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**Yum! Brands, Inc.**

*(Incorporated in North Carolina with limited liability)*

**WANDLE INVESTMENTS LIMITED**

*(Incorporated in Hong Kong with limited liability)*



**Little Sheep Group Limited**

**小肥羊集團有限公司**

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

**(Stock Code: 968)**

## **JOINT ANNOUNCEMENT**

**PROPOSED 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)  
AND  
CONDITIONAL OFFER TO CANCEL  
ALL OUTSTANDING SHARE OPTIONS OF  
LITTLE SHEEP GROUP LIMITED**

## **SATISFACTION OF PRE-CONDITION**

**Financial Adviser to the Offeror**

**Goldman  
Sachs**

**Goldman Sachs (Asia) L.L.C.**

**Financial Adviser to the Company**

**BofA Merrill Lynch**

**Merrill Lynch (Asia Pacific) Limited**

The Proposal had been cleared by MOFCOM under the Anti Monopoly Law of the PRC on 7 November 2011. The Pre-Condition to the making of the Proposal by the Offeror has therefore been satisfied.

As stated in the Announcement, the Offeror had applied to the Executive for its consent pursuant to Note 2 to Rule 8.2 of the Takeovers Code to the despatch of the Scheme Document within seven days after the Pre-Condition is satisfied (or such later date to which the Executive, at the request of the Offeror, may consent) and subsequent to the Announcement, the Offeror obtained the Executive's consent to extending the latest time for the despatch of the Scheme Document to within seven days of fulfilment of the Pre-Condition. Accordingly, the Scheme Document should be sent to the Little Sheep Shareholders on or before 14 November 2011. Further announcement will be made as soon as possible to notify Little Sheep Shareholders of the expected timetable in relation to the Proposal, the Scheme and the Option Offer.

**Little Sheep Shareholders, Optionholders and/or potential investors in Little Sheep should be aware that the implementation of the Scheme is subject to the satisfaction of the Conditions being fulfilled or waived, as applicable, and thus 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.**

## INTRODUCTION

Reference is made to the joint announcement by Wandle Investments Limited, Yum! Brands, Inc. and Little Sheep Group Limited dated 13 May 2011 (the “**Announcement**”). In the Announcement, it was announced that Wandle Investments Limited had requested the Little Sheep Board to put forward the Proposal to the Scheme Shareholders for cancellation of the Scheme Shares to effect the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law, and that the Offeror will make (or procure to be made on its behalf) the Option Offer to Optionholders for the cancellation of the Outstanding Little Sheep Share Options in exchange for cash.

Terms defined in the Announcement shall have the same meanings when used in this announcement unless the context otherwise requires.

## SATISFACTION OF PRE-CONDITION

The Proposal had been cleared by MOFCOM under the Anti Monopoly Law of the PRC on 7 November 2011. The Pre-Condition to the making of the Proposal by the Offeror has therefore been satisfied.

## DESPATCH OF THE SCHEME DOCUMENT AND OPTION OFFER LETTERS TO OPTIONHOLDERS

As stated in the Announcement, the Offeror had applied to the Executive for its consent pursuant to Note 2 to Rule 8.2 of the Takeovers Code to the despatch of the Scheme Document within seven days after the Pre-Condition is satisfied (or such later date to which the Executive, at the request of the Offeror, may consent) and subsequent to the Announcement, the Offeror obtained the Executive's consent to extending the latest time

for the despatch of the Scheme Document to within seven days of fulfilment of the Pre-Condition. Accordingly, the Scheme Document should be despatched to the Little Sheep Shareholders on or before 14 November 2011. Further announcement will be made as soon as possible to notify Little Sheep Shareholders of the expected timetable in relation to the Proposal, the Scheme and the Option Offer.

## **CONDITIONS OF THE PROPOSAL**

**Little Sheep Shareholders, Optionholders and/or potential investors in Little Sheep should be aware that the implementation of the Scheme is subject to the satisfaction of the Conditions being fulfilled or waived, as applicable, and thus 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  
**Wandle Investments Limited**  
**Alan Kohn**  
*Director*

By Order of the Board of  
**Yum! Brands, Inc.**  
**Su Jing Shyh Samuel**  
*Director*

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

Hong Kong, 8 November 2011

*As at the date of this announcement, the directors of the Offeror are Ms. Donna Marie Heatherly and Mr. Alan Jay Kohn.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Little Sheep Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Little Sheep Group) 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 (other than that relating to the Little Sheep Group) misleading.*

*As at the date of this announcement, the directors of Yum! are:*

*Executive Directors:*  
*David C. Novak*  
*Su Jing Shyh Samuel*

*Independent non-executive Directors:*  
*David W. Dorman*  
*Massimo Ferragamo*  
*J. David Grissom*  
*Bonnie G. Hill*  
*Robert Holland, Jr.*  
*Kenneth G. Langone*  
*Jonathan S. Linen*  
*Thomas C. Nelson*  
*Thomas M. Ryan*  
*Robert D. Walter*

*The directors of Yum! jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Little Sheep Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Little Sheep Group) 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 (other than that relating to the Little Sheep Group) misleading.*

*As at the date of this announcement, the directors of the Company are:*

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
<i>Zhang Gang</i>	<i>Chen Hongkai</i>	<i>Xiang Bing</i>
<i>Lu Wenbing</i>	<i>Su Jing Shyh Samuel</i>	<i>Yeung Ka Keung</i>
<i>Zhang Zhanhai</i>	<i>Koo Benjamin Henry Ho Chung</i>	<i>Shin Yick, Fabian</i>
<i>Li Baofang</i>	<i>Hsieh Hui-yun Lily</i>	
<i>Wang Jianhai</i>		

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Yum! Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Yum! Group) 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 (other than that relating to the Yum! Group) misleading.*