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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.*

“2016 Plan”	our long-term incentive plan effective on October 31, 2016, which authorizes the award of stock options, incentive options, SARs, restricted stock, stock units, RSUs, performance shares, performance units and cash incentive awards to our employees and non-employee Directors
“Ant Financial”	Zhejiang Ant Small and Micro Financial Services Group Co., Ltd.
“API Investment”	API (Hong Kong) Investment Limited, an affiliate of Ant Financial
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of our Company
“BT”	business tax
“Bulletin 7”	the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》), issued by the STA on February 3, 2015 as amended, supplemented or otherwise modified from time to time
“Business Day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Bylaws”	the bylaws of our Company, as amended from time to time, a summary of which is set out in “Appendix III — Summary of Our Constitutional Documents and the DGCL”
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant

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“Certificate of Incorporation”	the amended and restated certificate of incorporation of the Company effective from October 31, 2016, a summary of which is set out in “Appendix III — Summary of Our Constitutional Documents and the DGCL”
“China”, or “PRC”	the People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires otherwise, references in this prospectus to “China” and the “PRC” exclude Taiwan and the special administrative regions of Hong Kong and Macau
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Code of Conduct”	the code of conduct of the Company
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “Yum China”, “Group”, “our Group”, “we”, “us” or “our”	Yum China Holdings, Inc., a company incorporated under the laws of the State of Delaware of the United States on April 1, 2016, and, except where the context otherwise requires, all of its subsidiaries
“Compensation Committee”	the compensation committee of the Board
“Constitutional Documents”	the Certificate of Incorporation and the Bylaws
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Corporate Governance Principles”	the corporate governance principles of the Company
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Daojia”	the holding company of DAOJIA.com.cn
“DGCL”	the General Corporation Law of the State of Delaware
“Director(s)” or “our Director(s)”	the director(s) of our Company
“EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法), as enacted by the National People’s Congress of the PRC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time

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“Extreme Conditions”	any extreme conditions or events, the occurrence of which causes interruption to ordinary course business operations in Hong Kong and/or that may affect the Price Determination Date or the Listing Date
“Food Safety Committee”	the food safety committee of the Board
“F/X”	foreign currency translation. We provide certain percentage changes excluding the impact of F/X. These amounts are derived by translating current year results at prior year average exchange rates. We believe the elimination of the F/X impact provides better year-to-year comparability without the distortion of foreign currency fluctuations
“F&S Report”	the market research report on China’s restaurant industry prepared by Frost & Sullivan International Limited and commissioned by us
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GREEN Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Hong Kong Offer Shares”	the Shares being offered pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Public Offer Price, subject to and in accordance with the terms and conditions set out in this prospectus
“Hong Kong Share Registrar”	Computershare Investor Services Limited (upon the completion of the Global Offering)
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus

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“Hong Kong Underwriting Agreement”	the underwriting agreement dated August 31, 2020 relating to the Hong Kong Public Offering entered into by, among other parties, our Company and the Hong Kong Underwriters
“Huang Ji Huang” or “Huang Ji Huang Group”	a leading restaurant group primarily engaging in the Chinese CDR franchise business, in which the Group acquired a controlling interest in April 2020
“Incentive Plans”	the annual performance-based incentive program and the 2016 Plan
“independent third party(ies)”	party or parties that is or are not a connected party within the meaning of the Hong Kong Listing Rules
“International Offer Price”	the final offer price per International Offer Share in Hong Kong dollars (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%)
“International Offer Shares”	the Shares offered pursuant to the International Offering together with, where relevant, any additional Shares which may be issued by us pursuant to the exercise of the Over-allotment Option
“International Offering”	the offer of the International Offer Shares at the International Offer Price pursuant to a prospectus supplement and the shelf registration statement on Form S-3ASR that was filed with the SEC and became effective on August 28, 2020
“International Underwriters”	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering to be entered into by, among other parties, our Company and the International Underwriters on or about the Price Determination Date
“IPO Services Agent”	Computershare Hong Kong Investor Services Limited (in relation to the Global Offering only)
“IRS”	the U.S. Internal Revenue Service
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus

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“Latest Practicable Date”	August 23, 2020, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of our Shares on the Main Board
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date, expected to be on or about Thursday, September 10, 2020, on which dealings in our Shares first commence on the Main Board
“M&A Rules”	Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定), which were jointly promulgated by MOFCOM, the State Assets Supervision and Administration Commission, the STA, the SAIC, the CSRC, and the SAFE on August 8, 2006, and came into effect on September 8, 2006 and subsequently amended on June 22, 2009, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market
“Major Subsidiaries”	our subsidiaries as identified in “Our History and Corporate Structure — Our Major Subsidiaries”
“Meituan”	Meituan Dianping
“Ministry of Agriculture and Rural Affairs”	The Ministry of Agriculture and Rural Affairs of the PRC (中華人民共和國農業農村部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NBS”	National Bureau of Statistics of the PRC (中華人民共和國國家統計局)
“NEOs”	the named executive officers as defined under Item 402(a)(3) of SEC Regulation S-K, including our Chief Executive Officer and Chief Financial Officer and three most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer for the full financial year of 2017, 2018 and 2019, respectively
“Nominating and Governance Committee”	the nominating and governance committee of the Board
“NYSE”	the New York Stock Exchange

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“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares
“Over-allotment Option”	the option to be granted by us to the International Underwriters and exercisable by the Joint Global Coordinators, pursuant to which we may be required to allot and issue up to an aggregate of 6,286,600 additional Shares (representing 15% of our Shares initially being offered under the Global Offering) to cover over-allocations in the International Offering, details of which are described in the section headed “Structure of the Global Offering — Over-allotment Option” in this prospectus
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“Pollos Investment”	Pollos Investment L.P., a Cayman Islands limited partnership and an affiliate of Primavera
“PRC Legal Advisor”	Jingtian & Gongcheng
“Price Determination Agreement”	the agreement to be entered into by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date to record and fix the pricing of the Offer Shares
“Price Determination Date”	the date, expected to be on or about Friday, September 4, 2020, on which the International Offer Price and Public Offer Price are to be fixed by agreement between us and the Joint Global Coordinators (on behalf of the Underwriters)
“Primavera”	Primavera Capital Group, which refers to Primavera Capital Management Ltd and its affiliates including Pollos Investment and Pollos Upside L.P.
“Principal Share Registrar”	Computershare Trust Company, N.A.
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“PSUs”	performance share units granted by us to selected persons under our 2016 Plan, pursuant to which the grantee could receive the number of Shares of the underlying common stock subject to vesting based on certain market-based and/or performance-based conditions
“Public Offer Price”	the final offer price per Hong Kong Offer Share in Hong Kong dollars (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%)
“Qualifying Issuer”	has the meaning given to it under Chapter 19C of the Hong Kong Listing Rules
“Renminbi” or “RMB”	the legal currency of the PRC

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“RGM”	restaurant general manager
“RSUs”	the restrictive stock units granted by us to selected persons under our 2016 Plan, pursuant to which the grantee could receive the number of Shares of the underlying common stock subject to the award upon vesting
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAFE Circular 37”	the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) promulgated by SAFE with effect from July 4, 2014
“SAIC”	State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), currently known as SAMR
“SAMR”	the PRC State Administration for Market Regulation (中華人民共和國市場監督管理總局), formerly known as the SAIC
“SARs”	the stock appreciation rights granted by us to selected persons under our 2016 Plan, pursuant to which the grantee could receive the number of Shares of common stock that is equal in value to the appreciation in the underlying Shares of common stock with respect to the number of SARs granted from the date of grant to the date of exercise
“SEC”	the United States Securities and Exchange Commission
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)” or “Share(s) of common stock”	common stock of the Company with par value US\$0.01 per share
“Shareholder(s)”	holder(s) of our Share(s)
“Sponsor”	the sponsor of the Listing of the Shares on the Main Board of the Hong Kong Stock Exchange, being Goldman Sachs (Asia) L.L.C.
“STA”	the Chinese State Taxation Administration (中華人民共和國國家稅務總局)
“Stabilizing Manager”	Goldman Sachs (Asia) L.L.C.
“State Council”	the PRC State Council (中華人民共和國國務院)

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“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Suzhou KFC”	Suzhou KFC Co., Ltd. (蘇州肯德基有限公司), which operates KFC restaurants in and around Suzhou, China
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the three financial years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars” or “US\$”	United States dollars, the legal currency of the United States
“U.S. Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“U.S. GAAP” or “GAAP”	Generally Accepted Accounting Principles in the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“U.S. Tax Act”	U.S. Tax Cuts and Jobs Act
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“VAT”	value-added tax; all amounts are exclusive of VAT in this prospectus except where indicated otherwise
“VIE”	variable interest entity
“Warrant 1”	the first tranche of warrants initially issued to Primavera and Ant Financial on January 9, 2017 under the investment agreement dated September 1, 2016, pursuant to which Primavera and Ant Financial are entitled to purchase 7,309,057 and 891,348 Shares of common stock, respectively, at an initial exercise price of US\$31.40 per Share
“Warrant 2”	the second tranche of warrants initially issued to Primavera and Ant Financial on January 9, 2017 under the investment agreement dated September 1, 2016, pursuant to which Primavera and Ant Financial are entitled to purchase the same



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	number of Shares of common stock purchasable by Primavera and Ant Financial, respectively, under Warrant 1, at an initial exercise price of US\$39.25 per Share
“WHITE Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO Service Provider
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“YCCL”	Yum! Restaurants Consulting (Shanghai) Company Limited, a wholly-owned indirect subsidiary of our Company
“YUM”, “YUM Brands” or “Yum! Brands”	Yum! Brands, Inc.
“Yum! Restaurants China”	YUM China Division, a division of YUM