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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)

US\$510 MILLION SHARE REPURCHASES THROUGH HONG KONG REPURCHASE AGREEMENT AND RULE 10b5-1 REPURCHASE AGREEMENT

Yum China Holdings, Inc. (the “**Company**”) hereby announces that the Company has entered into share repurchase agreements for an aggregate repurchase amount of approximately US\$510 million for the second half of 2025, including approximately US\$410 million under the Rule 10b5-1 of the United States Securities Exchange Act of 1934 (the “**Exchange Act**”) in the United States and approximately HK\$790 million for a similar program in Hong Kong. These agreements are one component of the Company’s share repurchase program, and part of the broader capital allocation plan to return US\$3 billion to shareholders through dividends and share repurchases from 2025 to 2026, in addition to the US\$1.5 billion delivered to shareholders in 2024.

For the Hong Kong Repurchase Agreement (as defined below), the Company has sought, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.06(2)(e) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

HONG KONG REPURCHASE AGREEMENT AND RULE 10b5-1 REPURCHASE AGREEMENT

Reference is made to the announcement of the Company dated November 4, 2024 with respect to the increase in the share repurchase authorization (the “**Repurchase Authorization**”) from the board of directors of the Company (the “**Board**”). The Company may repurchase shares of common stock of the Company (the “**Shares**”) under the Repurchase Authorization from time to time in the open market in the United States and Hong Kong or, subject to applicable regulatory requirements, through privately negotiated transactions, block trades, accelerated share repurchase transactions and the use of Rule 10b5-1 trading plans.

On May 29, 2025, the Company entered into a share repurchase agreement (the “**Hong Kong Repurchase Agreement**”) with an independent broker, Goldman Sachs (Asia) L.L.C. (the “**Broker**”), pursuant to which the Broker, through its affiliate, which is an exchange participant on the Stock Exchange, shall effect repurchases of Shares on the Stock Exchange in accordance with pre-established parameters under the Hong Kong Repurchase Agreement. The repurchases under the Hong Kong Repurchase Agreement will be conducted through the open market and the facilities of the Stock Exchange. On the same day, the Company entered into a repurchase agreement for repurchases of Shares listed on the New York Stock Exchange in accordance with Rule 10b5-1 of the Exchange Act (the “**Rule 10b5-1 Repurchase Agreement**”).

Unless terminated pursuant to the terms therein, the term of each of the Hong Kong Repurchase Agreement and the Rule 10b5-1 Repurchase Agreement is expected to commence on July 1, 2025, and end upon the earlier of (a) December 31, 2025; or (b) the completion of the aggregate purchase amount of approximately HK\$790 million and approximately US\$410 million, respectively.

The entering into of the Hong Kong Repurchase Agreement and the Rule 10b5-1 Repurchase Agreement and any repurchases made thereunder will be pursuant to the Repurchase Authorization. In addition, any repurchases in Hong Kong and the U.S. will be made under the general repurchase mandate from the shareholders sought at the Company’s annual general meeting held each year, with the most recent general repurchase mandate being granted at the annual general meeting held on May 23, 2025.

WAIVER FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER RULE 10.06(2)(e) WITH RESPECT TO THE HONG KONG REPURCHASE AGREEMENT

Rule 10.06(2)(e) of the Listing Rules restricts a listed issuer from purchasing its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available, and in particular during restricted periods preceding the periodic announcements of its results (collectively, the “**Restricted Periods**”).

The Company has a quarterly reporting obligation in the U.S. The trading windows available to the Company for making repurchases under applicable U.S. laws and regulations are less than those available to typical Hong Kong issuers. In addition, it may not be feasible and advisable for the Company to strictly comply with Rule 10.06(2)(e) of the Listing Rules by terminating or suspending the Hong Kong Repurchase Agreement with the Broker during the Restricted Periods, as the act of termination or suspension may imply the occurrence of inside information and may result in a potential implication of insider dealing under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable insider trading laws in the U.S. Therefore, strict compliance with Rule 10.06(2)(e) of the Listing Rules is unduly burdensome.

In light of the Guidance Letter GL117-23 (“**GL117-23**”) published by the Stock Exchange which sets out guidance on automatic share repurchase programs, the Company has sought, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.06(2)(e) of the Listing Rules in respect of the repurchase of Shares under the Hong Kong Repurchase Agreement during the Restricted Periods (the “**Waiver**”). The Waiver will enable the Company, through the Broker pursuant to the Hong Kong Repurchase Agreement, to conduct share repurchases during the Restricted Periods.

IN RESPECT OF SHARE REPURCHASES MADE PURSUANT TO THE HONG KONG REPURCHASE AGREEMENT

Repurchases pursuant to the Hong Kong Repurchase Agreement will be conducted through the open market and the facilities of the Stock Exchange. The Shares repurchased by the Company will be cancelled. Since the Company has relinquished direct control over transactions to the Broker, the actual trades made pursuant to the Hong Kong Repurchase Agreement might be executed by the Broker at a time during the Restricted Periods.

According to the GL117-23, the overriding principle when considering the granting of a waiver is whether the issuer has adopted sufficient safeguards against trading with undisclosed inside information and potential share price manipulation. The principal terms and features of the Hong Kong Repurchase Agreement and the analysis of their compliance with the GL117-23 are summarized below:

- (i) the Hong Kong Repurchase Agreement is a non-discretionary arrangement with respect to the Company, which (a) was established outside the Restricted Periods, (b) sets out the pre-determined parameters for the share repurchases, and (c) cannot be modified or terminated by the Company during the Restricted Periods (unless required by applicable laws and regulations) or when the Company is aware of any inside information;
- (ii) the Hong Kong Repurchase Agreement will be effected through one single broker which, to the best knowledge of the Company, is not a connected person (as defined under the Listing Rules) of the Company;
- (iii) all repurchase decisions under the Hong Kong Repurchase Agreement will be made by the Broker in accordance with the pre-determined parameters and independently from and not influenced by the Company and the Company’s connected persons (as defined under the Listing Rules). The Company and the Broker will maintain appropriate systems and controls (with appropriate Chinese Walls or information barriers) in relation to the Hong Kong Repurchase Agreement to ensure that no inside information of the Company will be given by the Company and the Company’s connected persons (as defined under the Listing Rules) directly or indirectly to, or received by, any personnel of the Broker involved in the execution of repurchases under the Hong Kong Repurchase Agreement until a reasonable time after its completion or termination;

- (iv) the date of execution of the Hong Kong Repurchase Agreement is at least 30 days before the commencement of the Restricted Periods. In addition, the Hong Kong Repurchase Agreement imposes a cooling-off period of at least 30 days between the date of execution of the agreement and the effective date of the agreement. Repurchases under the Hong Kong Repurchase Agreement may only be effected by the Broker after such cooling-off period;
- (v) the duration of the Hong Kong Repurchase Agreement will be six months;
- (vi) each of the Company's market capitalization as at the date of this announcement and average daily turnover volume in the six months immediately prior to the date of this announcement is above the benchmark as set out under the GL117-23; and
- (vii) the Company published this announcement to disclose the key details of the Hong Kong Repurchase Agreement and will disclose any repurchase of Shares conducted thereunder by way of next day disclosure returns in accordance with the requirements of the Listing Rules.

On the ground that the terms and the features of the Hong Kong Repurchase Agreement satisfy the requirements under the Listing Rules and guidance provided in the GL117-23, such that the repurchases under the Hong Kong Repurchase Agreement is structured in a manner to mitigate the risk of trading with undisclosed inside information and potential price manipulation, the granting of the Waiver from strict compliance with Rule 10.06(2)(e) of the Listing Rules will not give rise to undue risk to shareholders.

GENERAL

The Company has complied, and will comply, with reporting obligations under the Listing Rules. Furthermore, the Company will ensure compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), in particular the provisions in relation to market manipulation and insider dealing.

By order of the Board
Yum China Holdings, Inc.
Pingping LIU
Chief Legal Officer

Hong Kong, May 29, 2025

As of the date of this announcement, the Board comprises Dr. Fred HU as the chairman and an independent director, Ms. Joey WAT and Mr. Robert B. AIKEN as directors, and Ms. Mikel A. DURHAM, Mr. Edouard ETTEDEGUI, Ms. Grace Xin GE, Mr. David HOFFMANN, Ms. Ruby LU, Mr. Zili SHAO, Mr. William WANG, Ms. Min (Jenny) ZHANG and Ms. Christina Xiaojing ZHU as independent directors.