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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): April 18, 2018**

**Yum China Holdings, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-37762**  
(Commission  
File Number)

**81-2421743**  
(I.R.S. Employer  
Identification No.)

**7100 Corporate Drive  
Plano, Texas 75024  
United States of America**

(Address, including zip code, of principal executive offices)

**Yum China Building  
20 Tian Yao Qiao Road  
Shanghai 200030  
People's Republic of China**

**(469) 980-2898**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## Item 2.02 Results of Operations and Financial Condition

Effective at the beginning of fiscal 2018, Yum China Holdings, Inc. (referred to herein as “Yum China” and, together with its subsidiaries the “Company,” “we,” “us,” and “our”) changed its fiscal calendar from two months in the first quarter, three months in the second and third quarters and four months in the fourth quarter, to four three-month quarters ending on March 31, June 30, September 30 and December 31 of each year. The change was made to align with how management now measures performance internally and to facilitate the comparability of our results with peers’ using calendar quarters.

In addition, effective at the same time, the Company revised its definition of same-store sales growth to represent the estimated percentage change in sales of food of all restaurants in the Company system that have been open prior to the first day of our prior fiscal year. We refer to these as our “base” stores. Previously, same-store sales growth represented the estimated percentage change in sales of all restaurants in the Company system that have been open for one year or more, and the base stores changed on a rolling basis from month to month. This revision was made to align with how management measures performance internally and focuses on trends of a more stable base of stores.

Exhibit 99.1 to this Form 8-K provides the Company’s recast summary of consolidated and combined statements of income and segment operating results for 2017 and 2016, as well as certain quarterly results within those periods, recast as if they had been reported under our new fiscal calendar. This Form 8-K also provides recast system and new same-store sales growth metrics as if they had been reported under the new calendar and new same-store-sales growth definition. The summary should be read in conjunction with the Company’s previously filed reports.

Additionally, these recast results reflect the impact of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), and related accounting interpretations, which we adopted in the first quarter of 2018 on a full retrospective basis.

The new standard does not have an impact on our recognition of revenue from Company-owned restaurants or our recognition of continuing fees from franchisees and unconsolidated affiliates while it changed the way we account for upfront fees. Upfront fees, such as initial and renewal fees from franchisees and unconsolidated affiliates, were previously recognized as revenue when we performed substantially all initial services required by the franchise agreement, generally upon the opening of a store or when a renewal agreement with a franchisee becomes effective. We recognize the upfront fees from franchisees and unconsolidated affiliates as revenue over the term of each franchise agreement as the franchise rights are accounted for as rights to access our symbolic intellectual property in accordance with the new standard. Any unamortized portion of fees received is presented in our Consolidated Balance Sheets as a contract liability.

The new standard also had an impact on certain transactions we entered into with franchisees and unconsolidated affiliates, such as contributions to and subsequent expenditures from advertising programs, inventory procurement and other services provided for franchisees and unconsolidated affiliates. These transactions were previously either not included or presented on a net basis in our statements of income or cash flows based on industry-specific guidance included in previous accounting guidance, which was superseded by the new standard. Under the new standard, we consider ourselves the principal in these arrangements as we have the ability to control a promised good or service before transferring that good or service to the customer. Therefore we include such transactions in revenues and expenses within our Consolidated and Combined Statements of Income with no significant impact to Net income.

## Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is furnished with this report:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	<a href="#"><u>Recast Consolidated and Combined Statements of Income, Recast Consolidated Balance Sheets and Recast Segment Operating Results</u></a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

YUM CHINA HOLDINGS, INC.

By: /s/ Xueling Lu

Name: Xueling Lu

Title: Controller and Principal Accounting Officer

Date: April 18, 2018

**Yum China Holdings, Inc.**  
**Recast Consolidated and Combined Statements of Income**  
**(in US\$ millions, except for per share data)**  
**(unaudited)**

	2017					2016
	Quarter Ended March 31	Quarter Ended June 30	Quarter Ended September 30	Quarter Ended December 31	Year Ended December 31	Year Ended December 31
<b>Revenues</b>						
Company sales	\$ 1,738	\$ 1,664	\$ 1,924	\$ 1,667	\$ 6,993	\$ 6,622
Franchise fees and rental income	36	33	38	34	141	129
Revenues from transactions with franchisees and unconsolidated affiliates	147	141	160	151	599	299
Other revenues	5	3	8	20	36	25
<b>Total revenues</b>	<b>1,926</b>	<b>1,841</b>	<b>2,130</b>	<b>1,872</b>	<b>7,769</b>	<b>7,075</b>
<b>Costs and Expenses, Net</b>						
Company restaurants						
Food and paper	486	483	560	505	2,034	1,921
Payroll and employee benefits	368	366	403	406	1,543	1,432
Occupancy and other operating expenses	530	539	614	562	2,245	2,259
Company restaurant expenses	1,384	1,388	1,577	1,473	5,822	5,612
General and administrative expenses	98	118	123	156	495	429
Franchise expenses	18	17	19	17	71	72
Expenses for transactions with franchisees and unconsolidated affiliates	147	137	159	149	592	295
Other operating costs	3	3	8	14	28	15
Closures and impairment expenses, net	—	18	2	27	47	78
Refranchising gain, net	(1)	—	(1)	(3)	(5)	(11)
Other income, net	(19)	(11)	(21)	(8)	(59)	(49)
<b>Total costs and expenses, net</b>	<b>1,630</b>	<b>1,670</b>	<b>1,866</b>	<b>1,825</b>	<b>6,991</b>	<b>6,441</b>
<b>Operating Profit</b>	<b>296</b>	<b>171</b>	<b>264</b>	<b>47</b>	<b>778</b>	<b>634</b>
Interest income, net	4	4	8	9	25	11
Changes in fair value of financial instruments	—	—	—	—	—	21
<b>Income Before Income Taxes</b>	<b>300</b>	<b>175</b>	<b>272</b>	<b>56</b>	<b>803</b>	<b>666</b>
Income tax provision	(90)	(43)	(87)	(159)	(379)	(156)
Net income (loss) – including noncontrolling interests	210	132	185	(103)	424	510
Net income – noncontrolling interests	6	7	9	4	26	12
<b>Net Income (Loss) – Yum China Holdings, Inc.</b>	<b>204</b>	<b>125</b>	<b>176</b>	<b>(107)</b>	<b>398</b>	<b>498</b>
Weighted-average common shares outstanding: (in millions)						
Basic	388	387	386	386	387	368
Diluted	395	399	398	386	398	369
<b>Basic Earnings (Loss) Per Common Share</b>	<b>0.53</b>	<b>0.32</b>	<b>0.46</b>	<b>(0.28)</b>	<b>1.03</b>	<b>1.35</b>
<b>Diluted Earnings (Loss) Per Common Share</b>	<b>0.52</b>	<b>0.31</b>	<b>0.44</b>	<b>(0.28)</b>	<b>1.00</b>	<b>1.35</b>

**Yum China Holdings, Inc.**  
**Recast Consolidated Balance Sheets**  
(in US\$ millions)  
(unaudited)

	12/31/2017	12/31/2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,059	\$ 885
Short-term investments	205	79
Accounts receivable, net	81	74
Inventories, net	297	268
Prepaid expenses and other current assets	160	120
<b>Total Current Assets</b>	1,802	1,426
Property, plant and equipment, net	1,691	1,647
Goodwill	108	79
Intangible assets, net	101	88
Investments in unconsolidated affiliates	95	77
Other assets	385	267
Deferred income taxes	105	166
<b>Total Assets</b>	\$ 4,287	\$ 3,750
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities	\$ 979	\$ 971
Income taxes payable	39	33
<b>Total Current Liabilities</b>	1,018	1,004
Capital lease obligations	28	28
Other liabilities and deferred credits	394	285
<b>Total Liabilities</b>	1,440	1,317
<b>Redeemable Noncontrolling Interest</b>	5	—
<b>Equity</b>		
Common stock, \$0.01 par value; 1,000 million shares authorized; 389 million shares and 383 million shares issued at December 31, 2017 and 2016, respectively; 385 million shares and 383 million shares outstanding at December 31, 2017 and 2016, respectively	4	4
Treasury stock	(148)	(20)
Additional paid-in capital	2,375	2,345
Retained earnings	397	38
Accumulated other comprehensive income	137	—
<b>Total Equity – Yum China Holdings, Inc.</b>	2,765	2,367
Noncontrolling interests	77	66
<b>Total Equity</b>	2,842	2,433
<b>Total Liabilities, Redeemable Noncontrolling Interest and Equity</b>	\$ 4,287	\$ 3,750

**Yum China Holdings, Inc.**  
**Recast Annual Segment Operating Results**  
(in US\$ millions)  
(unaudited)

	Year Ended 12/31/2017				
	KFC	Pizza Hut	All Other Segments	Corporate & Unallocated <sup>(1)</sup>	Total
Total revenues	5,066	2,093	106	504	7,769
Company restaurant expenses	3,986	1,798	38	—	5,822
General and administrative expenses	176	108	26	185	495
Franchise expenses	69	2	—	—	71
Expenses for transactions with franchisees and unconsolidated affiliates	70	1	21	500	592
Other operating costs	—	—	28	—	28
Closures and impairment expenses, net	20	27	—	—	47
Refranchising gain, net	—	—	—	(5)	(5)
Other (income) expenses, net	(57)	—	2	(4)	(59)
Total costs and expenses, net	4,264	1,936	115	676	6,991
<b>Operating Profit (Loss)</b>	<b>802</b>	<b>157</b>	<b>(9)</b>	<b>(172)</b>	<b>778</b>

	Year Ended 12/31/2016				
	KFC	Pizza Hut	All Other Segments	Corporate & Unallocated <sup>(1)</sup>	Total
Total revenues	4,757	1,996	100	222	7,075
Company restaurant expenses	3,829	1,727	57	(1)	5,612
General and administrative expenses	162	99	15	153	429
Franchise expenses	69	3	—	—	72
Expenses for transactions with franchisees and unconsolidated affiliates	61	1	14	219	295
Other operating costs	—	—	15	—	15
Closures and impairment expenses, net	41	17	3	17	78
Refranchising gain, net	—	—	—	(11)	(11)
Other (income) expenses, net	(46)	—	1	(4)	(49)
Total costs and expenses, net	4,116	1,847	105	373	6,441
<b>Operating Profit (Loss)</b>	<b>641</b>	<b>149</b>	<b>(5)</b>	<b>(151)</b>	<b>634</b>

(1) Amount includes revenues and expenses associated with transactions with franchisees and unconsolidated affiliates such as inventory procurement and other services provided to franchisees and unconsolidated affiliates.

**Yum China Holdings, Inc.**  
**Recast Quarterly Segment Operating Results**  
(in US\$ millions)  
(unaudited)

	Quarter Ended 3/31/2017				
	KFC	Pizza Hut	All Other Segments	Corporate & Unallocated <sup>(1)</sup>	Total
Total revenues	1,250	528	23	125	1,926
Company restaurant expenses	950	423	11	—	1,384
General and administrative expenses	39	25	3	31	98
Franchise expenses	17	1	—	—	18
Expenses for transactions with franchisees and unconsolidated affiliates	17	—	5	125	147
Other operating costs	—	—	3	—	3
Closures and impairment expenses (income), net	1	(1)	—	—	—
Refranchising gain, net	—	—	—	(1)	(1)
Other income, net	(19)	—	—	—	(19)
Total costs and expenses, net	1,005	448	22	155	1,630
<b>Operating Profit (Loss)</b>	<b>245</b>	<b>80</b>	<b>1</b>	<b>(30)</b>	<b>296</b>

	Quarter Ended 6/30/2017				
	KFC	Pizza Hut	All Other Segments	Corporate & Unallocated <sup>(1)</sup>	Total
Total revenues	1,206	498	16	121	1,841
Company restaurant expenses	956	423	9	—	1,388
General and administrative expenses	38	26	4	50	118
Franchise expenses	17	—	—	—	17
Expenses for transactions with franchisees and unconsolidated affiliates	15	1	3	118	137
Other operating costs	—	—	3	—	3
Closures and impairment expenses, net	9	9	—	—	18
Other income, net	(11)	—	—	—	(11)
Total costs and expenses, net	1,024	459	19	168	1,670
<b>Operating Profit (Loss)</b>	<b>182</b>	<b>39</b>	<b>(3)</b>	<b>(47)</b>	<b>171</b>

(1) Amount includes revenues and expenses associated with transactions with franchisees and unconsolidated affiliates such as inventory procurement and other services provided to franchisees and unconsolidated affiliates.

**Yum China Holdings, Inc.**  
**Recast Quarterly Segment Operating Results**  
(in US\$ millions)  
(unaudited)

	Quarter Ended 9/30/2017				
	KFC	Pizza Hut	All Other Segments	Corporate & Unallocated <sup>(1)</sup>	Total
Total revenues	1,402	569	23	136	2,130
Company restaurant expenses	1,082	487	8	—	1,577
General and administrative expenses	44	27	9	43	123
Franchise expenses	19	—	—	—	19
Expenses for transactions with franchisees and unconsolidated affiliates	19	—	4	136	159
Other operating costs	—	—	8	—	8
Closures and impairment expenses, net	—	1	1	—	2
Refranchising gain, net	—	—	—	(1)	(1)
Other income, net	(18)	—	—	(3)	(21)
Total costs and expenses, net	1,146	515	30	175	1,866
<b>Operating Profit (Loss)</b>	<b>256</b>	<b>54</b>	<b>(7)</b>	<b>(39)</b>	<b>264</b>

	Quarter Ended 12/31/2017				
	KFC	Pizza Hut	All Other Segments	Corporate & Unallocated <sup>(1)</sup>	Total
Total revenues	1,208	498	44	122	1,872
Company restaurant expenses	998	465	10	—	1,473
General and administrative expenses	55	30	10	61	156
Franchise expenses	16	1	—	—	17
Expenses for transactions with franchisees and unconsolidated affiliates	19	—	9	121	149
Other operating costs	—	—	14	—	14
Closures and impairment expenses (income), net	10	18	(1)	—	27
Refranchising gain, net	—	—	—	(3)	(3)
Other (income) expenses, net	(9)	—	2	(1)	(8)
Total costs and expenses, net	1,089	514	44	178	1,825
<b>Operating Profit (Loss)</b>	<b>119</b>	<b>(16)</b>	<b>—</b>	<b>(56)</b>	<b>47</b>

(1) Amount includes revenues and expenses associated with transactions with franchisees and unconsolidated affiliates such as inventory procurement and other services provided to franchisees and unconsolidated affiliates.



**Yum China Holdings, Inc.**  
**Recast Annual System and Same-Store Sales Growth**  
**(unaudited)**

System sales growth includes the results of all restaurants regardless of ownership, including company-owned, unconsolidated affiliate and franchise restaurants that operate our concepts, except for non-company-owned restaurants for which we do not receive a sales-based royalty. Sales of unconsolidated affiliate and franchise restaurants typically generate ongoing franchise fees for the Company at a rate of approximately 6% of system sales. Sales of unconsolidated affiliate and franchise restaurants are not included in the Company sales in the Consolidated and Combined Statements of Income (Loss); however, the franchise fees are included in the Company's revenues. We believe system sales growth is useful to investors as a significant indicator of the overall strength of our business as it incorporates all of our revenue drivers, Company and franchise same-store sales as well as net unit growth.

Same-store sales growth represents the estimated percentage change in sales of food of all restaurants in the Company system that have been open prior to the first day of our prior fiscal year.

	Year Ended 12/31/2017			
	KFC	Pizza Hut	All Other Segments	Total
System Sales Growth (Decline)	7%	5%	(31)%	6%
System Sales Growth (Decline), excluding F/X <sup>(2)</sup>	9%	7%	(29)%	8%
Same-Store Sales Growth (Decline)	5%	1%	(6)%	4%

  

	Year Ended 12/31/2016			
	KFC	Pizza Hut	All Other Segments	Total
System Sales Growth (Decline)	—%	(2)%	(41)%	(1)%
System Sales Growth (Decline), excluding F/X <sup>(2)</sup>	6%	4%	(37)%	5%
Same-Store Sales Growth (Decline)	3%	(7)%	(3)%	—%

(2) The Company provides system sales growth (decline), excluding the impact of foreign currency translation ("F/X"). These amounts are derived by translating current year results at prior year average exchange rates. The Company believes the elimination of the F/X impact provides better year-to-year comparability without the distortion of foreign currency fluctuations.

**Yum China Holdings, Inc.**  
**Recast Quarterly System and Same-Store Sales Growth**  
**(unaudited)**

	Quarter Ended 3/31/2017			
	KFC	Pizza Hut	All Other Segments	Total
System Sales (Decline) Growth	(2)%	3%	(42)%	(1)%
System Sales Growth (Decline), excluding F/X <sup>(2)</sup>	3%	9%	(38)%	4%
Same-Store Sales Growth (Decline)	1%	3%	(1)%	1%
	Quarter Ended 6/30/2017			
	KFC	Pizza Hut	All Other Segments	Total
System Sales Growth (Decline)	3%	1%	(35)%	2%
System Sales Growth (Decline), excluding F/X <sup>(2)</sup>	8%	6%	(32)%	7%
Same-Store Sales Growth (Decline)	4%	—%	(2)%	3%
	Quarter Ended 9/30/2017			
	KFC	Pizza Hut	All Other Segments	Total
System Sales Growth (Decline)	14%	7%	(34)%	12%
System Sales Growth (Decline), excluding F/X <sup>(2)</sup>	14%	7%	(33)%	12%
Same-Store Sales Growth (Decline)	10%	1%	(5)%	8%
	Quarter Ended 12/31/2017			
	KFC	Pizza Hut	All Other Segments	Total
System Sales (Decline) Growth	14%	10%	(4)%	13%
System Sales Growth (Decline), excluding F/X <sup>(2)</sup>	11%	6%	(6)%	9%
Same-Store Sales Decline	6%	1%	(3)%	5%

(2) The Company provides system sales growth (decline), excluding the impact of foreign currency translation (“F/X”). These amounts are derived by translating current year results at prior year average exchange rates. The Company believes the elimination of the F/X impact provides better year-to-year comparability without the distortion of foreign currency fluctuations.

**Yum China Holdings, Inc.**  
**Recast Restaurant Count and New Unit Activity**  
**(unaudited)**

**KFC**

	<u>Company-owned</u>	<u>Unconsolidated affiliates</u>	<u>Franchise</u>	<u>Total</u>
As of 12/31/2016	3,913	836	475	5,224
Net Unit Change				
Q1 2017	46	12	(5)	53
Q2 2017	32	15	—	47
Q3 2017	50	17	2	69
Q4 2017	71	11	13	95
As of 12/31/2017	<u>4,112</u>	<u>891</u>	<u>485</u>	<u>5,488</u>

**Pizza Hut**

	<u>Company-owned</u>	<u>Franchise</u>	<u>Total</u>
As of 12/31/2016	2,057	24	2,081
Net Unit Change			
Q1 2017	21	3	24
Q2 2017	16	1	17
Q3 2017	34	1	35
Q4 2017	38	—	38
As of 12/31/2017	<u>2,166</u>	<u>29</u>	<u>2,195</u>

**All Other Segments**

	<u>Company-owned</u>	<u>Franchise</u>	<u>Total</u>
As of 12/31/2016	38	219	257
Net Unit Change			
Q1 2017	(1)	15	14
Q2 2017	(9)	(4)	(13)
Q3 2017	—	5	5
Q4 2017	1	36	37
As of 12/31/2017	<u>29</u>	<u>271</u>	<u>300</u>