

Shanda Games Ltd
Form SC 13D
February 05, 2014

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

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

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)

Jie Lian

Lawrence Wang

Primavera Capital (Cayman) Fund I L.P.

28th Floor, 28 Hennessy Road, Wanchai

Hong Kong

+852 3767-5000

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

with a copy to:

Timothy M. Gardner

Latham & Watkins

18th Floor, One Exchange Square

8 Connaught Place, Central

Hong Kong

+852 2912-2500

January 27, 2014

(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 that 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 Rule 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 NAME OF REPORTING PERSON

Primavera Capital (Cayman) Fund I L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

SHARES 0
8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY EACH 0
REPORTING 9 SOLE DISPOSITIVE POWER

PERSON

WITH 0

10 SHARED DISPOSITIVE POWER

0
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES "

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0%
14 TYPE OF REPORTING PERSON

PN

CUSIP No. 81941U105

1 NAME OF REPORTING PERSON

Primavera Capital (Cayman) GP1 L.P.

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OO

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CUSIP No. 81941U105

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OWNED BY EACH

0

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REPORTING

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14 TYPE OF REPORTING PERSON

CO

INTRODUCTION

This statement on Schedule 13D (this Statement) is filed by the Reporting Persons (as defined below) with respect to Shanda Games Limited (the Issuer).

ITEM 1. SECURITY AND ISSUER

This Statement relates to Class A ordinary shares, par value US\$0.01 per share (Class A Ordinary Shares), and Class B ordinary shares, par value US\$0.01 per share (Class B Ordinary Shares), of the Issuer. The principal executive offices of the Issuer are located at No. 1 Office Building, No. 690 Bibo Road, Pudong New Area, Shanghai 201203, the People's Republic of China.

The Issuer's American Depositary Shares (the ADSs), evidenced by American Depositary Receipts, each representing two Class A Ordinary Shares, are listed on the NASDAQ Global Select Market under the symbol GAME.

ITEM 2. IDENTITY AND BACKGROUND:

(a)-(c) This Statement is being filed jointly by and on behalf of (a) Primavera Capital (Cayman) Fund I L.P., a limited partnership organized under the laws of the Cayman Islands (Fund I), (b) Primavera Capital (Cayman) GP1 L.P., a limited partnership organized under the laws of the Cayman Islands (GP1 L.P.) and (c) Primavera (Cayman) GP1 Ltd, an exempted company with limited liability incorporated under the laws of the Cayman Islands (GP1 Ltd) (collectively, the Reporting Persons) pursuant to their agreement to the joint filing of this Statement, filed herewith as Exhibit 7.01.

The principal business of Fund I is making investments, directly or indirectly, in securities of private and public companies. Fund I's principal business address, which also serves as its principal office, is 28th Floor, 28 Hennessy Road, Wanchai, Hong Kong. GP1 L.P. is the sole general partner of Fund I.

The principal business of GP1 L.P. is serving as the general partner of Fund I. GP1 L.P.'s principal business address, which also serves as its principal office, is 28th Floor, 28 Hennessy Road, Wanchai, Hong Kong. GP1 Ltd is the sole general partner of GP1 L.P.

The principal business of GP1 Ltd is serving as the general partner of GP1 L.P. GP1 Ltd's principal business address, which also serves as its principal office, is 28th Floor, 28 Hennessy Road, Wanchai, Hong Kong.

The directors of GP1 Ltd, and the present principal occupation of each such director, are as follows:

Mr. Fred Zulu Hu is a director and the controlling shareholder of GP1 Ltd. Mr. Hu is a citizen of the People's Republic of China. Mr. Hu's principal occupation is as a partner of Primavera Capital Group fund entities. Mr. Hu's business address is 28th Floor, 28 Hennessy Road, Wanchai, Hong Kong.

Mr. Richard Ruffer is a director of GP1 Ltd. Mr. Ruffer is a citizen of the United States of America. Mr. Ruffer's principal occupation is as Senior Vice President of global fiduciary services at Walkers Management Services. Mr. Ruffer's business address is Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands.

(d)-(e) During the five years preceding the date of this filing, none of the Reporting Persons nor, to the best knowledge of the Reporting Persons, any of the other persons named in this Item 2, (A) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (B) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding 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 AND AMOUNT OF FUNDS OR OTHER CONSIDERATION:

It is anticipated that, at the price per ordinary share set forth in the Proposal (as described in Item 4 below), approximately US\$438.3 million will be expended in acquiring approximately 127.0 million outstanding Class A Ordinary Shares (calculated based on the number of Class A Ordinary Shares outstanding as of September 30, 2013) owned by shareholders of the Issuer other than the Consortium (as defined below) in connection with the Transaction (as defined below).

It is anticipated that the Transaction will be financed with a combination of debt and equity capital. The equity financing would be provided from the Consortium Members (as defined below) and additional members accepted into the Consortium (as defined below) in the form of cash.

ITEM 4. PURPOSE OF TRANSACTION:

On January 27, 2014, Shanda Interactive Entertainment Limited (Shanda Interactive) and Fund I (together with Shanda Interactive, the Consortium and each member in the Consortium, a Consortium Member) entered into a consortium agreement (the Consortium Agreement). Under the Consortium Agreement, the 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 Transaction), (ii) to deal exclusively with each other with respect to the Transaction until the earlier of (x) 9 months after the date thereof, and (y) termination of the Consortium Agreement by all Consortium Members, (iii) to use their reasonable efforts and cooperate in good faith to arrange debt financing to support the Transaction, and (iv) to cooperate and proceed in good faith to negotiate and consummate the Transaction.

On January 27, 2014, the Consortium Members submitted the Proposal to the Board. In the Proposal, the Consortium Members proposed to acquire the Issuer in a going private transaction 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. According to the Proposal, the Consortium Members do not intend to sell their stake in the Issuer to any third party. Shanda SDG Investment Limited (SDG), a British Virgin Islands corporation and a direct wholly-owned subsidiary of Shanda Interactive, may consider selling additional shares of the Issuer to the Consortium. The Consortium Members intend to finance the Transaction through a combination of debt and equity financing. For a brief description of the financing plan, please refer to Item 3.

On January 27, 2014, SDG and Fund I entered into a share purchase agreement (the Share Purchase Agreement) pursuant to which SDG agreed to sell, and Fund I agreed to purchase, 28,959,276 Class A Ordinary Shares (the Purchase Shares) at US\$2.7625 per Class A Ordinary Share (the Purchase Price) subject to the terms and conditions thereof. Pursuant to the Share Purchase Agreement, if (i) a going-private transaction occurs within one year of the closing date of the sale of the Purchase Shares where Fund I is part of the buyer consortium and the price per share in the going-private transaction (Going-private Price) is higher than the Purchase Price, or (ii) a going-private transaction occurs within one year of the closing date of the sale of the Purchase Shares where Fund I 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 Purchase Price, Fund I shall pay SDG the shortfall between the Purchase Price and the Going-private Price with respect to all the Purchase Shares. Pursuant to the Share Purchase Agreement, if a going-private transaction is not consummated within one year of the closing date of the sale of the Purchase Shares solely due to SDG s failure to vote in favor of such going-private transaction, SDG shall pay to Fund I an amount equal to the Purchase Price.

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

Descriptions of the Proposal, the Consortium Agreement and the Share Purchase Agreement in this Statement are qualified in their entirety by reference to the Proposal, the Consortium Agreement and the Share Purchase Agreement, which are filed hereto as Exhibits 7.02, 7.03 and 7.04, and incorporated herein by reference in their entirety.

In addition, consummation of the Transaction 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 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 any proposal, any definitive agreement or any transaction relating to the Transaction will be entered into or be consummated. The Proposal provides that no binding obligation shall arise with respect to the Transaction unless and until definitive agreements have been executed.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER:

(a) (b) The following disclosure assumes that there were a total of 127,031,676 Class A Ordinary Shares and 409,087,000 Class B Ordinary Shares outstanding as of September 30, 2013. 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, Shanda Interactive, through its wholly owned subsidiary SDG, beneficially owns 409,087,000 Class B Ordinary Shares, representing 100% of the Class B Ordinary Shares of the Issuer outstanding as of September 30, 2013, or approximately 76.3% of the combined total outstanding shares (including Class A Ordinary Shares and Class B Ordinary Shares) of the Issuer. 28,959,276 Class B Ordinary Shares held by SDG will be converted into Class A Ordinary Shares on a one-to-one basis and sold to Fund I pursuant to the Share Purchase Agreement, representing approximately 5.4% of the combined total outstanding shares (including Class A Ordinary Shares and Class B Ordinary Shares) of the Issuer. Pursuant to Section 13(d)(3) of the Act, Shanda Interactive and the Reporting Persons may, as a result of entering into the Consortium Agreement and the submission of the Proposal, be considered to be a group. 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 shares as may be beneficially owned by Shanda Interactive 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 Items 3 and 4, to the best knowledge of each 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:

The descriptions of the principal terms of the Proposal, the Consortium Agreement and the Share Purchase Agreement under Item 4 are incorporated herein by reference in their entirety.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS:

Exhibit 7.01: Joint Filing Agreement by and among the Reporting Persons, dated February 5, 2014.

Exhibit 7.02: Preliminary Proposal between Shanda Interactive Entertainment Limited and Primavera Capital (Cayman) Fund I L.P. dated January 27, 2014 (incorporated herein by reference to Exhibit 7.02 to Schedule 13D filed by Shanda Interactive Entertainment Limited with the Securities and Exchange Commission on January 30, 2014).

- Exhibit 7.03: Consortium Agreement between Shanda Interactive Entertainment Limited and Primavera Capital (Cayman) Fund I L.P. dated January 27, 2014 (incorporated herein by reference to Exhibit 7.03 to Schedule 13D filed by Shanda Interactive Entertainment Limited with the Securities and Exchange Commission on January 30, 2014).
- Exhibit 7.04: Share Purchase Agreement between Shanda SDG Investment Limited and Primavera Capital (Cayman) Fund I L.P. dated January 27, 2014 (incorporated herein by reference to Exhibit 7.04 to Schedule 13D filed by Shanda Interactive Entertainment Limited with the Securities and Exchange Commission on January 30, 2014).

SIGNATURE

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: February 5, 2014

PRIMAVERA CAPITAL (CAYMAN) FUND I L.P.

By: PRIMAVERA CAPITAL (CAYMAN) GP1 L.P.,
its General Partner

By: PRIMAVERA (CAYMAN) GP1 LTD, its
General Partner

By: /s/ Jie Lian
Name: Jie Lian
Title: Partner

PRIMAVERA CAPITAL (CAYMAN) GP1 L.P.

By: PRIMAVERA (CAYMAN) GP1 LTD, its
General Partner

By: /s/ Jie Lian
Name: Jie Lian
Title: Partner

PRIMAVERA (CAYMAN) GP1 LTD

By: /s/ Jie Lian
Name: Jie Lian
Title: Authorized Signatory

INDEX TO EXHIBITS

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