

SHANDA INTERACTIVE ENTERTAINMENT LTD  
Form SC 13G/A  
January 15, 2008

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULES  
13d-1 (b), (c) AND (d) AND AMENDMENTS THERETO FILED PURSUANT TO 13d-2 (b)  
(Amendment No. 2)\*

SHANDA INTERACTIVE ENTERTAINMENT LIMITED

-----  
(Name of Issuer)

Ordinary Shares, \$0.01 par value per share

-----  
(Title of Class of Securities)

81941Q 20 3(1)

-----  
(CUSIP Number)

December 31, 2006

-----  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule  
is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\*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.

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).

(Continued on following pages)

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(1) This CUSIP number applies to the Issuer's American Depositary Shares, each  
representing two Ordinary Shares.

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Skyline Media Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER
		0

6 SHARED VOTING POWER

0

7 SOLE DISPOSITIVE POWER

0

8 SHARED DISPOSITIVE POWER

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

0%

12 TYPE OF REPORTING PERSON

CO

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Skyline Capital International Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

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(a) [ ]

(b) [X]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

British Virgin Islands

NUMBER OF 5 SOLE VOTING POWER  
SHARES

BENEFICIALLY 0  
OWNED BY EACH

REPORTING 6 SHARED VOTING POWER  
PERSON

WITH 0

7 SOLE DISPOSITIVE POWER

0

8 SHARED DISPOSITIVE POWER

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES

[ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

0%

12 TYPE OF REPORTING PERSON

CO

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1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Premium Lead Company Limited

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [ ]

(b) [X]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

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British Virgin Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER	
			60,000,000 Ordinary Shares
	6	SHARED VOTING POWER	
			0
	7	SOLE DISPOSITIVE POWER	
			60,000,000 Ordinary Shares
	8	SHARED DISPOSITIVE POWER	
			0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	60,000,000 Ordinary Shares		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES		[ ]
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9		
	41.6%(2)		
12	TYPE OF REPORTING PERSON		
	CO		

(2) Based on 144,314,994 ordinary shares outstanding as of November 14, 2007, as reported by the Issuer in its proxy statement for the annual general meeting of shareholders held on December 18, 2007. The Issuer filed the proxy statement as an exhibit to its report on Form 6-K filed with the Securities and Exchange Commission on November 26, 2007.

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1	NAME OF REPORTING PERSON		
	I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)		
	First Step Investments Limited		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) [ ]
			(b) [X]
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION		
	British Virgin Islands		

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER  60,000,000 Ordinary Shares (3)
-----		
	6	SHARED VOTING POWER  0
-----		
	7	SOLE DISPOSITIVE POWER  60,000,000 Ordinary Shares (3)
-----		
	8	SHARED DISPOSITIVE POWER  0

-----

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
60,000,000 Ordinary Shares (3)

-----

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES [ ]

-----

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
  
41.6% (4)

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12 TYPE OF REPORTING PERSON  
  
CO

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(3) Solely as a holder of 60% of Shares in Premium Lead Company Limited.

(4) Based on 144,314,994 ordinary shares outstanding as of November 14, 2007, as reported by the Issuer in its proxy statement for the annual general meeting of shareholders held on December 18, 2007. The Issuer filed the proxy statement as an exhibit to its report on Form 6-K filed with the Securities and Exchange Commission on November 26, 2007.

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Shanda Media Limited

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
  
(b) [X]

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3 SEC USE ONLY

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4 CITIZENSHIP OR PLACE OF ORGANIZATION

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British Virgin Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER	
		60,000,000 Ordinary Shares (5)	
	6	SHARED VOTING POWER	
	0		
	7	SOLE DISPOSITIVE POWER	
		60,000,000 (5)	
	8	SHARED DISPOSITIVE POWER	
	0		
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	60,000,000 Ordinary Shares (5)		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES		[ ]
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9		
	41.6% (6)		
12	TYPE OF REPORTING PERSON		
	CO		

(5) Solely as a holder of 60% Shares of First Step Investments Limited.

(6) Based on 144,314,994 ordinary shares outstanding as of November 14, 2007, as reported by the Issuer in its proxy statement for the annual general meeting of shareholders held on December 18, 2007. The Issuer filed the proxy statement as an exhibit to its report on Form 6-K filed with the Securities and Exchange Commission on November 26, 2007.

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1	NAME OF REPORTING PERSON		
	I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)		
	Tianqiao Chen		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		
		(a) [ ]	
		(b) [X]	

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3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

People's Republic of China

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5	SOLE VOTING POWER
62,454,538	Ordinary Shares (7)

6 SHARED VOTING POWER

0

7 SOLE DISPOSITIVE POWER

62,454,538 (7)

8 SHARED DISPOSITIVE POWER

0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

62,454,538 Ordinary Shares (7)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

[ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

43.3% (8)

12 TYPE OF REPORTING PERSON

IN

(7) Includes 60,000,000 Ordinary Shares held as the sole shareholder of Shanda Media Limited; 2,188,338 ordinary shares held by DBS Trustee Limited acting as trustees of the Jade Trust and 266,200 ordinary shares that may be issued upon the exercise of share options that are held by DBS Trustee Limited acting as trustees of the Jade Trust. Ordinary shares and stock options held by DBS Trustees Limited acting as trustees of the Jade Trust are held for the benefit of Tianqiao Chen and his family members.

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ITEM 1(a). NAME OF ISSUER:

Shanda Interactive Entertainment Limited (the "Issuer")

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

No. 1 Office Building, No. 690 Bibo Road, Pudong New Area, Shanghai 201203, People's Republic of China

ITEM 2(a). NAME OF PERSON FILING:





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Ordinary Shares

ITEM 2(e). CUSIP NUMBER:

81941Q 20 3

ITEM 3. STATEMENT FILED PURSUANT TO RULE 13d-1(b) OR 13d-2(b) OR (c):

Not applicable.

ITEM 4. OWNERSHIP.

REPORTING PERSON	AMOUNT BENEFICIALLY OWNED:	PERCENT OF CLASS:	SOLE POWER TO VOTE OR DIRECT THE VOTE:	SHARED POWER TO VOTE OR TO DIRECT THE VOTE:	SOLE POWER TO DISPOSE OR TO DIRECT THE DISPOSITION OF:	SHARED POWER TO DISPOSE OR DIRECT THE DISPOSITION OF:
SML	0	0%	0	0	0	0
SCIL	0	0%	0	0	0	0
Premium Lead	60,000,000	41.6%	60,000,000	0	60,000,000	0
First Step	60,000,000	41.6%	60,000,000	0	60,000,000	0
Shanda Media	60,000,000	41.6%	60,000,000	0	60,000,000	0
Tianqiao Chen	62,454,538	43.3%	62,454,538	0	62,454,538	0

On September 19, 2007, SML sold 4,565,939 ADSs, representing 9,131,878 Ordinary Shares, pursuant to Rule 144 under the Securities Act of 1933, as amended.

On December 27, 2007, in connection with an internal restructuring among the Reporting Persons (the "Restructuring"):

- SML transferred 60,000,000 Ordinary Shares to Premium Lead, a newly-formed British Virgin Islands corporation, in exchange for two deeds of indebtedness of an aggregate principal amount of US\$1,116,300,000 executed by Premium Lead in favor of SML.
- SML transferred 11,922,412 Ordinary Shares and 7,900 ADSs (representing 15,800 Ordinary Shares) to Crystal Day Holdings Limited ("Crystal Day"), a newly-formed Hong Kong corporation, in exchange for a deed of indebtedness of a principal amount of US\$222,110,434 executed by Crystal Day in favor of SML.

As a result of the sales described above, SML and SCIL no longer hold any Ordinary Shares. Premium Lead and Crystal Day are record holders of Ordinary Shares.

Also in connection with the Restructuring, Premium Lead has the following direct and indirect shareholders:

- First Step was formed to hold 60% of shares of Premium Lead.
- Shanda Investment International Limited ("Shanda Investment), a British Virgin Islands corporation, became the holder of the remaining 40% of shares of Premium Lead. Mr. Danian Chen is the sole shareholder of Shanda Investment.
- Shanda Media became the holder of 60% of shares of First Step. Mr. Tianqiao Chen is the sole shareholder of Shanda Media.
- Fortune Capital Holdings Enterprise Limited ("Fortune Capital"), a British Virgin Islands corporation, became the holder of 40% of shares of First Step. Ms. Qianqian Luo is the sole shareholder of Fortune Capital.

In addition, in connection with the Restructuring, Crystal Day became a wholly-owned subsidiary of Silver Rose Investment Limited ("Silver Rose"), a newly-formed British Virgin Islands corporation. Silver Rose in turn is a wholly-owned subsidiary of C&T Trust ("C&T Trust"), a newly-established Cayman Islands discretionary trust. HSBC International Trustee Limited ("HKIT") is the trustee of C&T Trust. Lion International Management Limited ("Lion International"), a wholly-owned subsidiary of HKIT, is the sole director of Silver Rose and Crystal Day.

Crystal Day, Silver Rose, HKIT and Lion International jointly filed a Schedule 13G on January 7, 2008 to report the acquisition of 11,922,412 Ordinary Shares described above.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following: [X]

As described above, as of December 27, 2007, SML sold all of its Ordinary Shares. As a result, SML and SCIL no longer hold any Ordinary Shares.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Not applicable

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not applicable

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ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not applicable

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ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable

ITEM 10. CERTIFICATION.

Not applicable

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: January 15, 2008

SKYLINE MEDIA LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Attorney-in-Fact

SKYLINE CAPITAL INTERNATIONAL LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Attorney-in-Fact

PREMIUM LEAD COMPANY LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Director

FIRST STEP INVESTMENT LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Director

SHANDA MEDIA LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Director

TIANQIAO CHEN

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen

EXHIBIT 99.1

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JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with all other Reporting Persons (as such term is defined in the Schedule 13G referred to below) on behalf of each of them of a statement on Schedule 13G (including amendments thereto) with respect to the Ordinary Shares, par value \$0.01 per share, of Shanda Interactive Entertainment Limited., a Cayman Islands company, and that this Agreement may be included as an Exhibit to such joint filing. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

[Remainder of this page has been left intentionally blank.]

SIGNATURE PAGE

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement as of the 15th day of January 2008.

SKYLINE MEDIA LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Attorney-in-Fact

SKYLINE CAPITAL INTERNATIONAL LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Attorney-in-Fact

PREMIUM LEAD COMPANY LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Director

FIRST STEP INVESTMENT LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Director

SHANDA MEDIA LIMITED

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen  
Title: Director

TIANQIAO CHEN

By: /s/ Tianqiao Chen

-----  
Name: Tianqiao Chen