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## **LITTLE SHEEP GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0968)**

**APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER  
IN RELATION TO THE PRE-CONDITIONAL PROPOSAL FOR THE  
PRIVATISATION OF LITTLE SHEEP GROUP LIMITED  
BY WANDLE INVESTMENTS LIMITED,  
AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF YUM! BRANDS INC.  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES LAW)**

Reference is made to the joint announcement dated 13 May 2011 issued by Little Sheep Group Limited (the “**Company**”), Wandle Investments Limited and Yum! Brands Inc. (the “**Announcement**”) in relation to the pre-conditional proposal for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Law of the Cayman Islands. Terms used in the Announcement shall have the same meanings when used in this announcement unless otherwise defined.

### **INDEPENDENT FINANCIAL ADVISER TO THE LITTLE SHEEP INDEPENDENT BOARD COMMITTEE**

A Little Sheep Independent Board Committee, which comprises Dr. Xiang Bing, Mr. Yeung Ka Keung and Mr. Shin Yick, Fabian, all the independent non-executive directors of the Company, has been established by the Board to make a recommendation to the Independent Little Sheep Shareholders as to whether each of the Proposal and the terms of the Management Incentive Arrangements are, or are not, fair and reasonable and as to voting and to the Optionholders as to its views on the Option Offer.

On 21 June 2011, Quam Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), was appointed as the independent financial adviser (with the approval of the Little Sheep Independent Board Committee) to advise the Little Sheep Independent Board Committee in connection with the Proposal, the Management Incentive Arrangements and the Option Offer.

**Little Sheep Shareholders and potential investors should be aware that the making of the Proposal and the implementation of the Scheme is subject to satisfaction of, respectively, the Pre-Condition and the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be made and the Scheme may or may not become effective. Little Sheep Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Little Sheep Shares and any options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

By Order of the Board of  
**Little Sheep Group Limited**  
**Zhang Gang**  
*Chairman*

Hong Kong, 22 June 2011

As at the Announcement Date, the directors of the Company are:

*Executive directors:*

Zhang Gang  
Lu Wenbing  
Zhang Zhanhai  
Li Baofang  
Wang Jianhai

*Non-executive directors:*

Chen Hongkai  
Su Jing Shyh Samuel  
Koo Benjamin Henry Ho Chung  
Hsieh Hui-yun Lily

*Independent non-executive directors:*

Xiang Bing  
Yeung Ka Keung  
Shin Yick, Fabian

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*