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Little Sheep Group Limited

小肥羊集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 968)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Little Sheep Group Limited (the “**Company**”) will be held at Regus Business Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 6 January 2012 at 3:30 p.m. (Hong Kong time) (or so soon thereafter as the meeting of the Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) convened by direction of the Grand Court of the Cayman Islands for the same day and place shall have been concluded or adjourned), for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1 THAT:

- (a) Pursuant to the scheme of arrangement dated 13 December 2011 (the “**Scheme of Arrangement**”) between the Company and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and
- (b) the directors of the Company be and are hereby authorised to do all acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of capital pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of capital which the Grand Court of the Cayman Islands may see fit to impose.

ORDINARY RESOLUTIONS

2 THAT:

- (a) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the issued share capital of the Company shall be restored to its former amount by allotting and issuing to Wandle Investments Limited, credited as fully paid at par, the same number of ordinary shares of HK\$0.10 each in the share capital of Little Sheep as the number of Scheme Shares cancelled and extinguished; and
- (b) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) shall be applied in paying up in full at par the shares allotted and issued to Wandle Investments Limited, pursuant to resolution 2(a) above.

- 3 **THAT** the shareholders' agreement dated on or around 9 December 2011 entered into among Wandle Investments Limited, Yum! Restaurant China Holdings Limited, Possible Way International Limited, Mr. Zhang Gang and Mr. Chen Hongkai, a copy of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, and the transactions contemplated under it be and are hereby approved, ratified and confirmed.

By Order of the Board
Little Sheep Group Limited
Lee Kwok Wa
Company Secretary

Dated 13 December 2011

Registered office
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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Unit 1104, 11/F, Jubilee Centre
42-46 Gloucester Road
Wanchai, Hong Kong

Notes:

- (1) A member entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company, but must attend the extraordinary general meeting in person to represent him.
- (2) A **white** form of proxy for use at the extraordinary general meeting is enclosed with the composite document containing the Scheme of Arrangement dated 13 December 2011 despatched to members of the Company.
- (3) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be lodged with the Hong Kong share registrar of Little Sheep in Hong Kong at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the extraordinary general meeting or any adjournment thereof failing which the form of proxy will not be valid. Completion and return of the form of proxy will not preclude a member from attending the extraordinary general meeting and voting in person if he so wishes. In the event that a member attends and votes at the extraordinary general meeting after having lodged his form of proxy, his form of proxy will be revoked by operation of law.
- (4) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (5) At the extraordinary general meeting, the chairman of the extraordinary general meeting will exercise his power under article 66 of the articles of association of the Company to put all resolutions proposed at the extraordinary general meeting to a vote by way of a poll.
- (6) The register of members of the Company will be closed from Friday, 30 December 2011 to Friday, 6 January 2012 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the extraordinary general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 29 December 2011.

As at the date of this announcement, the executive directors of the Company are Zhang Gang, Lu Wenbing, Zhang Zhanhai, Li Baofang and Wang Jianhai, the non-executive directors of the Company are Chen Hongkai, Su Jing Shyh Samuel, Koo Benjamin Henry Ho Chung and Hsieh Hui-yun Lily and the independent non-executive directors of the Company are Xiang Bing, Yeung Ka Keung and Shin Yick, Fabian.