

February 24, 2012

Mandatory Acquisition and Cash Distribution

Name: Shanda Interactive Entertainment Limited

DR CUSIP: 81941Q203

Ratio: 1 : 2 (ADR:ORD)

Symbol: SNDA

Please be advised that Shanda Interactive Entertainment Limited (the “Company”) entered into a merger agreement with Premium Lead Company Limited (“Parent”) and New Era Investment Holdings Ltd. (“Merger Sub”). Under the terms of the merger agreement, which was approved by the requisite vote of the Company’s shareholders, Merger Sub, a company wholly owned by Parent, was merged with and into the Company, with the Company continuing as the surviving company after the merger.

The individuals, Mr. Tianqiao Chen, chairman of the board of directors, chief executive officer and president of the Company and beneficial owner of the Parent, Ms. Qian Qian Chrissy Luo, wife of Mr. Tianqiao Chen and non-executive director of the Company, and Mr. Danian Chen, brother of Mr. Tianqiao Chen and director and chief operating officer of the Company, together with Parent, Merger Sub, Shanda Media Limited, Fortune Capital Holdings Enterprises Limited, Shanda Investment International Ltd., First Step Services Limited, Silver Rose Investment Limited and Crystal Day Holdings Limited, are collectively referred to herein as the “Buyer Group” of the merger. Prior to the effective date of the merger, the Buyer Group beneficially owned approximately 69.5% of the Company’s outstanding ordinary shares (“Shares”). As a result of the merger, the Company became a wholly owned subsidiary of Parent and will continue its operations as a privately held company. The Company’s American Depositary Shares (“ADSs”) will no longer be listed on the Nasdaq Global Select Market (“NASDAQ”).

Under the terms of the merger agreement, holders of ADSs of the Company are entitled to receive a net cash payment of \$41.30 (gross payment of \$41.35 per ADS less \$0.05 per ADS for cancellation fees pursuant to the terms of the deposit agreement) for each ADS held.

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Mandatory Acquisition and Cash Distribution – *continued*

Effective **February 27, 2012**, **Shanda Interactive Entertainment Limited** holders of ADSs are required on a mandatory basis to surrender their ADSs to BNY Mellon for cancellation and exchange for the following cash consideration:

Gross Rate per ADS:	\$41.35
Cancellation fee deducted per ADS:	<u>\$00.05</u>
Net Rate per ADS:	\$41.30

To learn more about Depositary Receipts and issuer programs, please contact our marketing desks:

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BNY Mellon collects fees from DR holders pursuant to the terms and conditions of the DRs and the deposit agreement under which they are issued. From time to time, BNY Mellon may make payments to the issuer to reimburse and / or share revenue from the fees collected from DR holders, or waive fees and expenses to the issuer for services provided, generally relating to costs and expenses arising out of establishment and maintenance of the DR program. BNY Mellon may also transact with affiliated brokers and dealers.

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