



Yum China and Hubei Provincial Government Sign Strategic Cooperation Framework Agreement

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Yum China will leverage its extensive supply chain advantages to support local businesses in Hubei and promote the sustainable development of the local economy.

SHANGHAI, Nov. 6, 2020 /PRNewswire/ -- Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) today signed a framework agreement with the Hubei provincial government that builds on the Company's existing footprint in the province and commits to further deepen strategic cooperation in the fields of logistics, industry sustainability, consumption upgrades and talent development. Liu Zhongchu, Deputy Secretary-General of Hubei provincial government and Joey Wat, CEO of Yum China, signed the agreement on behalf of both parties.



As a leading restaurant company in China, Yum China attaches great importance to Wuhan and the development of China's Central Economic Circle. With the outbreak of COVID-19 at the beginning of the year, Yum China was quick to express its concern and offer support to the Hubei provincial government. The pandemic further strengthened the determination of both parties to reach a framework agreement that will support Hubei's post-pandemic recovery and high-quality economic development.

"Hubei has shown admirable resilience in its efforts to combat COVID-19, and Yum China hopes to contribute to the region's post-pandemic economic development," said Joey Wat, CEO of Yum China. "Leveraging the distinct advantages of our supply chain, we will increase investment and support the introduction of innovative business models throughout Hubei. Yum China will also support Hubei to upgrade its modern service industry and accelerate the establishment of an industrial hub in Central China."

As part of the agreement, Yum China will utilize its extensive supply chain advantages and resource aggregation capacity to encourage its upstream and downstream business partners to invest in Wuhan. Yum China will also leverage its nationwide network of over 10,000 physical stores and powerful digital ecosystem to increase procurement of eligible food ingredients from Hubei, creatively develop and promote local produce, and contribute its deep expertise and knowhow to the formulation of local catering industry standards.

Yum China has been active in Hubei for many years and both KFC and Pizza Hut have opened themed restaurants that celebrate the unique local culture of Hubei. To support the recovery of Hubei's cultural tourism, more themed restaurants will be opened, with some located at historic and cultural sites. In another collaboration, Pizza Hut joined hands with the time-honored Hubei brand Cai Lin Ji in July to jointly launch "Grilled Crayfish Hot Dry Noodles", a tribute to the traditional food culture of Hubei.



Yum China is also committed to supporting talent cultivation in Hubei by increasing recruitment and providing work-based learning opportunities for students to encourage more college graduates to build their career in Hubei. KFC has been carrying out talent recruitment programs in Wuhan for many years, including cooperating with nearly 20 local universities. Yum China will also expand its existing "Mom Restaurants for Little Migratory Birds" Corporate Social Responsibility ("CSR") program in Hubei to offer priority job opportunities to mothers of migrant children who wish to work closer to their families.

This agreement reaffirms Yum China's commitment to supporting the long-term development of Hubei on multiple levels. In this spirit, Yum China has already introduced its signature CSR and sustainability program – the One Yuan Donation program – to Hubei, in partnership with the China Foundation for Poverty Alleviation (CFPA). Following the outbreak of COVID-19 in Wuhan earlier this year, Yum China made additional donations to Hubei, equipping schools with modern kitchen equipment to safeguard the food safety and nutrition of children in underprivileged areas.

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. 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 and our 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. Yum China also partners with Lavazza to explore and develop the Lavazza coffee shop concept in China. The Company had 10,150 restaurants in over 1,400 cities at the end of September 2020. Yum China ranked # 361 on the Fortune 500 list for 2020. In 2020, 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, both for the second consecutive year. For more information, please visit <http://ir.yumchina.com>.

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