

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): September 4, 2019

Yum China Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-37762
(Commission
File Number)

81-2421743
(I.R.S. Employer
Identification No.)

**7100 Corporate Drive
Plano, Texas 75024
United States of America**

(Address, including zip code, of principal executive offices)

**Yum China Building
20 Tian Yao Qiao Road
Shanghai 200030
People's Republic of China**

(469) 980-2898

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	YUMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 4, 2019, Mr. Jacky Lo notified Yum China Holdings, Inc. (the "Company") that he intends to resign as Chief Financial Officer and Treasurer of the Company, effective October 16, 2019. The Company's Board of Directors (the "Board") has identified Mr. Ka Wai Andy Yeung as Mr. Lo's successor. Mr. Yeung will initially join the Company as its Chief Financial Officer-Designate on September 16, 2019 and will be appointed as the Company's Chief Financial Officer effective October 16, 2019.

In connection with Mr. Lo's departure, the Company and Mr. Lo entered into a Post-Termination Agreement, effective October 16, 2019 (the "Post-Termination Agreement"), pursuant to which Mr. Lo will be entitled to a one-time payment of \$335,000, representing six months of base salary. Mr. Lo

will also be entitled to a 2019 annual cash bonus, on a pro-rata basis for his period of service from January 2019 to October 2019. In consideration for such payments, Mr. Lo will be bound by certain restrictive covenants relating to non-competition, non-solicitation, non-disparagement and non-disclosure. In addition, pursuant to the Company's policies, Mr. Lo will receive certain separation benefits, as well as reimbursement of repatriation expenses up to \$5,000.

The foregoing summary of the Post-Termination Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Post-Termination Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Mr. Yeung, age 46, served as the chief financial officer of Smart Finance International Limited, a financial technology company, from April 2017 to August 2019. Mr. Yeung also served as the chief financial officer of Cheetah Mobile Inc., a mobile internet company listed on the New York Stock Exchange and headquartered in Beijing, China, from January 2014 to March 2017. From 2009 to 2013, Mr. Yeung worked at Oppenheimer & Co. Inc. as director, executive director and then managing director, responsible for research coverage of China's internet and media sectors. From 1995 to 2009, Mr. Yeung worked at various companies in the U.S. in equity research, management consulting and credit risk management. Mr. Yeung served on the board of directors of M17 Entertainment Limited from June 2018 to July 2018. Mr. Yeung graduated from the Yale University School of Management with an MBA degree and the University of California, Berkeley with dual degrees in Mechanical Engineering and Applied Mathematics. He has been a Chartered Financial Analyst charterholder since 2001.

In connection with Mr. Yeung's appointment, the Company and Mr. Yeung entered into a letter agreement, effective September 16, 2019 (the "Employment Letter"), pursuant to which Mr. Yeung will receive an annual base salary of \$650,000 and an annual performance-based cash bonus at a target bonus rate of 75% of his annual base salary. Pursuant to the Company's long-term incentive program, Mr. Yeung will be eligible to receive stock appreciation rights and/or performance stock units, with a target grant value of \$880,000 for 2020. In addition, Mr. Yeung will be awarded a one-time grant of restricted stock units with an economic value of \$1,000,000, which will vest in equal installments on each of the first three anniversaries of the date of grant, subject to Mr. Yeung's continued employment through the vesting date. Mr. Yeung is also eligible to participate in the Company's other benefit programs on the same basis as the Company's officers. Also in connection with his appointment, Mr. Yeung agreed to be bound by certain restrictive covenants relating to non-competition, non-solicitation, non-disparagement and non-disclosure.

The foregoing summary of the Employment Letter does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Letter, a copy of which is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The press release announcing Mr. Yeung's appointment is attached as Exhibit 99.1 to this Current Report on Form 8-K.

A copy of the resignation letter of Mr. Lo is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are attached to this report:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Post-Termination Agreement, effective October 16, 2019, by and between Yum China Holdings, Inc. and Jacky Lo
10.2	Employment Letter, effective September 16, 2019, by and between Yum China Holdings, Inc. and Andy Yeung
99.1	Press Release of Yum China Holdings, Inc., issued September 6, 2019
99.2	Resignation Letter of Jacky Lo dated September 4, 2019
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

YUM CHINA HOLDINGS, INC.

By: /s/ Joseph Chan

Name: Joseph Chan

Title: Chief Legal Officer

Date: September 6, 2019

September 6, 2019

STRICTLY PRIVATE & CONFIDENTIAL

Dear Jacky,

We have received your resignation letter dated Sept 4, 2019. This notification outlines the terms governing your employment termination with Yum China Holdings, Inc. (the Company).

Termination Date

As mutually agreed, your effective termination date is Oct 16, 2019, with last day of service on Oct 15, 2019.

Discretionary Provisions

Subject to your signing the Post-Termination Agreement (attached) and acknowledging acceptance of the terms of the letter by Sept 6, 2019 and the Compensation Committee's final approval, the Company will provide you:

- (1) Pro-rated 2019 annual cash bonus for Jan 1 to Oct 15, 2019, payable in Feb 2020 after the Team Factor and Individual Factors results are confirmed. Payment is subject to tax withholding.
- (2) A one-time discretionary payment of HK\$ 2,613,000 on Oct 31, 2019.

ORSO Provident Fund

The ORSO fund scheme is administered by Mercer Consulting. HR (ext.7811) will provide you the necessary assistance in your application for the transfer / withdrawal of the vested ORSO Plan benefit.

Outstanding Annual Leave

Please seek the approval of your manager in making proper arrangement to clear your outstanding leave, if any. Should you have any outstanding annual leave as of October 15, 2019, you will receive payment in lieu together with your last payment, in compliance with legal requirement.

Repatriation

Repatriation will be administered in accordance with the Company's policies.

Pro-rated 2019 Home Leave Passage Budget

You may utilize the unused home leave budget balance, if any, in accordance with the home leave policy until Oct 15, 2019. Any unused portion of the budget after this date will be forfeited.

Company Housing

HR Admin will co-ordinate with you regarding the termination of the Company house lease, on a mutually agreed date, within one week from Oct 16, 2019.

Medical and Insurance Coverage

Your medical and life insurance coverage will continue until Oct 15, 2019.

Long Term Incentive Plan - Stock Appreciation Rights (SAR)/ Restricted Stock Units

You have the right to exercise, with pre-clearance from Legal pursuant to the Company's trading policies, the vested YUMC SARS within 90 days from your last day of service, after which such vested SAR will be forfeited. All Restricted Stock Units held by you that are not vested as of your last service date will be forfeited. Gains, if any, from LTI awarded after 2017 are subject to China IIT withholding, while gains realized from LTI granted in 2017 and before are subject to Hong Kong tax withholding under the grandfathered provision.

On behalf of the management team, we would like to thank you for your past contributions. And we wish you the very best in your future endeavors.

Yours sincerely,
For and on behalf of Yum China Holdings, Inc

/s/ Aiken Yuen
Aiken Yuen
Chief People Officer

Please acknowledge acceptance of the above terms by signing and returning the duplicate of this letter and the attached Post Termination Agreement to the undersigned by Sept 6, 2019.

Acknowledged and accepted by:

/s/ Jacky Lo
Jacky Lo

September 6, 2019
Date



****Private & Confidential****

September 6, 2019

**Yum China Holdings, Inc.
POST-TERMINATION AGREEMENT**

Yum China Holdings, Inc. (“the Company”), and Jacky Lo (“Employee”) agree that this Post-Termination Agreement (“Agreement”) sets out their complete agreement and understanding regarding the post-termination undertakings of the Employee in favor of the Company

1. The Company and Employee agree that Employee’s employment with the Company will terminate on October 16, 2019 (“Termination Date”) with last employment date on Oct 15, 2019.
2. In consideration of the discretionary prorated bonus (Jan 1 – Oct 15, 2019) and a one-time discretionary payment of HK\$2,613,000 to the Employee, the Employee undertakes to the Company as follows:

- (a) **Non-Disclosure:** Employee will keep secret and shall not, after the Termination Date, use for his own or another’s advantage, or reveal to any person, firm, company or organization, and shall use his best endeavors to prevent the publication or disclosure of any of the trade secrets, business methods, computer systems or any information, in written or electronic form, (including strategic plans and annual operating plans but excluding any such information or data which enters the public domain except through default) which he knew or ought reasonably to have known to be confidential concerning the business or affairs of the Company or any of its affiliates, vendors, customers or other third parties, so far as they came to his knowledge during his employment with the Company.

The restriction in this clause shall not apply to any disclosure or use authorized by the management of the Company or required by law and it shall not apply so as to prevent the Employee from using his own personal skill in any business in which he may lawfully engage (subject to clause hereunder) after the Employee’s employment with the Company is terminated. In addition, the foregoing shall not limit the Employee’s ability to report possible violations of law or regulation to, or file a charge or complaint with, the United States Securities and Exchange Commission.

- (b) **Non-Disparagement:** Employee will not do or say anything which criticizes or disparages the Company or its affiliates, its management, practices, or product which disrupts or impairs the Company’s normal, ongoing business operations; or which harms the Company’s reputation with its employees, customers, suppliers, or the public.
- (c) **Non-Solicitation:** For a period of two (2) years after the Termination Date, the Employee will not endeavor (whether on his own account or for any other person, firm, company or organization) to entice away from the Company or any of its affiliates in the People’s Republic of China, Hong Kong and US any employee employed as at the Termination Date or at any time within a period of 12 months prior to that date and with whom the Employee has worked or with whom he has had personal contact as part of his employment with the Company.

- (d) **Non-Competition:** *In connection with the discretionary payment under Section 2 which is acknowledged as inclusive of any legally mandated economic compensation for the enforcement of this non-compete covenant, the Employee, for a period of one (1) year after the Termination Date, shall not be engaged or interested (whether as principal, servant, agent, consultant or otherwise) in any trade or business in the People's Republic of China and Hong Kong he has been involved or with which he has been concerned as part of his employment with the Company and its affiliates and which is similar to, and by virtue of its location, competes with, any trade or business being carried on as at the Termination Date by the Company or any of its affiliates i.e. the restaurant industry including without limitation McDonalds', Burger King, Starbucks, Wendy's, Popeye, Domino's Pizza, Papa John's, Little Caesars Pizza, Dicos and Subway.*

Should the Employee violate and/or fail to comply with the above stated non-compete terms within one year from the effective date of termination, the Employee is required to pay the Company liquidated damage of three (3) times the gross non-compete compensation (discretionary payment under Section 2). If the total damage and/or cost to the Company (including but not limited to the loss of business, revenue and profit, and fees incurred in recouping the appropriate compensation from the Employee) is higher, the Company reserves the right to seek further compensation from the Employee.

- (e) **Release:** The Employee waives all rights and claims he may have for any personal or monetary relief arising from the Employee's employment with the Company, or the termination of employment with the Company.
- (f) **Reasonable Cooperation in Investigation and Litigation:** In the event the Company becomes involved in investigations, audits or inquiries, tax examinations or legal proceedings, by a judicial, governmental or regulatory authority, of any nature, related directly or indirectly to events that occurred during your employment and about which the Employee has or may have personal knowledge, the Employee agrees that he will be reasonably available upon reasonable notice from the Company, to answer discovery requests, give depositions or testify, with respect to matters of which the Employee has or may have knowledge as a result of or in connection with his employment relationship with the Company. In performing the obligations under this section, the Employee agrees that he will truthfully, forthrightly and completely provide the information reasonably requested. The Company will reimburse the Employee for all reasonable out-of-pocket expenses incurred by the Employee in connection with such cooperation. The parties understand and acknowledge that this provision is not intended to restrict the Employee's ability to become employed by another employer or unreasonably interfere with such employment.

3. The Employee confirms and acknowledges that:

- (i) each of the clauses in this Agreement constitutes an entirely separate and independent restriction on the Employee;
- (ii) that the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of the interests of the Company and its affiliates;
- (iii) if any such restriction shall be adjudged by any court of competent jurisdiction to be void and unenforceable as going beyond what is reasonable in the circumstances for the protection of the interests of the Company but would be valid if part of the wording thereof was deleted and/or the period thereof was reduced and/or the area dealt with thereby was reduced, the said restriction shall apply within the jurisdiction of that court with modifications as may be necessary to make it valid and effective.

August 12, 2019

STRICTLY PRIVATE & CONFIDENTIAL

Andy Yeung

Dear Andy,

Subject to the final approval of the Board of Directors (the "Board") of Yum China Holdings, Inc. (the Company), we are pleased to offer you the position of **Chief Financial Officer (CFO)** of Yum China (hereinafter "the Company"), **effective September 16, 2019** (the "Effective Date") as mutually agreed. In your role as CFO, you will report to Joey Wat, CEO YUMC. The position is based in Shanghai, PRC.

In the event that you are assigned to a different role and/or level in the future, the Company has the discretion to make appropriate adjustments to the terms outlined in this letter, reflective of the total compensation and benefits associated with such role and/or level.

As long as you remain as CFO, any compensation action for you is subject to the approval of the Compensation Committee of the Board.

The following compensation outlined below will apply to you as of the Effective Date:

1. Base Salary

Your base salary will be **US\$650,000** per annum payable in arrears of 12 equal monthly payments. You are responsible for China Individual Income Tax ("IIT") and (if legally mandated) your share of contributions to all statutory social insurance funds, subject to China Employer's withholding right and obligation. The next merit review of your base salary will be in February 2020.

2. YumChina Leader's Bonus Program ("YLB")

Upon the Effective Date, you will be eligible to participate in our YLB scheme at a target bonus rate of **75%** of your base salary. For illustrative purposes, the 2019 YLB provides eligible participants the opportunity to earn an annual bonus amount, subject to IIT, based on both individual and company performance. The actual bonus payout, subject to IIT withholding, will be determined by how the business does as a whole (against quantitative criteria) and your own performance against business objectives, as approved by the Compensation Committee. As a formula for bonus payment = Target Bonus % X Individual Performance Rating X Team Factor (pro-rated for year 2019).

Team factor is the Company's performance factor approved by the Compensation Committee. For 2019, both individual performance rating and team factor can extend beyond 100%, given above expectation performance, up to a maximum of 150% and 200% respectively, which provide a combined maximum bonus earning potential at **300%** of the target amount. The multiplier, maximum potential payout percentage, performance factors and computation method are subject to review and revision on an annual basis by the Compensation Committee.

3. Long Term Incentive Program:

You are eligible to participate in the Company's Long Term Incentive Program. With respect to your participation in the Long-term Incentive Program in 2020, you will be granted stock appreciation rights ("SARs") and/ or performance stock units ("PSUs"), subject to the approval of the Compensation Committee. Long-term incentive grants are awarded annually, based on your position level. Your 2020 long-term incentive target grant value will be **US\$880,000 (economic value)**. Grant size, allocation (i.e., mix of SAR and PSU awards) and value may change from year to year. You will be responsible for China IIT on the long-term incentive awards.

- Based on the **Stock Ownership Guidelines** ("SOG") approved by the Board, your ownership requirement or value of stock to be held is equivalent to **three (3) times** your annual base salary. You have five (5) years from February 2020 to meet the SOG. Per the SOG schedule, you need to meet 25% in 2 years, 50% in 3 years, 75% in 4 years, and 100% on the fifth anniversary.

4. **Sign-on Restricted Stock Unit (RSU) Grant**

Subject to the approval of the Compensation Committee of the Board and that your commencement date (the Effective Date) is **no later than Sept 16, 2019**, you will be awarded a RSU grant in economic value of **USD 1,000,000** within four months from the Effective date. The sign-on RSU will vest on equal installments on each of the first three anniversaries of the date of grant. On vesting, shares will be issued to you provided you remain continuously and actively employed with the Company or subsidiary of YUMC through each RSU vesting.

5. **Benefits subject to Scale-down*** (governed by the Company HR Policy).

As of the Effective Date, you will be eligible for the benefits set forth below. You will be responsible for any applicable IIT with respect to these benefits, subject to China Employer's withholding right and obligation.

a. **Transportation/Car Running Expenses:**

While you work in China, you will be provided with a car, with reimbursement of actual running expenses of up to RMB 42,000 per calendar year, covered in accordance with Company policy. Should you decide to hire a driver, this will be at your personal discretion and expense. In lieu of the car benefit, you may choose to receive a transportation allowance of RMB 120,000 per calendar year, payable in equal monthly installments of RMB 10,000 per month. The allowance is subject to IIT.

b. **Housing:**

While you work in China, you will be provided with adequate housing at no cost to you. Per Company policy, the housing budget for someone at your level and family size is **RMB 53,900** per calendar month. In addition, the Company shall reimburse electricity, water, and gas charges within a limit no higher than 5% of the rental budget per calendar year. Only actual amounts incurred will be borne by the Company. The above budget may be adjusted from time to time based on market value.

c. **Vacation Leave and Home Passage Provision:**

You are eligible for a total of **20** workdays of paid vacation leave per calendar year for the duration of your assignment in China, pro-rated for 2019. You will observe all local holidays. You will be provided with a travel budget equivalent to one round-trip (SHA/US) restricted business class airfare, and one round-trip (SHA/Hong Kong) restricted biz airfare for you and eligible dependent. China IIT, if applicable, will be your responsibility.

No payment will be made in lieu of vacation travel not being performed. All vacations and reimbursements will be administered in accordance with the Vacation Leave Policy. The vacation travel budget for any partial calendar year will be pro-rated based on the number of days you served as CFO during such year.

* *Other than vacation leave, provisions under Section 5, which includes housing, car running expenses, home passage will be scaled down by a third a year beginning from the sixth anniversary.*

6. Provident Fund

You are eligible to participate in the Bai Sheng Restaurant (Hong Kong) Ltd. Provident Fund Plan registered in Hong Kong in accordance with the approved plan document. The Company's contribution ranges from 5% to 10% of your base salary depending on years of service. Starting from the Effective Date, the Company's contribution will be 5% of your base salary. Your contribution is on a voluntary basis.

In the event that the participation of China Social Insurance becomes mandatory for you, the provident fund plan benefit will be replaced by such statutory provision. You are responsible for China IIT on the Company's contribution.

7. Medical, Dental & Life Insurance Plan

You will be covered under the Company's Senior Executives group worldwide medical, dental and life insurance plan. Eligible dependents are also covered by the Group Worldwide medical insurance.

8. Code of Conduct

As an employee of the Company, you are expected to observe the Company's Code of Conduct. You are also expected to obey the laws and regulations and respect the lawful customs of the People's Republic of China and any other countries which you may visit in the areas of business duties. Naturally, we would expect that you would not engage in any employment or business activity that conflicts with the business interest of the Company.

9. Reassignment

You are subject to reassignment to any of the Company's foreign or domestic locations, and any such reassignments will be subject to the future needs of the Company.

10. Non-Disclosure

By signing this letter agreement, you agree that at all times (notwithstanding the termination of this letter agreement) not to use for your own advantage, or to disclose to any third party any information concerning the business or affairs of the Company and its affiliates, comprising trade secrets and business matters or information which you know or ought reasonably to have known to be confidential. You understand that nothing contained in this letter agreement limits your ability to report possible violations of law or regulation to, or file a charge or complaint with, the U.S. Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this letter agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this letter agreement shall limit your ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

11. Non-Compete

By signing the offer letter, you agree that during the period of one (1) year following the termination of this agreement, you shall not be engaged or interested (whether as principal, agent, consultant or otherwise) in any trade or business in the Mainland and Hong Kong Special Administrative Region of the People's Republic of China you have been involved or with which you have been concerned as part of your employment with the Company and which is similar to, and by virtue of its location, competes with, any trade or business being carried on as at the Termination Date by the Company or any of its affiliates i.e. the restaurant industry including without limitation McDonalds', Burger King, Starbucks, Wendy's, Dicos, Popeye, Domino's Pizza, Subway, Little Caesars Pizza, and Papa John's. The list will be periodically reviewed and amended as and when deemed necessary. You will be timely communicated of the changes, and you hereby give your pre-consent to the changes, if any.

In compliance with the local law and subject to your acceptance of the terms of "Non-Compete" stipulated in section 11 of this letter, you will be paid within one month from the Employment termination (non-cause[^]) a lump sum equivalent to five (5) times of your average monthly salary in the past 12 months. The amount after applicable IIT withholding will be credited to your designated payroll bank account. The Company, where deemed appropriate and at its discretion, reserves the right to void or cease the non-compete provision, in part or in full, by providing you with no less than two-month advance notice.

Should you violate and/or fail to comply with the above stated non-compete terms within one year from the effective date of your termination, you are required to pay the Company liquidated damage of three (3) times the gross non-compete compensation lump sum paid to you. If the total damage and/or cost to the Company (including but not limited to the loss of business, revenue and profit, and fees incurred in recouping the appropriate compensation from the individual) is higher, the Company reserves the right to seek further compensation from the individual.

[^]For purposes of this letter agreement, "cause" shall mean: (i) the willful failure by you to perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness); (ii) your willful misconduct that is demonstrably and materially injurious to the Company, monetarily or otherwise; (iii) your commission of such acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude; (iv) your conviction or plea of no contest to a felony (or equivalent crime in the PRC) or a crime of moral turpitude; or (v) any terminable events under the Company's Code of Conduct as referenced in Section 8 of this letter.

12. Cooperation in Investigation and Litigation

By signing this offer letter you agree at all times (notwithstanding the termination of this letter agreement) that in the event the Company becomes involved in investigations, audits or inquiries, tax examinations or legal proceedings, by a judicial, governmental or regulatory authority, of any nature, related directly or indirectly to events that occurred during your employment and about which you have or may have personal knowledge, you agree that you will be reasonably available upon reasonable notice from the Company, to answer discovery requests, give depositions or testify, with respect to matters of which you have or may have knowledge as a result of or in connection with your employment relationship with the Company. In performing the obligations under this section, you agree that you will truthfully, forthrightly and completely provide the information reasonably requested. The Company will reimburse you for all reasonable out-of-pocket expenses incurred by you in connection with such cooperation. The parties understand and acknowledge that this provision is not intended to restrict your ability to become employed by another employer or unreasonably interfere with such employment.

13. Non- Solicitation

By signing the offer letter, you agree that during the period of two (2) year following the termination of this agreement, you shall not solicit or endeavor to entice away from Yum China & it's affiliates any other employee or person engaged (whether or not such a person would commit any breach of contract by reason leaving the service of the Company), or any customer of Yum China and its affiliates.

14. Non- Disparagement

By signing this offer letter you agree that at all times (notwithstanding the termination of this letter agreement) not to do or say anything which criticizes or disparages the Company, its management practices, or products, which disrupts or impairs, or may disrupt or impair, the Company's or any of its Affiliate's normal ongoing business operations; or which harms, or may harm, the Company's or any of its Affiliate's reputations with its employees, customers, suppliers, government authorities, or the public.

15. Termination

Any termination notice will be in writing and in accordance with Company policy. Current policy requires a **three-month notice** period or payment-in-lieu to be provided by either party in the event of termination of employment.

16. Reference Check and Medical Clearance

This offer of employment is contingent upon successful reference check and medical clearance.

All other terms and conditions of employment will be governed by established policies and procedures, which are subject to change from time to time by the Company.

If at any time any provision of this letter agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions shall not be impaired or affected.

If, for compliance with PRC employment and tax laws and regulations, a PRC labor contract needs to be signed between China Employer (as the employer) and you (as the employee) and includes terms and conditions which may be inconsistent with those herein, the terms and conditions of this letter agreement shall prevail and you specifically agree to refrain from exercising any rights, taking any actions or seeking any remedies based on such PRC labor contract or PRC laws or regulations. Your failure to comply with this special provision shall constitute a material breach of this letter agreement and result in waiver or forfeiture of all of your rights and benefits under this letter agreement that are more favorable to you than those available under the PRC labor contract or PRC laws and regulations.

Kindly acknowledge your acceptance of the above appointment terms by signing and returning the duplicate of this letter.

Yours sincerely,
For and on behalf of Yum China Holdings, Inc.

/s/ Aiken Yuen
Aiken Yuen,
CPO YUMC

- * *This offer is valid for two weeks from the date of this Employment Letter and supersedes the terms previously communicated to you*
- ** *This Employment Letter contains non-public information. You must keep the information confidential. You are reminded not to disclose or communicate to another party without the prior written consent of Yum China HR.*

I, **Andy Yeung**, confirm that I have read, understood and agreed to the terms of Employment Offer outlined in this Letter /Agreement.

/s/ Andy Yeung
Andy Yeung

August 12, 2019
Date

Yum China Announces Transition of Chief Financial Officer***Jacky Lo will be succeeded by Andy Yeung as CFO***

SHANGHAI, Sept. 6, 2019 – Yum China Holdings, Inc. (the “Company” or “Yum China”) (NYSE: YUMC) today announced that Jacky Lo, who has served as the Company’s Chief Financial Officer since June 2017, intends to leave the Company to pursue professional opportunities in Hong Kong to be closer to his family. Jacky will step down as the Company’s Chief Financial Officer effective October 16, 2019. Ka Wai Andy Yeung will assume the role of Chief Financial Officer of the Company effective the same day.

“We are grateful for all of the contributions Jacky has made to the Company and recognize the critical role he played in growing and strengthening our business since the spin-off, as well as for his ongoing engagement on succession discussions to ensure a smooth CFO transition.” said Joey Wat, Yum China’s CEO.

“We are pleased to welcome Andy to our team. Andy brings a wealth of knowledge to this critical role, and his deep experience in all facets of finance will be a tremendous asset to our Company. We look forward to working closely with him as we continue to capitalize on market opportunities and work to generate significant long-term value for our shareholders.”

Mr. Yeung, age 46, served from April 2017 to August 2019 as the chief financial officer of Smart Finance International Limited, a financial technology company. Mr. Yeung also served as the chief financial officer of Cheetah Mobile Inc., a mobile internet company listed on the NYSE and headquartered in Beijing, China, from January 2014 to March 2017. From 2009 to 2013, Mr. Yeung worked at Oppenheimer & Co. Inc. as director, executive director and then managing director, responsible for research coverage of China’s internet and media sectors. From 1995 to 2009, Mr. Yeung worked at various companies in the U.S. in equity research, management consulting and credit risk management.

Mr. Yeung graduated from the Yale University School of Management with an MBA degree and the University of California, Berkeley with dual degrees in Mechanical Engineering and Applied Mathematics. He has been a Chartered Financial Analyst charterholder since 2001.

Mr. Yeung will initially join the Company as its Chief Financial Officer-Designate on September 16, 2019 and will succeed to the Chief Financial Officer position on October 16, 2019.

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” 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 include, without limitation, statements regarding efforts to capitalize on market opportunities and generate long-term value. Forward-looking statements are not guarantees of performance or events 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, including, without limitation: whether we are able to achieve development goals at the times and in the amounts currently anticipated, if at all, the success of our marketing campaigns and product innovation, our ability to maintain food safety and quality control systems, our ability to control costs and expenses, including tax costs, as well as changes in political, economic and regulatory conditions in China. 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) 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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September 4, 2019

Ms. Joey Wat
Chief Executive Officer
Yum China Holdings, Inc.
20 Tian Yao Qiao Road
Shanghai, China

Dear Joey,

I hereby submit my resignation as Chief Financial Officer of Yum China Holdings, Inc. effective on October 15, 2019. Although I have very much enjoyed my time at the company, it is time for me to move on to my next professional opportunity and relocate back to Hong Kong to be closer with my family.

Please accept my deepest gratitude for all you and our fellow colleagues have done for me in the past three years. I cannot thank you enough for all that I have learned and all the opportunities you have generously bestowed upon me during my tenure here. While my three years with the company rushed by, I will always look back with affection, satisfaction and pride at our accomplishments.

If there is anything at all I can do to make the transition a smooth one, please do not hesitate to reach out.

Once again, thank you for the guidance you have shown me during my time at Yum China Holdings, Inc. I have been very fortunate to have had the chance to work with the best people and minds in the restaurant industry, and I look forward to hearing about the company's future successes.

Sincerely,

Jacky Lo