida, the Second Consortium, and each member of the Second Consortium, a Second Consortium Member) entered into a consortium agreement (the Second Consortium Agreement). Under the Second Consortium Agreement, the Second Consortium Members agreed, among other things, (i) to acquire the Issuer in a going private transaction (the Second Consortium Transaction), (ii) to deal exclusively with each other with respect to the Second Consortium Transaction until the earlier of (x) February 6, 2015, and (y) termination of the Second Consortium Agreement, and (iii) to cooperate and proceed in good faith to negotiate and consummate the Second Consortium Transaction. The Second Consortium Members intended to acquire the Issuer at a price of US\$6.90 in cash per ADS (each representing two Class A Ordinary Shares) or \$3.45 in cash per Class A or Class B Ordinary Share. Pursuant to its terms, the Second Consortium Agreement terminated automatically on February 6, 2015 upon the expiration of the exclusivity period.

On March 16, 2015, Ningxia Yilida, Ningxia, Hongtai HK, Hongzhi HK and Hao Ding International Limited, a British Virgin Islands company controlled by Haitong that directly holds the 107,438,129 Class A Ordinary Shares beneficially owned by Haitong (Hao Ding), together with Ningxia Yilida, Ningxia, Hongtai HK and Hongzhi HK, the

Third Consortium, and each member of the Third Consortium, a Third Consortium Member), entered into a consortium agreement (the Third Consortium Agreement). Under the Third Consortium Agreement, the Third Consortium Members agreed, among other things, (i) to acquire the Issuer in a going private transaction (the Third Consortium Transaction), (ii) to deal exclusively with each other with respect to the Third Consortium Transaction until the earlier of (x) April 30, 2015, and (y) termination of the Third Consortium Agreement, and (iii) to cooperate and proceed in good faith to negotiate and consummate the Third Consortium Transaction.

On April 3, 2015, the Issuer entered into an agreement and plan of merger (the Merger Agreement) with Capitalhold Limited, a Cayman Islands company (Parent) and Capitalcorp Limited, a Cayman Islands company and a wholly-owned subsidiary of Parent (Merger Sub). Pursuant to the Merger Agreement, Merger Sub will be merged with and into the Issuer (the Merger), with the Issuer surviving the Merger and becoming a wholly-owned subsidiary of Parent as a result of the Merger. At the effective time of the Merger, each of the Issuer's Class A Ordinary Shares issued and outstanding immediately prior to the effective time of the Merger (including Ordinary Shares represented by ADSs) will be cancelled in consideration for the right to receive \$3.55 per Ordinary Share or US\$7.10 per ADS, in each case, in cash, without interest and net of any applicable withholding taxes, except for (i) the Ordinary Shares held by each of Yili Shengda, Zhongrong Shengda, Zhongrong, Hongtai HK, Hongzhi HK, and Hao Ding (such shareholders, the Rollover Shareholders, and such Ordinary Shares, the Rollover Shares), and any Ordinary Shares held by Parent, the Issuer or any of their subsidiaries immediately prior to the effective time of the Merger, each of which will be cancelled without payment of any consideration or distribution therefor, and (ii) Ordinary Shares owned by holders who have validly exercised and not effectively withdrawn or lost their rights to dissent from the Merger pursuant to Section 238 of the Companies Law of the Cayman Islands, which Ordinary Shares will be cancelled at the effective time of the Merger for the right to receive the fair value of such Ordinary Shares determined in accordance with the provisions of Section 238 of the Companies Law of the Cayman Islands. The Merger is subject to the approval of the Issuer's shareholders and various other closing conditions.

Concurrently with the execution of the Merger Agreement, the Rollover Shareholders entered into a support agreement (the Support Agreement) with Parent, pursuant to which the Rollover Shareholders agreed, among other things, that (i) each of them will vote the Rollover Shares in favor of the authorization and approval of the Merger Agreement and the transactions contemplated thereunder, including the Merger, and (ii) the Rollover Shares will be cancelled without payment of any consideration or distribution therefor at the effective time of the Merger.

Concurrently with the execution of the Merger Agreement, each of Zhongrong Legend, Ningxia Silkroad, and Zhengjun Equity Investment Partnership Enterprise (Limited Partnership) (Zhengjun Investment), a PRC limited partnership and an affiliate of Ningxia Yilida, entered into an adherence agreement (individually, the Zhongrong Legend Adherence Agreement, the Ningxia Silkroad Adherence Agreement, and the Zhengjun Investment Adherence Agreement) with the existing Third Consortium Members, pursuant to which each of Zhongrong Legend, Ningxia Silkroad and Zhengjun Investment became a party to the Third Consortium Agreement and joined the Third Consortium.

Concurrently with the execution of the Merger Agreement, each of Zhongrong Legend, Ningxia Silkroad and Zhengjun Investment entered into an equity commitment letter (individually, the Zhongrong Legend Equity Commitment Letter, the Ningxia Silkroad Commitment Letter, and the Zhengjun Investment Commitment Letter) with Parent, pursuant to which each of Zhongrong Legend, Ningxia Silkroad and Zhengjun Investment undertook to fund the transactions contemplated under the Merger Agreement through cash contributions in Parent from each of them or their affiliates.

Concurrently with the execution of the Merger Agreement, each of Zhongrong Legend, Ningxia Silkroad and Zhengjun Investment entered into a limited guarantee (individually, the Zhongrong Legend Limited Guarantee, the Ningxia Silkroad Limited Guarantee, and the Zhengjun Investment Limited Guarantee) in favor of the Issuer with respect to, among other things, a portion of the payment obligations of Parent and Merger Sub corresponding to the cash contributions committed by each of Zhongrong Legend, Ningxia Silkroad and Zhengjun Investment as set out in their respective equity commitment letters.

If the Merger is completed, the ADSs would be delisted from the NASDAQ Global Select Market and the Issuer's obligations to file periodic report under the Exchange Act would be terminated.

In addition, consummation of the Merger could result in one or more of the actions specified in clauses (a)-(j) of Item 4 of Schedule 13D, including the acquisition or disposition of securities of the Issuer, a merger or other extraordinary transaction involving the Issuer, a change to the Board (as the board of the surviving company in the Merger) to consist solely of persons to be designated by the Third Consortium Members, and a change in the Issuer's memorandum and articles of association to reflect that the Issuer would become a privately held company. No assurance can be given that the Merger will be consummated.

Descriptions of the Initial Consortium Agreement, the Primavera Share Purchase Agreement, the PW Share Purchase Agreement, the PW Adherence Agreement, the FV Adherence Agreement, the Carlyle Adherence Agreement, the Orient Share Purchase Agreement, the Haitong Share Purchase Agreement I, the Ningxia Share Purchase Agreement, the Orient Adherence Agreement, the Haitong Adherence Agreement, the Ningxia Adherence Agreement, the Withdrawal Notice, the Primavera Withdrawal Notice, the Haitong Share Purchase Agreement II, the Consent and Release, the Exclusivity and Release Letter, the SDG Class B Share Purchase Agreement, the Second Consortium Agreement, the Third Consortium Agreement, the Merger Agreement, the Support Agreement, the Zhongrong Legend Adherence Agreement, the Ningxia Silkroad Adherence Agreement, the Zhengjun Investment Adherence Agreement, the Zhongrong Legend Equity Commitment Letter, the Ningxia Silkroad Equity Commitment Letter, the Zhengjun Investment Equity Commitment Letter, the Zhongrong Legend Limited Guarantee, the Ningxia Silkroad Limited Guarantee and the Zhengjun Investment Limited Guarantee in this Statement are qualified in their entirety by reference to such above-mentioned agreements, copies of which are filed as Exhibits 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, 7.22, 7.23, 7.24, 7.25, 7.26, 7.27, 7.28, 7.29, 7.30, 7.31, 7.32 and 7.33 hereto and incorporated herein by reference in their entirety.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated as follows:

(a)-(b) The following disclosure assumes that there were a total of 443,179,215 Class A Ordinary Shares and 97,518,374 Class B Ordinary Shares outstanding as of April 3, 2015. Each Class A Ordinary Share is entitled to one vote per share and is not convertible into Class B Ordinary Shares. Each Class B Ordinary Share is entitled to 10 votes per share and is convertible at any time into one Class A Ordinary Share at the election of its holder.

As of the date hereof, Ningxia, through Zhongrong and Zhongrong Shengda, owns 80,577,828 Class A Ordinary Shares and 48,759,187 Class B Ordinary Shares, respectively, representing an aggregate of 23.9% of the total Ordinary Shares outstanding as of April 3, 2015, or approximately 40.1% of total number of votes represented by the total Ordinary Shares outstanding as of April 3, 2015. Ningxia has the sole power to direct the vote and the disposition of the Ordinary Shares that may be deemed to be owned beneficially by each of them.

In addition, pursuant to Section 13(d)(3) of the Act, Ningxia Yilida, Zhengjun Investment, Hongtai HK, Hongzhi HK, Hao Ding, and the Reporting Persons may, on the basis of the facts described elsewhere herein, be considered to be a group. As of the date hereof, Ningxia Yilida, Zhengjun Investment, Hongtai HK, Hongzhi HK and Hao Ding collectively own 48,759,187 Class B Ordinary Shares and 230,990,798 Class A Ordinary Shares, collectively representing approximately 51.7% of the total Ordinary Shares outstanding as of April 3, 2015, or approximately 50.7% of total number of votes represented by the total Ordinary Shares outstanding as of April 3, 2015.

Neither the filing of this Statement nor any of its contents shall be deemed to constitute an admission by the Reporting Persons that they are the beneficial owner of any Ordinary Shares as may be beneficially owned by Ningxia Yilida, Zhengjun Investment, Hongtai HK, Hongzhi HK or Hao Ding for purposes of Section 13(d) of the Act or for any other purpose, and such beneficial ownership is expressly disclaimed.

(c) Except as set forth in Items 3 and 4, to the best knowledge of the Reporting Persons with respect to the persons named in response to Item 5(a), none of the persons named in response to Item 5(a) has effected any transactions in the shares of the Issuer during the past 60 days.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 is hereby amended and restated as follows:

Descriptions of the Initial Consortium Agreement, the Primavera Share Purchase Agreement, the PW Share Purchase Agreement, the PW Adherence Agreement, the FV Adherence Agreement, the Carlyle Adherence Agreement, the Orient Share Purchase Agreement, the Haitong Share Purchase Agreement I, the Ningxia Share Purchase Agreement, the Orient Adherence Agreement, the Haitong Adherence Agreement, the Ningxia Adherence Agreement, the Withdrawal Notice, the Primavera Withdrawal Notice, the Haitong Share Purchase Agreement II, the Consent and Release, the Exclusivity and Release Letter, the SDG Class B Share Purchase Agreement, the Second Consortium Agreement, the Third Consortium Agreement, the Merger Agreement, the Support Agreement, the Zhongrong Legend Adherence Agreement, the Ningxia Silkroad Adherence Agreement, the Zhengjun Investment Adherence Agreement, the Zhongrong Legend Equity Commitment Letter, the Ningxia Silkroad Equity Commitment Letter, the Zhengjun Investment Equity Commitment Letter, the Zhongrong Legend Limited Guarantee, the Ningxia Silkroad Limited Guarantee and the Zhengjun Investment Limited Guarantee in this Statement under Item 4 are incorporated herein by

reference in their entirety.

Item 7. Material to Be Filed as Exhibits.

Item 7 is hereby amended and supplemented by amending Exhibit 7.01 and adding Exhibits 7.23 through 7.33 to the end thereof:

- Exhibit 7.01 Joint Filing Agreement dated by and among the Reporting Persons dated April 6, 2015
- Exhibit 7.23 Merger Agreement dated April 3, 2015 (incorporated herein by reference to Exhibit 99.2 to Current Report on Form 6-K filed by the Issuer with the Securities and Exchange Commission on April 3, 2015)
- Exhibit 7.24 Support Agreement dated April 3, 2015 (incorporated herein by reference to Exhibit 7.05 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.25 Zhongrong Legend Adherence Agreement dated April 3, 2015 (incorporated herein by reference to Exhibit 7.06 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.26 Ningxia Silkroad Adherence Agreement dated April 3, 2015 (incorporated herein by reference to Exhibit 7.07 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.27 Zhengjun Investment Adherence Agreement dated April 3, 2015 (incorporated herein by reference to Exhibit 7.08 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.28 Zhongrong Legend Equity Commitment Letter dated April 3, 2015 (incorporated herein by reference to Exhibit 7.09 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.29 Ningxia Silkroad Equity Commitment Letter dated April 3, 2015 (incorporated herein by reference to Exhibit 7.10 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.30 Zhengjun Investment Equity Commitment Letter dated April 3, 2015 (incorporated herein by reference to Exhibit 7.11 to Schedule 13D filed by Yili Shengda Investment Holdings (Hong Kong) Company Limited with the Securities and Exchange Commission on April 6, 2015)
- Exhibit 7.31 Zhongrong Legend Limited Guarantee dated April 3, 2015 (incorporated herein by reference to Exhibit 99.3 to Current Report on Form 6-K filed by the Issuer with the Securities and Exchange Commission on April 3, 2015)
- Exhibit 7.32 Ningxia Silkroad Limited Guarantee dated April 3, 2015 (incorporated herein by reference to Exhibit 99.4 to Current Report on Form 6-K filed by the Issuer with the Securities and Exchange Commission on April 3, 2015)
- Exhibit 7.33 Zhengjun Investment Limited Guarantee dated April 3, 2015 (incorporated herein by reference to Exhibit 99.5 to Current Report on Form 6-K filed by the Issuer with the Securities and Exchange Commission on April 3, 2015)

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 6, 2015

Zhongrong Investment Holdings (Hong Kong)
Co., Ltd.

By: /s/ Shengming Ma
Name: Shengming Ma
Title: Director

Zhongrong Shengda Investment Holdings
(Hong Kong) Company Limited

By: /s/ Shengming Ma
Name: Shengming Ma
Title: Director

Zhongrong Shengda Equity Investment
Partnership Enterprise (Limited Partnership)

By: Ningxia Zhongyincashmere International
Group Co., Ltd., its general partner

By: /s/ Shengming Ma
Name: Shengming Ma
Title: Chairman

Ningxia Zhongyincashmere International
Group Co., Ltd.

By: /s/ Shengming Ma
Name: Shengming Ma
Title: Chairman

Ningxia Zhongrong Legend Equity Investment
Partnership Enterprise (Limited Partnership)

By: Ningxia Zhongyincashmere International
Group Co., Ltd., its general partner

By: /s/ Shengming Ma
Name: Shengming Ma
Title: Chairman

Ningxia Silkroad Equity Investment
Partnership Enterprise (Limited Partnership)

By: Ningxia Zhongyincashmere International
Group Co., Ltd., its general partner

By: /s/ Shengming Ma
Name: Shengming Ma
Title: Chairman

Schedule A

Zhongrong

Set forth below is certain additional information concerning the directors and executive officers of Zhongrong. The business address of each of such persons is Room 3606, 99 Queen’s Road Central, Hong Kong and each of such persons is a citizen of the People’s Republic of China.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
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Shengming Ma	Director; Mr. Ma also holds directorship in various other PRC-based companies. Zhongrong Shengda
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Set forth below is certain additional information concerning the directors and executive officers of Zhongrong Shengda. The business address of each of such persons is Room 3606, 99 Queen’s Road Central, Hong Kong and each of such persons is a citizen of the People’s Republic of China.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
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Shengming Ma	Director; Mr. Ma also holds directorship in various other PRC-based companies. Zhongrong Equity, Zhongrong Legend, and Ningxia Silkroad
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Set forth below is certain additional information concerning the directors and executive officers of Zhongrong Equity, Zhongrong Legend, and Ningxia Silkroad. The business address of each of such persons is Ecological Textile Park, Lingwu, China and each of such persons is a citizen of the People’s Republic of China.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
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Shengming Ma	Managing Partner; Mr. Ma also holds directorship in various other PRC-based companies. Ningxia
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Set forth below is certain additional information concerning the directors and executive officers of Ningxia. The business address of each of such persons is Zhongyin Ave. Cashmere Industrial Park, Lingwu, China and each of such persons is a citizen of the People’s Republic of China.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
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Shengming Ma	Chairman; Mr. Ma also holds directorship in various other PRC-based companies.
Shengguo Ma	Director; Mr. Ma also holds directorship in various other PRC-based and foreign companies.
Wei Ma	Director; vice Chairman of the board in Ningxia Zhongyincashmere Co., Ltd.
Cuihua Ma	Supervisory Director