



Yum China CEO Joey Wat Releases Annual Letter to Stockholders

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SHANGHAI, April 11, 2024 /PRNewswire/ -- Joey Wat, Chief Executive Officer of Yum China Holdings, Inc. (the "Company" or "Yum China", NYSE: YUMC and HKEX: 9987) released her annual letter to stockholders today together with the Company's 2023 Annual Report. The letter recapped Yum China's strong 2023 results, the Company's enduring commitment to stockholder return, as well as its pioneering innovation capabilities and ambitious plans for continued expansion.

"2023 was a landmark year for Yum China, one of our strongest ever. Transitioning out of the pandemic, we were able not only to seize opportunities amid China's reopening, but also adapt quickly to the year's challenges and sustain strong momentum," said Joey Wat, CEO of Yum China. "My deepest gratitude goes to our 430,000 employees: they are the backbone of our business, and it is their hard work and dedication that powers the agility and innovation that allow us to succeed, no matter the market conditions. We also want to thank our long-term stockholders who have stood by us along the way."

Returning to stockholders and enhancing return on capital invested will continue to be on top of the Company's agenda. Yum China returned a record \$833 million to investors through dividends and share repurchases in 2023, representing 75% of annual operating profit. Yum China intends to step up the pace of returns going forward, planning dividends and share repurchases of at least \$3 billion from 2024 to 2026, with \$1.5 billion planned for 2024.

Growth opportunities in China continue to be incredibly exciting, with China expected to continue to be the largest single contributor to global economic growth in 2024. Operating in over 2,000 cities across China, Yum China currently serves approximately one-third of China's population. The Company is targeting 20,000 stores nationwide by 2026, which will extend its reach to roughly 700 million people, still just around half of the country's population.

"The China market will offer us ample white space for the foreseeable future," Wat said. "On top of the opportunity to serve more people is a favorable mix change, as Chinese consumers in lower-tier cities gradually upgrade their consumption. As the largest restaurant company in China, we are uniquely positioned to capitalize on this trend. In fact, over half of our new stores have been in lower-tier cities in recent years. A good share of our future growth should come from the growing pool of consumers in such markets."

Wat added, "Our core brands are deeply rooted in China and are beloved by millions of consumers. But we can never rest on our laurels. We've worked hard over the past decades to develop industry-leading operational capabilities, outstanding customer care, and a world-class supply chain – all backed by advanced technology. The breadth and depth of these capabilities set us apart and undergird our sustained success. As we look to the future, we remain steadfast in our pursuit of excellence and innovation, and unwavering in our commitment to achieving our growth targets and generating long-term sustainable value for our stockholders."

To download the full version of Yum China CEO Joey Wat's Annual Letter to Stockholders, please visit <https://ir.yumchina.com/annual-reports>

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," "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 is the largest restaurant company in China with a mission to make every life taste beautiful. The Company has over 400,000 employees and operates over 14,000 restaurants under six brands across 2,000 cities in China. KFC and Pizza Hut are the leading brands in the quick-service and casual dining restaurant spaces in China, respectively. In addition, Yum China has partnered with Lavazza to develop the Lavazza coffee concept in China. Little Sheep and Huang Ji Huang specialize in Chinese cuisine. Taco Bell offers innovative Mexican-inspired food. Yum China has a world-class, digitalized supply chain which includes an extensive network of logistics centers nationwide and an in-house supply chain management system. Its strong digital capabilities and loyalty program enable the Company to reach customers faster and serve them better. Yum China is a Fortune 500 company with the vision to be the world's most innovative pioneer in the restaurant industry. For more information, please visit <http://ir.yumchina.com>.

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