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**YumChina**

**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**

Yum China Holdings, Inc. (the “**Company**”) hereby announces that on February 8, 2024 (United States time, the “**Grant Date**”), the Company granted certain equity awards under the Yum China Holdings, Inc. 2022 Long Term Incentive Plan (the “**2022 LTIP**”) to certain grantees (the “**Grantees**”), the details of which are set forth as follows.

Type of equity awards granted:	Stock Appreciation Rights (“ <b>SARs</b> ”)	Restricted share units (“ <b>RSUs</b> ”)	Performance share units (“ <b>PSUs</b> ”)
Number of equity awards granted:	415,834	555,928, among which 126,104 was granted to Ms. Joey Wat, who is the Chief Executive Officer and a director of the Company (“ <b>Ms. Wat</b> ”)	215,687, among which 112,300 was granted to Ms. Wat
Number of Grantees:	239	1,043, including 706 restaurant general managers	13
Exercise price and exercise period:	US\$39.65 per SAR. Each SAR will be exercisable for a period of ten (10) years after the Grant Date.	Not applicable.	

Identity of Grantees:	Non-senior management employees of the Company or its subsidiaries. Such employee Grantees are not directors, chief executives, substantial shareholders of the Company, or any associate of any of them.	Ms. Wat, senior management of the Company and other employees of the Company or its subsidiaries. Other employee Grantees are not directors, chief executives, substantial shareholders of the Company, or any associate of any of them.	
Save as disclosed in this announcement, 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 (the “ <b>Listing Rules</b> ”).			
Vesting period and conditions:	Contingent on continuing service, the SARs shall vest in equal installments of 25%, beginning on the first anniversary of the Grant Date.	Contingent on continuing service, the RSUs will vest on equal installments on each of the first three or four anniversaries of the Grant Date, or 50% on each of the second and third anniversaries of the Grant Date, or cliff vest on the third anniversary of the Grant Date.  The Compensation Committee of the board of directors of the Company (the “ <b>Compensation Committee</b> ”) considers granting RSUs to Ms. Wat and other senior management supports retention of key talent during the vesting period	Contingent on continuing service, the PSUs shall vest if performance goals relating to relative total shareholder return, system sales, return on invested capital, and select ESG initiatives are achieved during the performance period, commencing on January 1, 2024 and ending on December 31, 2026. Based on performance, vesting may range from 0% to 200% of the number of PSUs granted to such Grantee.

		and is in alignment with market practices and the purpose of the 2022 LTIP.	
Purchase price:	The Grantees are not required to pay any purchase price for the shares of Company common stock (the “Shares”) issuable under the SARs, RSUs and PSUs.		
Closing price of the Shares on the Grant Date:	<p>US\$39.65 per Share for Shares traded on the New York Stock Exchange on February 8, 2024 (United States time), being the trading day on the New York Stock Exchange which is the Grant Date;</p> <p>HK\$316 per Share for Shares traded on the Hong Kong Stock Exchange on February 8, 2024 (Hong Kong time), being the trading day on the Hong Kong Stock Exchange immediately preceding the grant.</p>		
Clawback mechanism:	<p>If the Compensation Committee 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.</p>		

The SARs, RSUs and PSUs are subject to the terms and conditions of the 2022 LTIP and award agreements applicable to the grants. 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.

As of the Grant Date, 27,175,550 Shares remained available for future grants under the 2022 LTIP in accordance with the terms of the 2022 LTIP.

By order of the Board  
**Yum China Holdings, Inc.**  
**Joey WAT**  
*Director and Chief Executive Officer*

Hong Kong, February 16, 2024

*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 ETTEGUI, Mr. David HOFFMANN, Ms. Ruby LU, Mr. Zili SHAO, Mr. William WANG, Ms. Min (Jenny) ZHANG and Ms. Christina Xiaojing ZHU as independent directors.*