



Yum China Reaches Milestone of 10,000 Stores

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The Company continues its growth momentum with rapid online and offline expansion

SHANGHAI, July 29, 2020 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China") (NYSE: YUMC) today announced that it has reached the milestone of 10,000 stores in its restaurant network across China and overseas. It celebrated at the 10,000th store opening this month in Bo'ao, Hainan province. This represents a significant milestone for Yum China which, having first entered China in 1987, has since grown to become the largest restaurant company in the country in terms of system sales.





"The opening of Yum China's 10,000th store is an important milestone that is symbolic of the incredible progress made in recent years. This achievement would not have been possible without the exceptional efforts of our employees and customers," said Joey Wat, CEO of Yum China. "More than 30 years ago, we started our journey in China with the opening of the first KFC restaurant in Beijing. Since then, our flagship brands, KFC and Pizza Hut, have become deeply ingrained in the lives and memories of millions of Chinese people. We are excited by our long-term prospects in China, especially the huge potential to further expand our store network and grow our digital footprint to capture online opportunities. To drive this growth, we will continue to prioritize innovation across every area of our business."

Yum China currently operates a portfolio of restaurant brands, including KFC, Pizza Hut, Taco Bell, East Dawning, Little Sheep, Huang Ji Huang and COFFii & JOY, with locations in over 1,400 cities and towns across mainland China. These established and emerging brands are increasingly integrated into local popular culture and consumers' daily lives.

Yum China continues to rapidly expand its restaurant count in recent years, from 7,562 units as of year-end 2016 to 9,200 units as of year-end 2019, representing a compound annual growth rate of 7%. In 2019, Yum China opened 1,006 new stores, the highest annual store openings in our history, and close to three new openings per day. It is worth noting that the 10,000th store milestone is inclusive of the more than 600 units contributed by Huang Ji Huang following Yum China's acquisition of the business earlier this year.

Despite the challenges caused by COVID-19, the Company's original target of 800-850 new stores in 2020 remains unchanged. Yum China will use multiple store formats to grow its footprint in new and existing markets across all city tiers. In addition, new designs and an extensive store remodeling program will enhance customer experience and keep existing stores looking refreshed.

Yum China's long-term vision is to be the world's most innovative pioneer in the restaurant industry and the Company has prioritized innovation across the entire business as the primary enabler of growth. This includes adopting and developing Yum China's powerful digital ecosystem, which integrates online platforms with offline stores and has been key to enhancing customer experience and engagement. Going forward, Yum China will continue to invest in key growth opportunities including new stores, store remodeling, digitalization, and supply chain and technology capabilities.

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. 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," "likely," "will," "should," "forecast," "outlook," "look forward to" 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 our strategies and business plans. Forward-looking statements are not guarantees of performance and are inherently subject to known and unknown risks and uncertainties that are difficult to predict and could cause our actual results 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. 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 and our Quarterly Report on Form 10-Q) 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, Huang Ji Huang, East Dawning and COFFii & JOY concepts outright. The Company had 9,954 restaurants in over 1,400 cities at the end of June 2020. Yum China ranked # 361 on the Fortune 500 list for 2020. In 2020, Yum China was named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2020 in China by the Top Employers Institute, both for the second consecutive year. For more information, please visit <http://ir.yumchina.com>.

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