

**LITTLE SHEEP GROUP LTD:  
ONE VERY OBVIOUS FACT ABOUT THIS COMPANY: IT IS NOT LITTLE**

Only in the People's Republic of China (PRC) can this happen, these days: A relatively newly established restaurant chain can capture nearly 12 percent of the entire market for full-service restaurants in a country within a period of less than 8 calendar years.

The restaurant chain to which **TARGET** () is referring is Little Sheep Group Ltd () (Code: 968, Main Board, The Stock Exchange of Hongkong Ltd).

If the Global Offering Prospectus is accurate – and **TARGET** is not doubting one word of that which has been published by the Company – then the history of this restaurant-chain company is, truly, phenomenal.

But, of course, it could only happen in the PRC, proper, an emerging, market economy whose compound annual growth, over the past few decades, has been the envy of many economies of the world, in any case, as everybody and his cat are well aware.

And the future for Little Sheep Group looks as bright for the immediate future as in the past 8 years, in **TARGET**'s opinion.

**The Flotation**

Little Sheep Group made a Global Offering of 245,188,000, 10-cent Shares at the Offer Price of between \$HK2.68 per Share and \$HK3.68 per Share.

Of the total number of Shares on Offer, the Company Offered 174,699,870 New Shares, while 70,488,130 Shares were Offered by the following 6 corporate entities, termed in the Global Offering Prospectus as being the Selling Shareholders:

1. 3i Group plc <sup>1</sup> of London, England	18,131,460 Shares
2. 3i Asia Growth 2006-2008 LP of London, England	12,558,947 Shares
3. 3i Global Growth 2006-2008 LP of London, England	25,117,894 Shares
4. Asia Growth Co-invest 2006-2008 LP of London, England	519,824 Shares
5. Global Growth Co-invest 2006-2008 LP of London, England	62,379 Shares
6. PraxCapital Fund I LP of Delaware, the US	14,097,626 Share
1. The shares of this company are listed on The London Stock Exchange	

Of the 174,699,870 New Shares, Offered by the Company, investors of the Hongkong Special Administrative Region (HKSAR) of the PRC were Offered a total of 24,519,000 Shares, while the remainder, 220,669,000 Shares, was reserved for International Investors via Placing.

Last Wednesday, it was announced that the Offer Price had been fixed at \$HK3.18 per Share and, as a result, the Company would be receiving about \$HK462 million, after all expenses.

That was in line with expectations at the time of the drafting of the Global Offering Prospectus – to the

dollar.

The HKSAR share tranche had been oversubscribed some 72 times and the International Placing tranche had been '*significantly over-subscribed*', one was told.

About the Selling Shareholders, they, simply put, financed part of the activities of Little Sheep Group Ltd by advancing \$US25 million (about \$HK195 million) to the Company by way of Convertible Bonds, carrying a fixed, 6-percent per annum coupon.

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