Yum China Caters to Local Tastes with Regional Menu Items

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SHANGHAI, Jan. 18, 2022 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) announced that its KFC brand is increasingly tapping into regional Chinese cuisines and adding traditional local dishes to its menu. In 2021, to support further market penetration and meet the diversified needs of Chinese consumers, KFC launched 12 regionally inspired menu items across dayparts and introduced regional menu items for the first time.

Over the years, localization has been a strategic focus for KFC's food innovation in China, including through the introduction of Chinese breakfast products, such as congee, pancakes, rice rolls and bean curd pudding.

In January 2021, KFC launched hot dry noodles at more than 100 stores in Wuhan, making it the first noodle product since entering China. In September 2021, after launching a series of locally inspired snacks in different cities, hot dry noodles became the first regional menu item to launch at KFC stores nationwide as a Limited Time Offer ("LTO"). Over 1 million bowls of hot dry noodles were sold within a week of launching, becoming KFC's best performing LTO breakfast item in the past three years.

"China prides itself on having rich and diverse food scenes. Almost every city has its own food specialties, particularly when it comes to breakfast," said Joey Wat, CEO of Yum China. "Launching regional menu items is part of our strategy to relentlessly pursue food innovation, which helps us respond to fast-changing consumer demands and keep up with the latest trends."



Introducing menu items that integrate elements of local Chinese food culture in different regions is helping KFC to better resonate with local customers, strengthen customer relationships and drive loyalty. Including the launch of hot dry noodles in January 2021, 12 locally inspired menu items were launched in 10 regional markets during the year, covering breakfast, afternoon tea and dinner dayparts. The regional breakfast products, including hot dry noodles, xiaolongbao (steamed dumplings) and hulatang (hot pepper soup) have been well received by customers. The launch of xiaolongbao in Hangzhou was expanded to Shanghai and other cities in the Yangtze River Delta region, generating positive feedback from customers. Hot dry noodles and xiaolongbao have since become permanent fixtures on KFC's breakfast menus in Wuhan and Hangzhou, respectively.



Providing an authentic local taste is essential to the success of regional menu items. KFC has chosen to cooperate with time-honored Chinese brands when developing regional menu items, while leveraging its strong supply chain capabilities to source high quality local ingredients. Selected regional menu items have been added to KFC's retail product portfolio, available both in stores and via online channels. In September 2021, hot dry noodles, hulatang and yanpi wonton were launched locally via KFC's retail channels, including the KFC Super App, and e-commerce stores.

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," "aim," "plan," "estimate," "target," "predict," "project," "likely," "will," "continue," "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 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 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. 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 subsequent Quarterly Reports 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. In addition, Yum China has partnered with Lavazza to explore and develop the Lavazza coffee shop concept in China. The Company had 11,415 restaurants in over 1,600 cities at the end of September 2021.

In 2021, Yum China ranked # 363 on the Fortune 500 list and was named to TIME100 Most Influential Companies list. The Company was also named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2021 in China by the Top Employers Institute, both for the third consecutive year. In addition, Yum China has been selected as member of both Dow Jones Sustainability Indices (DJSI): World Index and Emerging Market Index. For more information, please visit http://ir.yumchina.com.

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Investor Relations Contact: Tel: +86 21 2407 7556 / +852 2267 5801, IR@YumChina.com; Media Contact: Tel: +86 21 2407 7510, Media@YumChina.com