



## Yum China and Shaanxi Provincial Government Sign Strategic Cooperation Framework Agreement

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**Yum China plans to leverage the location and resource strengths of Shaanxi and strengthen Xi'an as its regional headquarters for Northwest China**

SHANGHAI, Sept. 26, 2019 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China") (NYSE:YUMC) signed a strategic cooperation framework agreement with the Shaanxi provincial government in Xi'an on September 25, 2019. This agreement consolidates the joint commitment of both parties to leverage their respective advantages to comprehensively deepen their cooperation.

Liu Guozhong, Governor of Shaanxi province, met with Fred Hu, Chairman of Yum China, and Joey Wat, CEO of Yum China, as well as a delegation from Yum China's Board of Directors and leadership team. Jia Feng, Deputy Secretary-General of Shaanxi provincial government, and Joey Wat signed the strategic cooperation framework agreement on behalf of both parties.





Yum China has been active in Shaanxi since opening its first KFC store in Xi'an in 1993, followed by the establishment of its Xi'an Customer Service Center in 2005. This cooperation will help Yum China further benefit from the location and resource strengths of Shaanxi as it seeks to expand its presence in the province and enhance the role of Xi'an as its regional headquarters for Northwest China. It will also combine the huge consumer base of Yum China with the unique assets of Shaanxi to support the economic development of the province.

As part of the agreement, Yum China will bolster its fast-growing digital business by upgrading its Xi'an Customer Service Center to a Digital Service Center that will contribute to building Shaanxi's digital economy. In addition, Yum China will open more stores at prominent locations across Shaanxi, including new builds at historic and cultural sites, and introduce new and innovative business models, store concepts and services to the province. Yum China plans to leverage its expertise in supply chain management and cold-chain logistics to support the development of local businesses in Shaanxi and promote the sustainable growth of the local economy.

Yum China also plans to introduce its signature Corporate Social Responsibility ("CSR") and sustainability programs to Shaanxi. These include the One Yuan Donation program, that provides energy-efficient kitchen equipment to elementary schools in rural areas, and the "Grow Local Initiative", that supports targeted poverty alleviation and the cultivation and commercialization of local agricultural products.

#### **Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as "expect," "expectation," "believe," "anticipate," "may," "could," "intend," "belief," "plan," "estimate," "target," "predict," "project," "likely," "will," "continue," "should," "forecast," "outlook" or similar terminology. These statements are based on current estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable under the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements include, without limitation, statements regarding the future business plans, performance and returns of Yum China, anticipated effects of population and macroeconomic trends, the anticipated effects of our

digital capabilities on growth and beliefs regarding the long-term drivers of Yum China's business. Forward-looking statements are not guarantees of performance or events and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results or events to differ materially from those indicated by those statements. We cannot assure you that any of our expectations, estimates or assumptions will be achieved. The forward-looking statements included in this press release are only made as of the date of this press release, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances, except as required by law. Numerous factors could cause our actual results or events to differ materially from those expressed or implied by forward-looking statements, including, without limitation: whether we are able to achieve development goals at the times and in the amounts currently anticipated, if at all, the success of our marketing campaigns and product innovation, our ability to maintain food safety and quality control systems, our ability to control costs and expenses, including tax costs, as well as changes in political, economic and regulatory conditions in China. In addition, other risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You should consult our filings with the Securities and Exchange Commission (including the information set forth under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K) for additional detail about factors that could affect our financial and other results.

#### **About Yum China Holdings, Inc.**

Yum China Holdings, Inc. is a licensee of Yum! Brands in mainland China. It has exclusive rights in mainland China to KFC, China's leading quick-service restaurant brand, Pizza Hut, the leading casual dining restaurant brand in China, and Taco Bell, a California-based restaurant chain serving innovative Mexican-inspired food. Yum China also owns the Little Sheep, East Dawning and COFFii & JOY concepts outright. The Company had more than 8,700 restaurants in over 1,300 cities at the end of June 2019. In 2019, Yum China was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2019 in China by the Top Employers Institute. For more information, please visit <http://ir.yumchina.com>.

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