



Yum China launches AI assistant for store managers, a groundbreaking advance in its tech-driven growth strategy

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"Q-Smart" assistant will provide restaurant managers with broad-based support for day-to-day restaurant operations, allowing them to enhance their focus on delivering excellent customer service

SHANGHAI, June 20, 2025 /PRNewswire/ -- Yum China Holdings, Inc. (NYSE: YUMC and HKEX: 9987, "Yum China" or the "Company") today announced the pilot launch of "Q-Smart", a new hands-free AI-enabled assistant for restaurant managers. Q-Smart helps frontline managers effectively and efficiently manage a wide range of day-to-day tasks, such as labor scheduling, inventory management, and food quality and safety inspection – providing intelligent support for decision-making across a broad spectrum of restaurant operations.

Q-Smart allows managers to interact with the system hands-free using wearable devices such as wireless earphones and smart watches, enhancing operational efficiencies. This is different from traditional restaurant systems where employees often rely on touch screens or PCs to complete tasks, which occupy their hands. Using natural language, Q-Smart can interact directly with restaurant managers to help them better manage operational tasks throughout the day.

For example, Q-Smart continuously monitors a restaurant's inventory and compares it with upcoming sales forecasting, reminding managers to make timely ordering and replenishment decisions that can help the store to optimize inventory use. Q-Smart can understand and respond to managers' voice commands, helping them to quickly and accurately conduct hands-free equipment inspections and inventory counts. At the same time, drawing from Yum China's extensive knowledge base, the system can provide real-time support and solutions for managers to effectively handle urgent operational issues.

Having passed the initial development and testing phase, Q-Smart is now being piloted at select KFC stores. Following this pilot phase, further user feedback will be incorporated, paving the way for a larger-scale rollout in the future.

Leila Zhang, Chief Technology Officer, Yum China commented: "Q-Smart is not just an AI tool —it is a potential game-changer for how restaurants can be managed. We believe that Q-Smart will not only help Yum China improve its operational efficiency, but can also serve as an example for the digital transformation and smart development of the catering industry."

The launch of Q-Smart marks a significant milestone in Yum China's end-to-end digitalization journey over the past decade. KFC China first enabled customers to pay digitally as early as 2015, followed by the launch of KFC's Super App in early 2016. As of March 2025, Yum China's digital loyalty program membership (for KFC and Pizza Hut) exceeded 540 million members. Yum China was also one of the earliest companies in China to launch an enterprise cloud platform. Its platform, Yum China Cloud, supports agile iterations of systems and products with a high server stability rate, helping ensure a seamless user experience online.

Yum China began integrating AI-assisted store management and scheduling tools as early as 2019. In 2021, Yum China rolled out its comprehensive AI-powered "Super Brain" tool, leveraging operational data from Yum China's store network to aid store managers' decision-making. In 2022, the Company introduced handheld Pocket Managers, allowing managers to track operational metrics in real-time. Yum China began exploring applications for Generative AI (AIGC) in its systems in 2023; and by 2024, the Company began integrating AIGC into various business scenarios, including logistics and supply chain, customer service, and various back-office functions.

Q-Smart was officially launched at Yum China's first-ever AI Day event held on June 20 in Shanghai. The day culminated with the announcement of winners of the Company's inaugural "All-Staff Hackathon", an initiative launched in March 2025 to encourage Yum China employees to develop technology-based solutions to address business problems and pain points, which drew participation from nearly 200 teams in roughly 30 markets across the country.

At the AI Day opening ceremony, Yum China CEO Joey Wat announced the establishment of a 100 million yuan (US\$13.9 million) Frontline Innovation Fund to provide a variety of new resources to further support frontline restaurant employees. The Fund will further bolster the Company's homegrown innovation in technology applications, including making the All-Staff Hackathon a regular annual event.

Wat remarked: "Yum China has always believed that true innovation must originate from frontline needs and serve frontline scenarios. AI is not only a technical tool to improve efficiency, but also a core partner to stimulate employee creativity."

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," "plan," "estimate," "target," "predict," "project," "likely," "will," "continue," "should," "forecast," "outlook," "commit" 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. Numerous factors could cause our actual results or events to differ materially from those expressed or implied by forward-looking statements. In addition, other risks and uncertainties not presently known to us or that we currently believe to be immaterial could affect the accuracy of any such forward-looking statements. 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 operates over 16,000 restaurants under six brands across over 2,300 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 <https://ir.yumchina.com/>.

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