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Yum China Holdings, Inc.
百勝中國控股有限公司
(Incorporated in the State of Delaware of the United States of America)
(Stock Code: 9987)

GRANT OF EQUITY AWARDS AND DIRECTOR RETAINERS IN THE FORM OF EQUITY AWARDS

Yum China Holdings, Inc. (the “**Company**”) hereby announces that the Company granted certain equity awards and shares of common stock of the Company (the “**Shares**”) under the Yum China Holdings, Inc. 2022 Long Term Incentive Plan (the “**2022 LTIP**”) on August 31, 2023 and September 1, 2023 (both United States time), the details of which are set forth as follows.

Grant of Equity Awards to Employees

Type of equity awards granted:	Restricted share units (“ RSUs ”)	Performance share units (“ PSUs ”)
Number of equity awards granted and grant dates:	37,175, among which 31,554 was granted on August 31, 2023, and 5,621 was granted on September 1, 2023	51,984 granted on September 1, 2023
Number of grantees	696	30
Identity of grantees	All the grantees are employees of the Company or its subsidiaries who are non-senior management employees of the Company, including restaurant general managers. Such employee grantees are not directors, chief executives, substantial shareholders of the Company, or any associate of any of them. None of the grantees is required to be disclosed on an individual basis pursuant to Rule 17.06A(2) of Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.	

Vesting period and conditions:	Contingent on continuing service, the RSUs shall either fully vest on the third anniversary of the grant date, or vest in equal installments upon each of the first three anniversaries of the grant date.	Contingent on continuing service, the PSUs shall vest if performance goals relating to store count, revenue and operating profit are achieved during the performance period from January 1, 2023 to December 31, 2025. Based on performance, vesting may range from 0% to 200% of the number of PSUs granted to such grantee.
Purchase price:	The grantees are not required to pay any purchase price for the Shares issuable under the RSUs and PSUs.	
Clawback mechanism:	If the compensation committee (the “ Compensation Committee ”) of the board of directors of the Company (the “ Board ”) determines that a present or former employee has (i) used for profit or disclosed to unauthorized persons, confidential or trade secrets of the Company or its subsidiaries; (ii) breached any contract with or violated any fiduciary obligation to the Company or its subsidiaries; or (iii) engaged in any conduct which the Compensation Committee determines is injurious to Company or its subsidiaries, the Compensation Committee may cause that employee to forfeit his or her outstanding awards under the 2022 LTIP, subject to certain limitations set forth in the 2022 LTIP. In addition, the awards granted are subject to the Company’s compensation recovery, clawback and recoupment policies as in effect from time to time.	

The RSUs and PSUs are subject to the terms and conditions of the 2022 LTIP and applicable award agreements. Details of the 2022 LTIP are set out in the proxy statement of the Company dated September 1, 2022, published on the websites of the Hong Kong Stock Exchange and the Company.

Grant of Director Retainers in the Form of Equity Awards

As disclosed in the announcement of the Company dated July 18, 2023, on July 14, 2023, the Board appointed Mr. David Hoffmann as a non-employee director of the Company to serve for a term expiring at the 2024 annual meeting of stockholders of the Company or until his earlier death, resignation or removal, and a member of the audit committee of the Board.

The Company’s non-employee directors were each compensated with an annual retainer, payable in Shares or, if requested by a director, up to one-half in cash. In addition to the annual retainer paid to all non-employee directors, the chairman of the Board, chairpersons of the Board committees and Board committee members received additional annual stock retainers. For details, please refer to the section

headed “Other Information – Long Term Incentive Plans and Directors’ Rights to Acquire Shares – Director Retainer” in the Company’s interim report for the six months ended June 30, 2023.

On September 1, 2023, the Company granted 5,590 Shares to Mr. Hoffmann as his annual stock retainers (the “**Retainers Grant**”), which were pro-rated from the date of his appointment.

The Retainers Grant is not subject to any vesting period but a minimum holding period of 12 months. Pursuant to our share retention policy for directors, no director may sell any shares received as director compensation until at least 12 months following the director’s retirement or departure from the Board. In addition, there were no performance targets or clawback mechanism attached to the Retainers Grant. The Company’s current clawback and compensation recovery policies under the 2022 LTIP as disclosed under “Grant of Equity Awards to Employees” above do not apply to the Retainers Grant.

The Compensation Committee considers the granting of the Shares to Mr. David Hoffmann as his stock retainers aligned with the purposes and terms of the 2022 LTIP.

Stock Price and Other Information

Closing price of the Shares:	US\$53.69 per Share and US\$54.52 per Share for Shares traded on the New York Stock Exchange on August 31, 2023 and September 1, 2023 (both United States time), respectively, being the trading days on the New York Stock Exchange which are the grant dates of the RSUs, PSUs and the Retainers Grant;
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	HK\$418.00 per Share for Shares traded on the Hong Kong Stock Exchange on August 31, 2023 (Hong Kong time), being the trading day on the Hong Kong Stock Exchange immediately preceding the grants on August 31, 2023 (United States time).
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Shares available for future grant:	As of September 1, 2023 (United States time), 28,672,825 Shares remained available for future grants under the 2022 LTIP in accordance with the terms of the 2022 LTIP.
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By order of the Board
Yum China Holdings, Inc.
Joey WAT
Director and Chief Executive Officer

Hong Kong, September 5, 2023

As of the date of this announcement, the board of directors of the Company comprises Dr. Fred HU as the chairman and an independent director, Ms. Joey WAT as a director, and Mr. Peter A. BASSI, Mr. Edouard ETTEGGUI, Mr. David HOFFMANN, Ms. Ruby LU, Mr. Zili SHAO, Mr. William WANG, Ms. Min (Jenny) ZHANG and Ms. Christina Xiaojing ZHU as independent directors.