

KONGZHONG CORP
Form SC 13D/A
December 02, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

UNDER SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 5)*

KongZhong Corporation
(Name of Issuer)

Ordinary Shares, par value US\$0.0000005 per share**
(Title of Class of Securities)

50047P104***
(CUSIP Number)

WANG Leilei

35th Floor, Tengda Plaza

No. 168 Xizhimenwai Street

Beijing, 100044, China

(86-10) 8857 5898

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

December 1, 2016

(Date of Event which Requires Filing of this Statement)

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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 Rule 13d-1 (e), 13d-1(f) or 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 §240.13d-7(b) 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.

** Not for trading, but only in connection with the registration of American Depositary Shares each representing 40 ordinary shares.

***This CUSIP applies to the American Depositary Shares, each representing 40 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 (the "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).

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NAME OF REPORTING
PERSONS

1

**Right Advance
Management Ltd.**

CHECK
THE
APPROPRIATE

2

BOX IF A
MEMBER (b) x
OF A
GROUP
SEC USE ONLY

3

SOURCE OF FUNDS

4

OO
CHECK
BOX IF
DISCLOSURE
OF LEGAL
PROCEEDINGS
IS ..

5

REQUIRED
PURSUANT
TO ITEM
2(d) or 2(e)
CITIZENSHIP OR
PLACE OF
ORGANIZATION

6

British Virgin Islands

SOLE
VOTING
7 POWER

NUMBER OF
SHARES 8 **188,833,320**
BENEFICIALLY SHARED
OWNED BY VOTING
EACH POWER
REPORTING
PERSON
WITH

0
SOLE
DISPOSITIVE
9 POWER

188,833,320
SHARED
DISPOSITIVE
10 POWER

11 AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING PERSON

12 **188,833,320**
CHECK
BOX IF
THE
AGGREGATE
AMOUNT
IN ROW ..
(11)
EXCLUDES
CERTAIN
SHARES

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

14 **10.0%**⁽¹⁾
TYPE OF REPORTING
PERSON

CO

(1) Based upon 1,884,133,063 Shares outstanding as of December 1, 2016 as disclosed by the Issuer in the Merger Agreement (excluding 4,686,040 Shares issued to the depository of the Company and represented by ADSs reserved for issuance and allocation in anticipation of the exercise of the Company stock awards).

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NAME OF
REPORTING
PERSONS

1

**Chiming Bells
International Limited**

CHECK
THE
APPROPRIATE
BOX IF A
MEMBER (b)
OF A
GROUP
SEC USE ONLY

2

3

SOURCE OF FUNDS

4

OO
CHECK
BOX IF
DISCLOSURE
OF
LEGAL
PROCEEDINGS
IS
REQUIRED
PURSUANT
TO ITEM
2(d) or
2(e)

5

CITIZENSHIP OR
PLACE OF
ORGANIZATION

6

British Virgin Islands

SOLE
VOTING
7 POWER

63,663,142

SHARED
VOTING
8 POWER

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

0

SOLE
DISPOSITIVE
9 POWER

63,663,142
SHARED
DISPOSITIVE
10 POWER

0
AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
11 REPORTING PERSON

63,663,142
CHECK
BOX IF
THE
AGGREGATE
AMOUNT
12 IN ROW ..
(11)
EXCLUDES
CERTAIN
SHARES

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

3.4%⁽¹⁾
TYPE OF REPORTING
PERSON
14

CO

(1) Based upon 1,884,133,063 Shares outstanding as of December 1, 2016 as disclosed by the Issuer in the Merger Agreement (excluding 4,686,040 Shares issued to the depository of the Company and represented by ADSs reserved for issuance and allocation in anticipation of the exercise of the Company stock awards).

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1 NAME OF REPORTING PERSONS

WANG Leilei

2 CHECK THE APPROPRIATE BOX IF A MEMBER (b) x OF A GROUP SEC USE ONLY

3

4 SOURCE OF FUNDS

OO, PF

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

5

6 **People's Republic of China**

7 SOLE VOTING POWER

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

364,920,582⁽¹⁾

9 SHARED VOTING POWER

0

SOLE DISPOSITIVE

POWER

364,920,582⁽¹⁾

SHARED

DISPOSITIVE

10 POWER

0

AGGREGATE

AMOUNT

BENEFICIALLY

OWNED BY EACH

11 REPORTING PERSON

364,920,582⁽¹⁾

CHECK

BOX IF

THE

AGGREGATE

AMOUNT

12 IN ROW ..

(11)

EXCLUDES

CERTAIN

SHARES

PERCENT OF CLASS

REPRESENTED BY

13 AMOUNT IN ROW (11)

19.4%⁽²⁾

TYPE OF REPORTING

PERSON

14

IN

(1) Includes (i) 188,833,320 Shares held through Right Advance Management Ltd., which the Reporting Person beneficially owns and controls, (ii) 63,663,142 Shares held through Chiming Bells International Limited., which the Reporting Person beneficially owns and controls, and (iii) 112,424,120 Shares held in the name of the Reporting Person (including 64,424,120 Shares represented by 1,610,603 American depositary shares of the Issuer).

(2) Based upon 1,884,133,063 Shares outstanding as of December 1, 2016 as disclosed by the Issuer in the Merger Agreement (excluding 4,686,040 Shares issued to the depository of the Company and represented by ADSs reserved for issuance and allocation in anticipation of the exercise of the Company stock awards).

This Amendment No. 5 (this “Amendment No. 5”) amends and supplements the Schedule 13D (the “Original Schedule 13D”) filed with the Securities and Exchange Commission (the “Commission”) on October 8, 2008, as previously amended and supplemented by amendments to Schedule 13D filed on January 14, 2010, February 5, 2016, February 17, 2016 and August 25, 2016 (as so amended, the “Original 13D”). Unless specifically amended hereby, the disclosures set forth in the Original Schedule 13D, as amended, remain unchanged. Capitalized terms used herein have the meanings as assigned thereto in the Original Schedule 13D, unless defined herein.

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

Item 3 of the Original Schedule 13D is hereby amended and restated in its entirety as follows:

The Reporting Persons anticipate that, at the price of US\$7.55 per ADS, or US\$0.18875 per Share set forth in the Merger Agreement (as defined and further described in Item 4 below), approximately US\$299 million will be expended for the Merger. This amount excludes the estimated transaction costs associated with the Merger.

The Merger and the other transactions contemplated by the Merger Agreement will be financed with a combination of equity capital contribution to (Beijing Wuxing Rongcheng Technology Ltd.) (“Holdco”) pursuant to the Equity Commitment Letters and the debt financing pursuant to the Debt Commitment Letter.

The information set forth in or incorporated by reference in Item 4 of this Statement is incorporated herein by reference in its entirety.

Item 4. Purpose of Transaction.

Item 4 of the Original Schedule 13D is hereby amended and supplemented as follows:

On December 1, 2016, () (Shanghai Trend Asset Management Center (Limited Partnership)) (“Shanghai Trend”) delivered a notice (the “Shanghai Trend Withdrawal Notice”) to the other members of the Consortium and withdrew from the Consortium.

On December 1, 2016, () (Gongqingcheng Wujiang Xinyao Investment Management Partnership (Limited Partnership)) (“Gongqingcheng Wujiang Xinyao”) and () (Hexie Chengzhang Phase II (Yiwu) Investment Center (Limited Partnership)) (“Hexie Chengzhang”) each signed an adherence agreement

to the Consortium Agreement (respectively, the “Gongqingcheng Wujiang Xingyao Adherence Agreement” and the “Hexie Chengzhang Adherence Agreement”), pursuant to which Gongqingcheng Wujiang Xingyao and Hexie Chengzhang joined the Consortium. References to the “Consortium” or “Consortium Members” after December 1, 2016 shall include Gongqingcheng Wujiang Xingyao and Hexie Chengzhang.

Merger Agreement

On December 1, 2016, Linkedsee Limited (“Parent”), Wiseman International Limited (“Merger Sub”) and the Issuer entered into an agreement and plan of merger (the “Merger Agreement”), pursuant to which Merger Sub will be merged with and into the Issuer, with the Issuer continuing as the surviving company and a wholly-owned subsidiary of Parent (the “Merger”). Pursuant to the Merger Agreement, at the effective time of the Merger, each Share issued and outstanding immediately prior to the effective time of the Merger, other than (a) the Excluded Shares (as defined below) and (b) the Shares held by shareholders who have validly exercised and not effectively withdrawn or lost their rights to dissent from the Merger in accordance with Section 238 of the Cayman Islands Companies Law, will be cancelled in consideration for the right to receive US\$0.18875 in cash per Share without interest. Each ADS issued and outstanding immediately prior to the effective time of the Merger, other than ADSs representing the Excluded Shares, will be cancelled in consideration for the right to receive US\$7.55 in cash per ADS without interest. “Excluded Shares” means, collectively, (i) the Shares held by the Rollover Shareholders to be contributed to Parent pursuant to the Contribution Agreement; (ii) the Shares held by Parent, the Issuer or any of their subsidiaries; and (iii) the Shares (including ADSs corresponding to such Shares) held by the depositary bank

and reserved for issuance and allocation pursuant to the share incentive plan of the Issuer. Each of the Excluded Shares will be cancelled and cease to exist at the effective time of the Merger without payment of any consideration or distribution therefor.

The Merger is subject to various closing conditions, including the approval of the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger, by the affirmative vote of holders of Shares representing at least two-thirds of the Shares present and voting in person or by proxy as a single class at a meeting of the shareholders of the Issuer.

If the Merger is consummated, the Issuer's ADSs would be delisted from the NASDAQ Global Select Market, and the Issuer's obligation to file periodic reports under the Act would terminate. 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 of directors of the Issuer (as the surviving company in the Merger), and a change in the Issuer's memorandum and articles of association to reflect that the Issuer would become a privately held company.

Equity Commitment Letters

Concurrently with the execution of the Merger Agreement, each of WANG Leilei, Gongqingcheng Wujiang Xingyao and Hexie Chengzhang (collectively, the "Sponsors") entered into an equity commitment letter dated December 1, 2016 (each, an "Equity Commitment Letter") with Holdco, pursuant to which each Sponsor has committed to purchase, or cause the purchase of, for cash, subject to the terms and conditions, equity securities of Holdco.

Debt Commitment Letter

China Merchants Bank Co., Ltd., New York Branch ("CMB NY") issued a debt commitment letter dated December 1, 2016 (the "Debt Commitment Letter") to Merger Sub, pursuant to which CMB NY committed to provide an aggregate principal amount of up to US\$280 million to fund the Merger, subject to various customary terms and conditions contained in the Debt Commitment Letter.

Contribution Agreement

Concurrently with the execution of the Merger Agreement, WANG Leilei, Right Advance Management Ltd., Chiming Bells International Limited (collectively, the "Rollover Shareholders") and Parent executed a contribution agreement

dated December 1, 2016 (the "Contribution Agreement"), pursuant to which each of the Rollover Shareholders agreed to contribute all Shares owned by it to Parent in connection with the Merger in exchange for newly issued shares of Parent on or prior to the consummation of the Merger.

Voting Agreement

Concurrently with the execution of the Merger Agreement, the Rollover Shareholders, IDG-Accel China Growth Fund II L.P., IDG-Accel China Investors II L.P., Parent and the Issuer executed a voting agreement dated December 1, 2016 (the "Voting Agreement"), pursuant to which each of the Rollover Shareholders, IDG Accel China Growth Fund II L.P., and IDG Accel China Investors II L.P. agreed to vote all the Shares owned by it in favor of the Merger at a meeting of the shareholders of the Issuer.

Limited Guaranties

Concurrently with the execution of the Merger Agreement, each of WANG Leilei, Gongqingcheng Wujiang Xingyao and Hexie Chengzhang entered into a limited guaranty (each, a "Limited Guaranty") in favor of the Issuer with respect to a portion of the payment obligations of Parent for the parent termination fee and certain indemnification, reimbursement and expense obligations of Parent under the Merger Agreement that may become payable to the Issuer by Parent under certain circumstances.

The descriptions of the Shanghai Trend Withdrawal Notice, the Gongqingcheng Wujiang Xingyao Adherence Agreement, the Hexie Chengzhang Adherence Agreement, the Merger Agreement, the Equity Commitment Letters, the Debt Commitment Letter, the Contribution Agreement, the Voting Agreement and the Limited Guaranties set forth above in this Item 4 do not purport to be complete and are qualified in their entirety by references to the full text of the Shanghai Trend Withdrawal Notice, the Gongqingcheng Wujiang Xingyao Adherence Agreement, the Hexie Chengzhang Adherence Agreement, the Merger Agreement, the Equity Commitment Letters, the Debt Commitment Letter, the Contribution Agreement, the Voting Agreement and the Limited Guaranties, which have been filed as exhibits to this Statement, and are incorporated herein by reference in their entirety.

The information set forth in or incorporated by reference in Item 3 of this Statement is incorporated herein by reference in its entirety.

Item 5. Interest in Securities of the Issuer

Item 5(a) - (b) of the Original Schedule 13D (as amended) is hereby amended and restated in its entirety as follows:

The following table sets forth the beneficial ownership of Shares of the Issuer for each of the Reporting Persons.

| Reporting Person | Amount beneficially owned ⁽¹⁾ ⁽²⁾ : | Percent of class ⁽³⁾ : | Sole power | | Sole power to | |
|------------------------------|---|--------------------------------------|-----------------------------------|---|--|---|
| | | | to vote or direct the vote: | Shared power to vote or to direct the vote: | dispose or to direct the disposition of: | Shared power to dispose or to direct the disposition of: |
| Right Advance ⁽⁴⁾ | 188,833,320 | 10.0% | 188,833,320 | 0 | 188,833,320 | 0 |
| Chiming Bells ⁽⁴⁾ | 63,663,142 | 3.4% | 63,663,142 | 0 | 63,663,142 | 0 |
| WANG Leilei ⁽⁴⁾ | 364,920,582 | 19.4% | 364,920,582 | 0 | 364,920,582 | 0 |

(1) Beneficial ownership is determined in accordance with Rule 13d-3 of the General Rules and Regulations under the Act and includes voting or investment power with respect to the securities.

(2) Includes collectively those ordinary shares held by each Reporting Person.

(3) Percentage of beneficial ownership of each listed person is based upon 1,884,133,063 Shares outstanding as of December 1, 2016 as disclosed by the Issuer in the Merger Agreement (excluding 4,686,040 Shares issued to the depository of the Company and represented by ADSs reserved for issuance and allocation in anticipation of the exercise of the Company stock awards).

(4) Mr. Wang is the beneficial owner and controlling person of Right Advance and Chiming Bells, includes (i) 188,833,320 Shares held through Right Advance, (ii) 63,663,142 Shares held through Chiming Bells, and (iii) 112,424,120 Shares held in the name of Mr. Wang (including 64,424,120 Shares represented by 1,610,603 American depository shares of the Issuer).

The Reporting Persons may be deemed to be members of a “group” (within the meaning of Section 13(d)(3) of the Exchange Act) with the other members of the Consortium with respect to the matters described in this Statement. Each Reporting Person hereby disclaims beneficial ownership of the Shares beneficially owned by any member of the Consortium that is not a Reporting Person. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that any of the Reporting Persons beneficially owns any Shares of the Issuer that are beneficially owned by any member of the Consortium that is not a Reporting Person or is a member of any group with any member of the Consortium that is not a Reporting Person.

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

Item 6 of the Original Schedule 13D is hereby amended and supplemented in its entirety as follows:

The information set forth in or incorporated by reference in Item 3 and Item 4 of this Statement is incorporated herein by reference in its entirety.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Original Schedule 13D is hereby amended and supplemented as follows:

Exhibit 5: Agreement and Plan of Merger, dated December 1, 2016, by and among Parent, Merger Sub and the Issuer (incorporated herein by reference to Exhibit 99.2 to Current Report on Form 6-K filed by the Issuer with the Commission on December 1, 2016).

Exhibit 6: Shanghai Trend Withdrawal Notice, dated December 1, 2016, signed by Shanghai Trend.

Exhibit 7: Gongqingcheng Wujiang Xingyao Adherence Agreement, dated December 1, 2016, signed by Gongqingcheng Wujiang Xingyao.

Exhibit 8: Hexie Chengzhang Adherence Agreement, dated December 1, 2016, signed by Hexie Chengzhang.

Exhibit 9: Equity Commitment Letter, dated December 1, 2016, between WANG Leilei and Holdco.

Exhibit 10: Equity Commitment Letter, dated December 1, 2016, between Gongqingcheng Wujiang Xingyao and Holdco.

Exhibit 11: Equity Commitment Letter, dated December 1, 2016, between Hexie Chengzhang and Holdco.

Exhibit 12: Debt Commitment Letter, dated December 1, 2016, by and among CMB NY, Merger Sub and Wang Leilei.

Exhibit 13: Contribution Agreement, dated December 1, 2016, by and among the Rollover Shareholders and Parent.

Exhibit 14: Voting Agreement, dated December 1, 2016, by and among the Rollover Shareholders, IDG-Accel China Growth Fund II L.P., IDG-Accel China Investors II L.P., Parent and the Issuer.

Exhibit 15: Limited Guaranty, dated December 1, 2016, between WANG Leilei and the Issuer.

Exhibit 16: Limited Guaranty, dated December 1, 2016, between Gongqingcheng Wujiang Xingyao and the Issuer.

Exhibit 17: Limited Guaranty, dated December 1, 2016, between Hexie Chengzhang and the Issuer.

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.

Date: December 2, 2016

RIGHT ADVANCE MANAGEMENT LTD.

By: /s/ WANG Leilei

Name: WANG Leilei

Title: Beneficial Owner and Controlling Person

CHIMING BELLS INTERNATIONAL LIMITED.

By: /s/ WANG Leilei

Name: WANG Leilei

Title: Beneficial Owner and Controlling Person

WANG Leilei

By: /s/ WANG Leilei