



Yum China Announces Groundbreaking of New Supply Chain Management Center in Shanghai

7/21/2022

SHANGHAI, July 21, 2022 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) today announced that the Company has commenced the construction of the Yum China Supply Chain Management Center in Shanghai's Jiading district. The 61,000 square meter facility is Yum China's largest greenfield supply chain center project to date. The site is scheduled for completion in 2024 and will serve as the headquarters of the Company's supply chain operations.

"Our world-class supply chain is one of our key business enablers, and helped us mitigate the disruption impact of COVID-19. As part of our RGM strategic framework, we will continue to widen our strategic moat by investing in supply chain infrastructure to further enhance the agility and resiliency of our business," said Joey Wat, CEO of Yum China. "As our supply chain capabilities continue to go from strength to strength, we believe it will better support more stores, channels and products, while helping to drive long-term growth."



In addition to supporting Yum China's restaurants in eastern China, the new facility will serve as a key integrated cold chain transit hub for the region and support the Company's operations across the country. It will include ambient temperature storage, cold-chain storage, office space and supporting facilities. The Company will adopt modern automation solutions, three-dimensional storage technology to optimize the use of the storage space, and leverage the latest digital technologies to build a smart supply chain management platform. The Company will also deploy rooftop solar panels and wind power generation equipment to reduce carbon emissions.



Since entering China 35 years ago, Yum China has continuously invested in building a world-class supply chain management system, covering supplier and upstream management, logistics and distribution management, and restaurant management. By the end of March 2022, Yum China had 32 logistics centers serving over 12,000 restaurants covering more than 1,700 cities nationwide. The Company also announced during its 2021

Investor Day that it intended to expand its logistics network to 45 to 50 logistics centers over the next five years.

In recent years, Yum China has embarked on a journey to establish an intelligent supply chain that helps ensure food safety and quality management throughout the value chain. The Company has also developed transportation management system (TMS) to optimize route planning and vehicle loading rates. The warehouse management system (WMS) is also in place to enable product e-tracking from suppliers to logistics centers and to restaurants. Utilizing IoT and AI, Yum China's logistic centers provide real-time monitoring of products and the ambient temperature in in-transit vehicles across the country.

Yum China also utilizes the extra capacity of its logistics facilities to provide one-stop customized solutions to third parties. To do this, in 2020, the Company established Chuan Sheng Supply Chain, an entity that focuses on providing high-quality professional cold chain logistics, trunk transportation, urban distribution and related value-added services.

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," "ambition" "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, 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 12,117 restaurants in over 1,700 cities at the end of March 2022.

In 2021, Yum China has been selected as a member of both Dow Jones Sustainability Indices (DJSI): World Index and Emerging Market Index. In 2022, Yum China ranked # 359 on the Fortune 500 list. The Company was also named to the Bloomberg Gender-Equality Index and was certified as a Top Employer 2022 in China by the Top Employers Institute, both for the fourth consecutive year. For more information, please visit <http://ir.yumchina.com>.

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