# First Franchised KFC Restaurants Being Launched in Sinopec and CNPC Gas Stations in China

12/19/2019

SHANGHAI, Dec. 18, 2019 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China") (NYSE: YUMC) today announced the opening of their first franchised gas station restaurants in collaboration with both China Petrochemical Corporation ("Sinopec") and China National Petroleum Corporation ("CNPC"). These openings follow an announcement made at Yum China's Investor Day in March 2019 declaring that Yum China would develop franchised restaurants at Sinopec and CNPC gas stations across China.

On December 17, 2019, the first franchised KFC restaurant since signing the cooperation agreement was opened in a CNPC gas station in Kunming, Yunnan Province. Meanwhile, in Dalian, Liaoning Province, the first KFC franchised restaurant in a Sinopec gas station is set to open its doors on December 23, 2019.

At present, Sinopec and CNPC collectively operate over 50,000 gas stations in China, of which more than 30,000 belong to Sinopec and more than 20,000 belong to CNPC. The partnership with both companies will enable Yum China to accelerate the expansion of its portfolio of brands into a previously underserved segment of the market, specifically gas stations and highway service areas across the country. Under the cooperation agreements, Yum China has a robust store development pipeline with a target to open over 100 stores over three years, using a variety of different

models.

"We are delighted that within a year, our collaborations with Sinopec and CNPC are already starting to bear fruit. The first franchised gas station restaurants represent an important milestone in our long-term strategic partnership with both companies." said Joey Wat, CEO of Yum China. "Together with Sinopec and CNPC, we are committed to building a successful business model and creating innovation-driven growth together."

These openings come after a pilot franchised KFC restaurant opened in October 2018 at a CNPC gas station located in Tangshan, Hebei Province. After only a few months, the pilot restaurant was thriving as a result of the synergies achieved from combining the unique location of gas stations with Yum China's operating management expertise. According to the agreement, KFC has become CNPC's only Western quick-service restaurant franchise partner in its gas station channel.

As vehicle ownership continues to grow, gas stations and highway service areas provide Yum China with an enormous opportunity to offer consumers better catering products, services and experiences, as well as contribute to the upgrading of gas stations and highway service areas throughout China. Yum China will also work with Sinopec and CNPC to explore additional opportunities to collaborate in other fields that can bring more convenient and innovative experiences to consumers across China.

**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 plans and targets under the collaboration with Sinopec and CNPC. 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. 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 8,900 restaurants in over 1,300 cities at the end of September 2019. In 2019, 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 for the second consecutive year. For more information, please visit *http://ir.yumchina.com*.

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