



## Yum China Agrees to Acquire a Controlling Interest in Huang Ji Huang, Expanding its Chinese Dining Business

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SHANGHAI, Aug. 22, 2019 /PRNewswire/ -- Yum China Holdings, Inc. ("Yum China") (NYSE: YUMC) today announced that it has entered into a definitive agreement to acquire a controlling interest in the Huang Ji Huang group, a leading Chinese-style casual dining franchise business. Subject to the satisfaction of closing conditions and regulatory approvals, the transaction is expected to close in early 2020.

Founded in 2004 and headquartered in Beijing, Huang Ji Huang has over 640 restaurants in China and internationally. The group operates primarily under a franchise model and its brand portfolio consists of "Huang Ji Huang," an industry-leading simmer pot brand, as well as "San Fen Bao," a newly launched Chinese fast food concept in China.

Yum China is the largest restaurant company in China, with over 8,700 restaurants as of June 30, 2019. With the addition of Huang Ji Huang, Yum China aims to gain a stronger foothold and enhanced knowhow in the Chinese dining space, which represents a significant share of the dining market in China. In addition, with Yum China's scale and system capabilities, and Huang Ji Huang's track record of product R&D and brand management, the acquisition is expected to create synergies.

### 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, including statements regarding the expected timing of the closing of the acquisition, anticipated synergies from the acquisition and beliefs regarding the benefits to Huang Ji Huang and Yum China's business. 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," "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 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. Some of the risks and uncertainties that could cause actual results to differ materially include, but are not limited to: the possibility that conditions to closing the acquisition may not be satisfied in a timely manner or at all; the fact that the integration of Huang Ji Huang may require significant time, attention and resources, potentially diverting attention from the conduct of our business; and the expected synergies from the acquisition may not be realized. 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) 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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