

China Property

Signs of an inflection point; upgrade regional developers to Buy

Early signs of stabilisation

After four years of property downturns, there are growing signs of market stabilisation in tier-1 and core tier-2 cities. These include a recovery in existing property transactions in 2M25 with no policy easing ([Figure 3](#)), inventory months falling to below-average levels in tier-1 cities, rising land auction premiums and stabilising secondary listings. These are similar to the signs seen at the 2014-15 cycle's inflection point. After the relaxation of price cap measures in mid-2024, we think developers are more motivated to improve product quality, increasing their differentiation with neighbouring secondary properties. We raise 2025E-26E new home sales by 7-16% and existing home sales by 7-10%, and now expect national price stabilisation by early 2026 (previously mid-2026). We upgrade [Greentown China](#), [Yuexiu Property](#) and [C&D International](#) to Buy on their higher exposure to tier-1/core tier-2 cities. We also like Kerry Properties and Swire Properties on their higher exposure to Shanghai's luxury residential market.

Low inventory + high land premium + removal of price cap = market recovery

After four years of supply side correction, land sales and national new starts in 2024 across 300 cities declined by 67% from the peak in 2020. Inventory turnover months in tier-1 cities have returned to 14 months, back to the 15-year average ([Figure 6](#)). Considering the removal of price cap measures, we think developers are more willing to improve product quality for a price premium and turn more active in land banking. Rising land premiums could positively influence nearby homeowners' price expectations, helping secondary listings. Price cap measures on new homes previously posed challenges for owners looking to sell, which resulted in secondary prices continuing to fall until the price differential narrowed to the point now where it is almost zero. We believe the removal of the price cap should help alleviate secondary listing pressure. As such, 50 cities (including tier-1) secondary listing YoY growth slowed in 2024 ([Figure 20](#)), along with falling secondary property prices (ie, a narrower price differential).

Stock implication: Polarisation among cities and developers

We expect developer polarisation as only tier-1 and core tier-2 cities are stabilising. We prefer regional over national SOE developers as the former's land banks are more exposed to those cities, newer (ie, less expensive), and more flexible in terms of land bank reshuffling (changing their mix). After analysing the land bank of seven developers within our coverage universe, we upgrade C&D International, Greentown China and Yuexiu Property from Neutral to Buy and raise their 2025E-26E EPS by 4-28%.

Valuation

MSCI China Real Estate is trading at 0.64x P/BV, versus its historical average of 0.87x.

Figure 1: Changes to our ratings and price targets

Company	Shr pr	Mkt cap	Rating			Price target (LCY/share)				Earnings estimate New vs Old		P/BV		PE	
	(LCY/shr)	(USD bn)	Unchange	Old	Chg	New	Old	Chg	% upside	2025E	2026E	2025E	2026E	2025E	2026E
C&D International	15.4	4.0	Buy	Neutral	▲	19.00	12.80	48%	24%	4%	13%	1.06	0.97	6.6	6.1
Greentown China	11.8	3.8	Buy	Neutral	▲	19.00	10.00	90%	61%	5%	28%	0.72	0.68	12.4	10.8
Yuexiu Property	5.4	2.8	Buy	Neutral	▲	6.50	5.00	30%	21%	5%	20%	0.35	0.34	9.1	7.1
Simple Average								56%	35%	12%	17%	0.71	0.66	9.4	8.0

Source: Company data, UBS estimates. Note: Priced as of 11 March 2025

UBS Research THESIS MAP

MOST FAVORED

LEAST FAVORED

**C&D International, Yuexiu Property,
Greentown China**

Vanke-A+H

PIVOTAL QUESTIONS

Q: Are we at an inflection point?

Likely. We see incremental evidence that property markets are stabilising. Signs include a recovery in existing home transactions in 2M25 with no policy easing, inventories falling to below-average levels in tier-1 cities, rising premiums in land auctions and stabilising secondary listings. These are similar to the signs seen at the 2014-15 cycle's inflection point. We lift the sector's 2025E-26E primary sales value by 7-16% and existing home sales by 7-10%, and now expect national price stabilisation by early 2026 (mid-2026 previously).

Q: Could secondary housing constitute less competition for primary housing?

Yes. According to our analysis, secondary housing offer different product matrix, which we think constitute less competition for new homes. In addition, the number of secondary listings in tier-1 cities have stabilised, and secondary prices in core cities have also stopped declining since September.

Q: Are regional developers likely to outperform large-cap developers?

Yes. Regional developers have an edge over large-cap names because of their land bank, due to: 1) a smaller average base of 17m sqm (sector average: 30m sqm); 2) on average, 54% of their land bank was acquired before 2022 (sector average: 66%). We believe they can more flexibly change their land bank mix towards core cities.

UBS VIEW

After four years of supply correction, there are growing signs of market stabilisation in tier-1 and core tier-2 cities. Three out of four indicators are similar to those seen at the 2014-15 cycle's inflection point. We raise 2025E-26E new home sales by 7-16% and existing home sales by 7-10%, and now expect national price stabilisation by early 2026 (previously mid-2026). We upgrade Greentown China, Yuexiu Property and C&D International to Buy on their higher exposure to tier-1/core tier-2 cities.

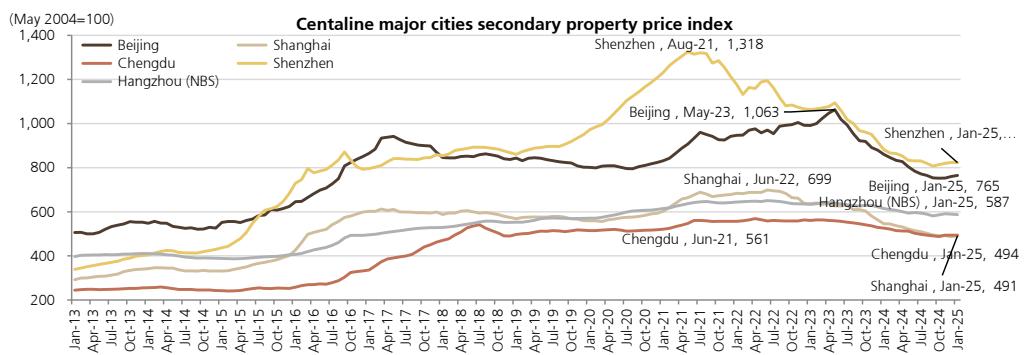
EVIDENCE

- 1) In 2M25, CRIC's top-100 developers' contract sales stabilised at -3% YoY.
- 2) For the first four weeks after Chinese New Year (CNY) 2025, secondary listings in tier-1 cities are up 3.3% YoY, narrowing from 4.3% YoY in the same CNY period in 2024.
- 3) Declining secondary prices in Beijing, Shanghai, Shenzhen, Hangzhou and Chengdu have been moderating since September 2024.
- 4) As of end-H124, 54% of regional developers' land bank was acquired in/before 2021 (sector average: 66%) suggesting a smaller historical burden of expensive land acquired in/before 2021.

WHAT'S PRICED IN?

MSCI China Real Estate is trading at 9.5x 12-month forward PE/0.64x 12-month forward P/BV, versus historical averages of 6.7x/0.87x. We think the higher-than-average PE is mainly due to deteriorating earnings; the lower-than-average P/BV shows investors' concerns on asset quality and impairment. We think the market has not fully priced in potential margin improvement from sales stabilisation in tier-1/core tier-2 cities.

Figure 2: Secondary prices' stabilisation trend since September 2024



Source: Centaline, NBS, UBS. Note: NBS price index as a proxy for Hangzhou

PIVOTAL QUESTIONS

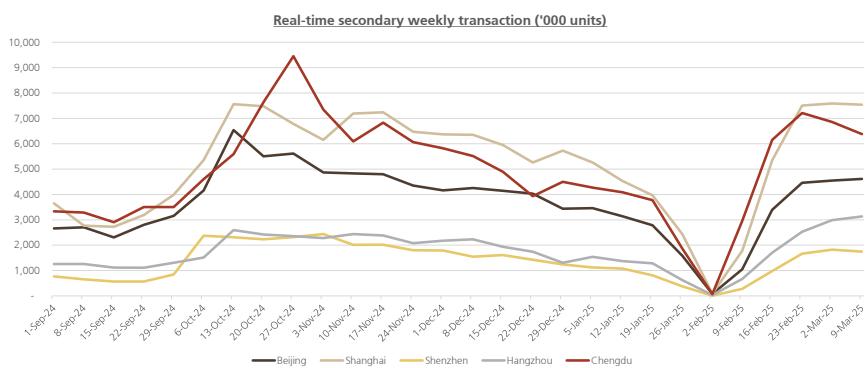
Q: Are we at an inflection point?

Sales stabilisation but polarisation among cities

Sales stabilisation: CRIC's top-100 developers' contract sales for 2M25 were -3% YoY (December 2024: -1%), indicating stabilisation as there has been no further policy easing since December. Particularly, we see property sales recovering in core cities such as Beijing, Shanghai, Shenzhen, Hangzhou and Chengdu, where weekly transaction volumes reached their average levels in December 2024, while Shanghai already surpassed October 2024's peak levels. As sales trends diverge, and sales in core cities have recovered to December 2024's levels while the top-100 developers' total sales have halved sequentially from then, we expect developers to increasingly focus on core cities.

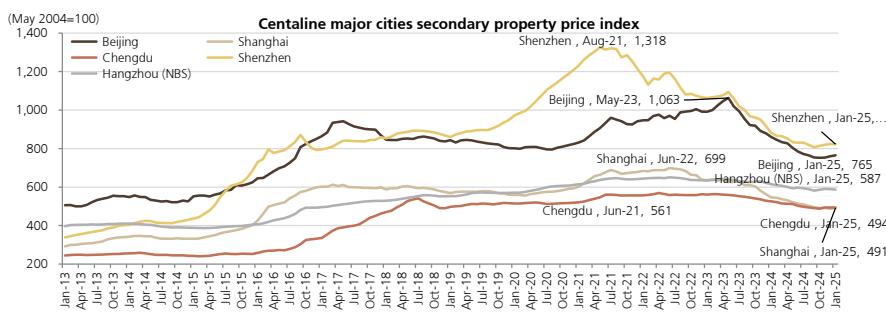
Narrowing price decline: Secondary price trends are similar. Centaline's secondary price index indicates prices in Beijing, Shanghai, Shenzhen and Chengdu stopped declining in October 2024; Guangzhou's and Tianjin's are still bottoming ([Figure 4](#)).

Figure 3: Shanghai's prices have surpassed their peak in October 2024



Source: Bingshan index, UBS

Figure 4: Secondary prices have stabilised since October 2024



Source: Centaline, UBS. Note: Hangzhou is using NBS index as a proxy

Is the stabilisation sustainable?

Revisiting the 2014-15 cycle's inflection point is a good approach to gauge the sustainability of the current sales recovery. We have found several similar signs in February 2025 to those in 2014-15, including low inventory levels, high land premiums and strong secondary sales.

Figure 5: Several signs suggesting an inflection point

	Signal of inflection point	2014-15	Feb-25
1 Inventory	Did we see low inventory months below historical average level?	Yes	Yes
2 Land premium	Did we see record-breaking land premium?	Yes	Yes
3 Secondary sales	Did we see strong secondary sales increase?	Yes	Yes
4 Rental	Die we see rental on the upward trend?	Yes	No

Source: UBS

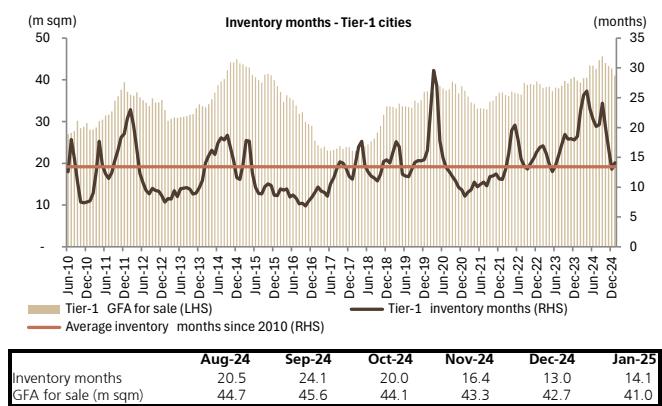
Low primary inventory levels: We first analysed primary inventory levels; in January 2025, tier-1 city inventory levels decrease to 14 months, close to their 15-year average and end-2014 levels. Shanghai, Shenzhen and Hangzhou inventories have fallen below their 15-year average-inventory-month levels, and Beijing and Chengdu inventories have softened to around their historical levels ([Figure 6-Figure 11](#)).

Record-breaking land premiums: We note increasing land acquisitions with record-high premiums; in particular, land premiums in 2M25 as a percentage above base prices have increased substantially to 15% in tier-1/2 cities ([Figure 13-Figure 15](#)), compared to 6% in 2024. In our view, this suggests strong developer confidence in the market.

Strong secondary sales: Secondary sales YTD across 12 cities are up 25% YoY, on a lunar calendar basis ([Figure 12](#)). This is similar to 2014-15, with secondary sales' strong post CNY performance and full-year secondary sales almost doubling over 2014-15.

Rentals still decreasing: One missing point is increasing rental rates ([Figure 16](#)), which we think takes longer to be reflected in an economic recovery. As of January 2025, the rental price index was still declining, while in 2014-15 there was an upward trend.

Figure 6: Tier-1 inventory levels down to historical average



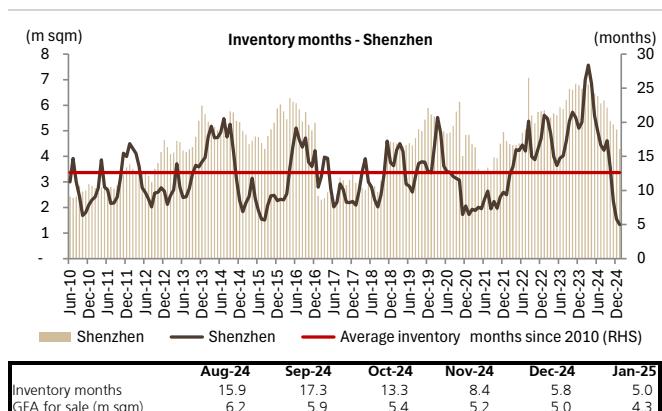
Source: China Real Estate Information (CRIC) , UBS

Figure 7: Shanghai inventory levels down to 12 months



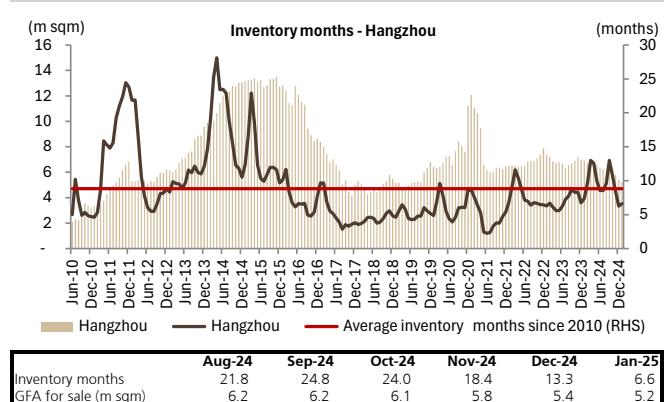
Source: CRIC, UBS

Figure 8: Shenzhen inventory levels down to five months



Source: CRIC, UBS

Figure 9: Hangzhou inventory levels down to seven months



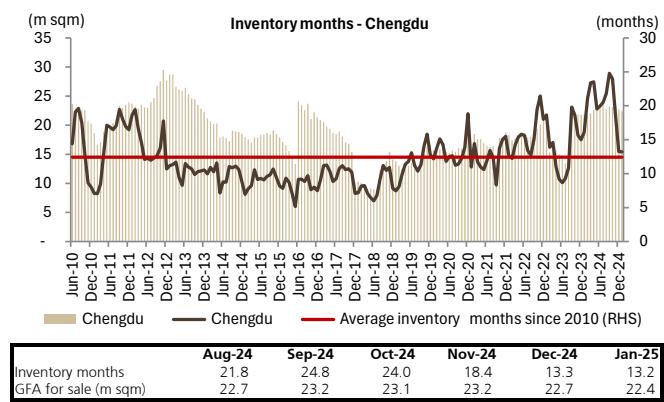
Source: CRIC, UBS

Figure 10: Beijing inventories close to historical level



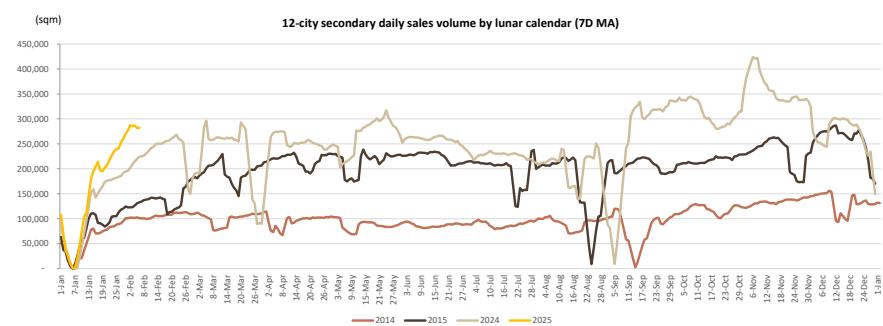
Source: CRIC, UBS

Figure 11: Chengdu inventories close to historical level



Source: CRIC, UBS

Figure 12: Strong YoY secondary sales growth in 2015 and 2025



Source: Wind, UBS

Figure 13: Land premium in tier-1 cities has increased to 2020-21 levels



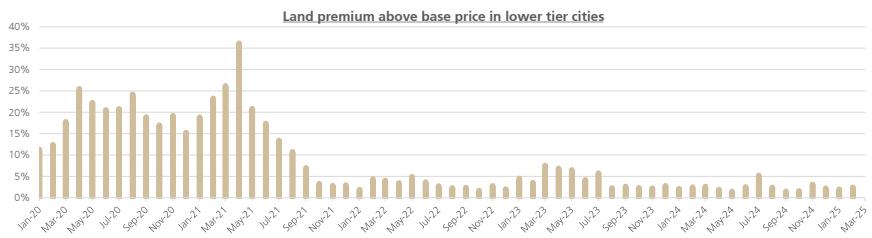
Source: China Real Estate Index System (CREIS), UBS

Figure 14: Land premium in tier-2 cities has increased sharply since January 2025



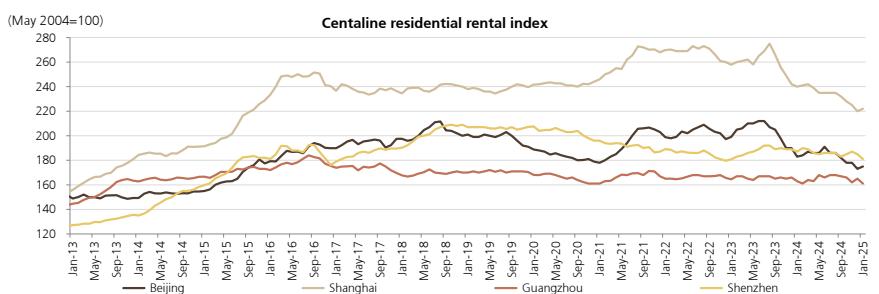
Source: CREIS, UBS

Figure 15: Land premium in tier-3 cities remains at a low level



Source: CREIS, UBS

Figure 16: Rental index in tier-1 cities on a downward trend



Source: Centaline, UBS

Yes, but only core cities matter

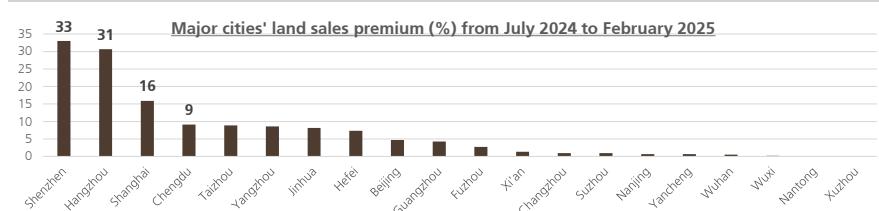
After four years of declining land sales, we note the value of land sales in 2M25 across 300 cities is up 39% YoY after a 67% decline between 2020's peak and 2024's bottom. However, land premiums suggest developers' investment decisions have focused on core cities. From July 2024 to February 2025, among the top-20 cities (ranked by land sales value), Shenzhen, Hangzhou, Shanghai and Chengdu were the top four, with a land premium of 19% versus the average of 9% (Figure 18). Tier-1/2 city land premiums have sharply increased back to 2020-21 levels, while those in lower-tier cities remain muted (Figure 13-Figure 15). In our view, near-term land premiums could support property price expectations as secondary home owners might have the incentive to raise their listing prices, or have more bargaining power, if they see that new projects nearby are being bought at a higher premium than previously.

Figure 17: Land sales value across 300 cities up 39% YoY in 2M25



Source: CREIS, UBS

Figure 18: High premium in Shenzhen, Hangzhou, Shanghai, Chengdu



Source: CREIS, UBS

PIVOTAL QUESTIONS

Q: Could secondary housing constitute less competition for primary housing?

Drivers of secondary listings

Looking at the secondary listing trend over the past three years, we think there are two key drivers for the rising number of secondary listings: price cap measures and expectations of future property prices. We think the price cap measures imposed on new home properties may have led to: 1) buyers attempting to arbitrage price differentials by subscribing to new homes while selling down existing homes in the secondary market to finance the subscription; 2) homebuyers' demand shifting from secondary to new homes; 3) more challenges for home owners selling in the secondary market. These have caused a rise in the number of secondary listings and falling secondary prices until the price gap differential between new and existing home prices narrowed to the point now where it is almost non-existent. This may also explain why secondary listings slowed YoY throughout 2024 along with the falling prices. Looking ahead, since local governments relaxed price cap measures in June 2024 for newly sold land, we expect this factor to no longer drive an increase in secondary listings.

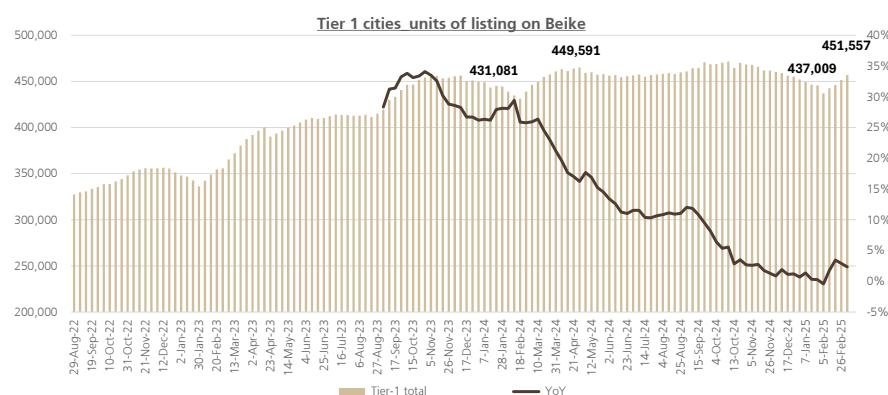
In addition, as predicting future property prices can be difficult due to sudden changes, near-term we think rising land premiums may help stabilise homeowners' property price expectations.

Figure 19: Secondary listings across 50 cities have softened



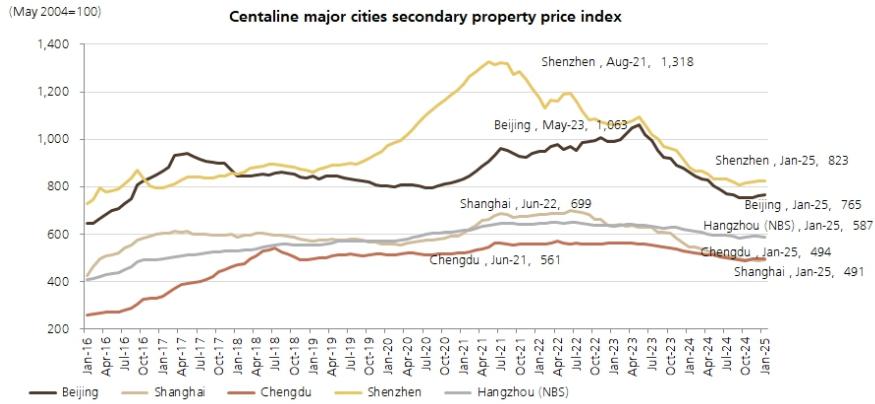
Source: Beike, UBS, UBS Evidence Lab ([>Access Dataset](#))

Figure 20: Secondary listings in tier-1 cities have softened



Source: Beike, UBS, UBS Evidence Lab ([>Access Dataset](#))

Figure 21: Secondary prices stabilising since October 2024



Source: Centaline, NBS, UBS. Note: NBS index used as a proxy for Hangzhou

Quality of new homes may improve

We believe price cap measures on new homes since 2017 may have led to developers being less motivated in terms of improving product quality. However, price cap measures were removed in June 2024. Also, in order to attract developers to bid for land, local governments are offering land: 1) in prime locations, 2) with higher usable areas, 3) at a lower density (ie, lower plot ratios). This is in line with "... increasing the supply of high-quality housing ..." [mentioned in local governments' 2025 work reports](#). Better product quality may mean new properties are more competitive than existing homes.

During recent NPC meeting in Mar 2025, officials mentioned that the floor height of new homes should be at least three metres, vs 2.8 metres previously. We note a trend where the usable floor area ratio for primary housing is increasing. Some newly launched projects' usable floor area ratios are 100% in Beijing, Guangzhou, Chengdu and Xian compared with an average of 75% for old secondary housing. Primary housing usually provides high-quality services with higher management fees, while the condition of some older secondary housing is comparatively poor. Older housing usually needs more frequent repairs, especially elevators, exterior walls and pipes. The product design of primary housing can meet modern living needs with central air conditioning and underfloor heating, and some primary housing provides clubhouses. Limited car parking areas and a lack of charging piles are also issues affecting older housing. Therefore, we think home owners could be tempted to sell their old secondary housing and purchase primary housing.

Figure 22: Why sell old secondary housing to buy primary housing?

	Primary housing	Secondary housing over 20 years
Floor height	>3 metres	Around 2.8 metres
Usable floor area ratio	Increasing trend in Beijing, Guangzhou; some tier-2/low-tier cities	Around 75%
Property management quality	High-quality services with higher management fees	Basic services and property can be in comparatively poor condition
Repair frequency	Low	High, especially for elevators, exterior walls and pipelines
Design	Modern and well-designed, giving a sense of luxury and comfort; well-designed rooms	Relatively old-fashioned and may not meet modern living needs
Central A/C and underfloor heating?	Yes	No
Hard décor	Majority of projects delivered in decorated format	Require renovation
Car parking	Sufficient car parking area and charging piles	Limited area for car parking; hard to install charging piles
Separation of pedestrians and vehicles?	Yes	No
Clubhouse facilities?	Yes, some provide gyms, swimming pool, etc	No

Source: National People's Congress (NPC) , UBS

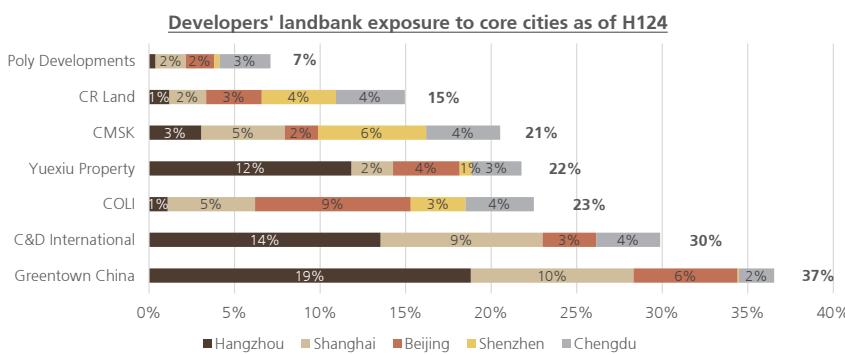
PIVOTAL QUESTIONS

Q: Are regional SOE developers likely to outperform large-cap developers?

Core-city exposure

We have analysed the land banks of seven major developers under our coverage (COLI, CMSK, CR Land, Yuexiu Property, Greentown China, C&D International and Poly Developments) on different metrics. First, exposure to five core cities: Beijing, Shanghai, Shenzhen, Hangzhou and Chengdu. As of H124, Greentown China/C&D International/Yuexiu Property had 37%/30%/22% exposure to these five cities ([Figure 23](#)). Particularly, they had 19%/14%/12% of their land banks in Hangzhou.

Figure 23: Yuexiu Property/Greentown China/C&D International had 12%/19%/14% of their land banks in Hangzhou in H124

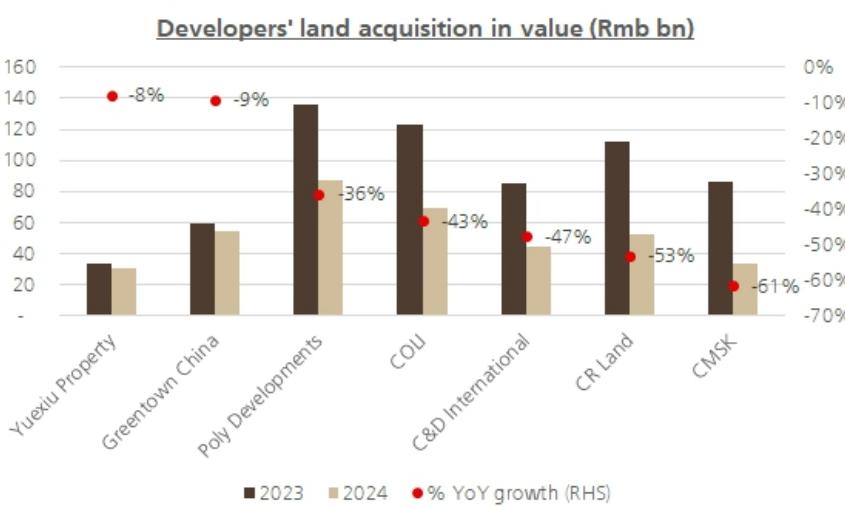


Source: Company data, UBS. Note: Greentown China and C&D International based on gross saleable resources value, others based on gross land bank GFA

Whose land acquisitions decelerated less in 2024?

Developers reduced their land acquisitions in 2024 due to the weak property market, which is logical to preserve their cash flows. On average, these developers' attributable land acquisitions in value terms decreased 37% YoY. However, the investments by Yuexiu Property/Greentown China in 2024 only decreased by 8%/ 9% YoY ([Figure 24](#)).

Figure 24: Yuexiu Property and Greentown China actively acquired land in 2024

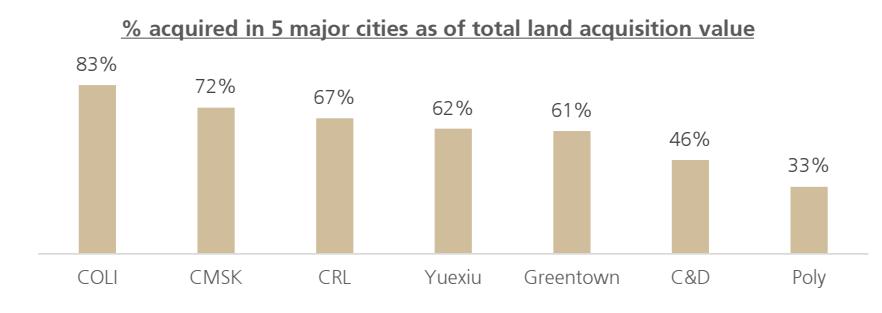


Source: Company data, UBS

Where did they acquire land in 2024?

In 2024, 33-83% of the seven developers' total land acquisition was in the five cities mentioned above ([Figure 25](#)). Despite a 43% YoY investment decline, COLI took 22%/29% market shares in Beijing/Shenzhen land auctions in 2024 ([Figure 27-Figure 30](#)). We expect relatively limited room for large-cap developers to increase their investments in core cities. In our view, it would be more feasible for regional developers to increase their core city exposure due to their small bases.

Figure 25: On average, 61% of land was acquired in five core cities



Source: Company data, UBS

Figure 26: CMSK had highest share in Shanghai in 2024



Source: CREIS, company data, UBS

Figure 28: Greentown China had highest share in Hangzhou in 2024



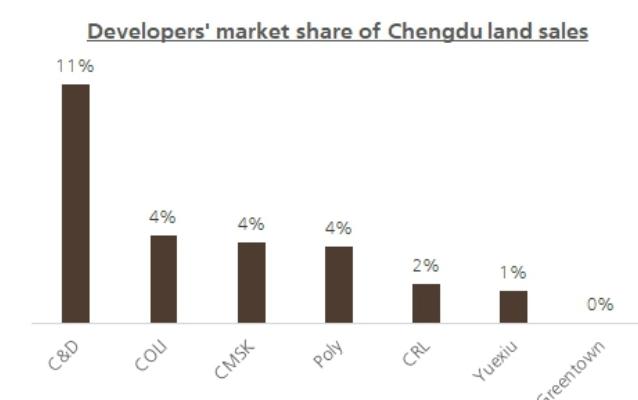
Source: CREIS, company data, UBS

Figure 27: COLI had highest share in Beijing in 2024



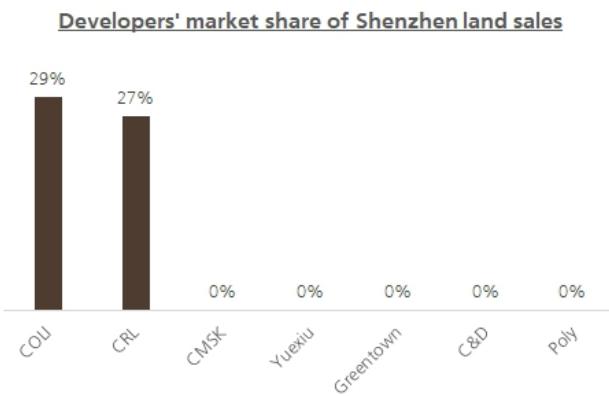
Source: CREIS, company data, UBS

Figure 29: C&D International had highest share in Chengdu in 2024



Source: CREIS, company data, UBS

Figure 30: COLI and CR Land had high shares in Shenzhen in 2024



Source: CREIS, company data, UBS

Land bank vintage

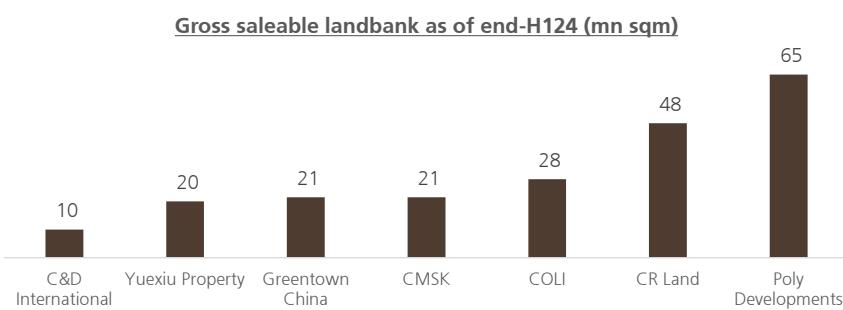
We did a breakdown of developers land bank, by vintage. As of end-H124, C&D International/Greentown China/Yuexiu Property had 10m/21m/20m sqm of gross saleable land bank, less than large-cap developers. Moreover, we estimate regional developers C&D International/Greentown China/Yuexiu Property have 63%/40%/35% of saleable land bank acquired after 2021 versus the sector average of 33%. The higher this ratio the better as land bank acquired in or before 2021 was during the market's peak. We believe regional developers may have more flexibility in terms of changing their land bank mix due to their smaller scales and lighter vintage burdens.

Figure 31: C&D International had the highest % of saleable land bank acquired after 2021

As of end-H124 (mn sqm)	Gross saleable landbank	Saleable landbank breakdown by acquired year				
		On/before 2021	2022	2023	2024	2022-H124
C&D International	10	37%	9%	39%	15%	63%
Greentown China	21	60%		40%		40%
Yuexiu Property	20	65%	15%	13%	8%	35%
COLI	28	70%	11%	14%	4%	30%
CR Land	48	70%	10%	15%	4%	30%
CMSK	21	77%	10%	10%	3%	23%
Poly Developments	65	85%		15%		15%
Average	30					34%

Source: Company data, UBS estimates. Note: Land bank vintage breakdown estimates based on gross saleable GFA exc. Greentown China (based on saleable resources value basis)

Figure 32: C&D International had smallest land bank as of end-H124



Source: Company data, UBS estimates. Note: Land bank estimates based on gross saleable GFA

Our sector forecasts for 2025-26

Lifting 2025E-26E property sales GFA by 7-16%

China's top-100 developers' contract sales decreased by 3% YoY in 2M25, similar to -1% YoY in December 2024, seemingly stabilising as there have been no further policy easing measures since December. We think this is due to sentiment improving after recent rising land prices in tier-1 cities and, per our channel checks with property agents, improved economic expectations due to AI/tech development. In addition, there are two polarisation trends among regions and developers. New home sales in tier-1 and key tier-2 cities have outperformed, as have developers that acquired land bank in these cities. We raise our property sales GFA forecasts for 2025-26 by 7-16%. We lift our new start assumptions for 2025-26 by 6-18% and raise GFA completions by 2% over the same period. We still expect primary property sales, new starts and investment in 2025-26 to continue to decline (see [Figure 34](#)).

Figure 33: We lift 2025E-26E property sales GFA by 7-13% and new starts by 6-12%

	Residential GFA sold (mn sqm)			Residential new starts (mn sqm)			GFA under construction (mn sqm)			GFA completed (mn sqm)			Residential Investments (Rmb bn)			Residential value sold (Rmb bn)		
	Old	New	% chg	Old	New	% chg	Old	New	% chg	Old	New	% chg	Old	New	% chg	Old	New	% chg
2024	815				537		5,132			537			7,604			8,486		
2025E	723	774	7%	454	483	6%	4,619	4,875	6%	422	430	2%	6,969	7,224	4%	7,384	7,892	7%
2026E	665	774	16%	409	483	18%	4,295	4,875	14%	338	344	2%	6,620	7,224	9%	6,646	7,892	19%

Source: National Bureau of Statistics (NBS), UBS estimates

- **National property sales and top-100 developers' sales:** Due to persistent destocking, we expect national property sales to fall by another 5%/7% YoY in GFA/value terms in 2025. We expect the top-100 developers' residential property sales to decrease by 15% YoY in 2025.
- **Property starts:** Developers started to actively acquire land in late 2024 due to the prime land supplied, relaxation of the primary housing price cap and a recovery of property sales in Q424, in our view. Meanwhile, land acquisition value across 300 cities fell by 27% in 2024. We expect property new starts in 2025 to decrease by another 10% YoY.
- **Property completions:** We estimate 40% of delayed projects have been delivered, as of December 2024, due to [debt restructurings at a project level](#). We believe low-hanging fruit may be harvested first and that resuming the completion of remaining projects could become increasingly difficult as time continues. Our 2025/26 GFA completion forecasts of -20%/-20% YoY remain unchanged.
- **Property investment:** In 2025 we expect a 5% YoY fall in property investment to reflect our forecast of new start declines and GFA under construction.

Figure 34: We expect property sales GFA/new start GFA in 2025 to decline 5%/10% YoY

	NBS Residential Statistics										Residential Investments						Top 100 developers contract sales					
	Residential GFA sold		Residential new starts		GFA under construction		GFA completed		Starts / sales		Residential Investments		Residential value sold		Inv / sales		Gross		Attributable			% of national
	m sqm	YoY	m sqm	YoY	m sqm	YoY	m sqm	YoY	%	Rmb bn	YoY	Rmb bn	YoY	%	Rmb bn	YoY	Rmb bn	YoY	%			
2010	931	8%	1,295	40%	3,149	26%	612	3%	139%	3,404	33%	4,395	15%	77%	7,405		5,571					
2011	970	4%	1,460	13%	3,884	23%	717	17%	151%	4,431	30%	4,862	11%	91%	10,007	35%	8,031	44%	64%			
2012	985	1%	1,307	-11%	4,290	10%	790	10%	133%	4,937	11%	5,347	10%	92%	11,604	16%	8,527	6%	61%			
2013	1,157	18%	1,458	12%	4,863	13%	787	0%	126%	5,895	19%	6,769	27%	87%	13,046	12%	9,446	11%	61%			
2014	1,052	-9%	1,249	-14%	5,151	6%	809	3%	119%	6,435	9%	6,240	-8%	103%	12,632	-3%	8,872	-6%	55%			
2015	1,124	7%	1,067	-15%	5,116	-1%	738	-9%	95%	6,460	0%	7,275	17%	89%	7,294	-42%	5,112	-42%	47%			
2016	1,375	22%	1,159	9%	5,213	2%	772	5%	84%	6,870	6%	9,906	36%	69%	6,006	-18%	4,244	-17%	41%			
2017	1,448	5%	1,281	11%	5,364	3%	718	-7%	88%	7,515	9%	11,024	11%	68%								
2018	1,479	2%	1,534	20%	5,700	6%	660	-8%	104%	8,519	13%	12,639	15%	67%								
2019	1,501	1%	1,675	9%	6,277	10%	680	3%	112%	9,707	14%	13,944	10%	70%								
2020	1,549	3%	1,643	-2%	6,556	4%	659	-3%	106%	10,445	8%	15,457	11%	68%								
2021	1,565	1%	1,464	-11%	6,903	5%	730	11%	94%	11,117	6%	16,273	5%	68%								
2022	1,033	-34%	881	-40%	6,397	-7%	625	-14%	85%	9,241	-17%	10,957	-33%	84%	7,294	-42%	5,112	-42%	47%			
2023	948	-8%	693	-21%	5,899	-8%	724	16%	73%	8,496	-10%	10,299	-4%	82%	6,006	-18%	4,244	-17%	41%			
Jan-24	48	-25%	34	-31%	4,666	-12%	38	-21%	71%	441	-10%	461	-33%	96%	255	-36%	182	-35%	39%			
Feb-24	48	-25%	34	-31%	4,666	-12%	38	-21%	71%	441	-10%	461	-33%	96%	199	-62%	140	-63%	30%			
Mar-24	94	-22%	57	-27%	4,746	-12%	35	-25%	61%	776	-11%	930	-29%	83%	392	-47%	285	-45%	31%			
Apr-24	56	-25%	45	-14%	4,806	-11%	26	-13%	80%	681	-10%	593	-32%	115%	340	-47%	243	-47%	41%			
May-24	62	-23%	48	-22%	4,816	-12%	25	-12%	76%	743	-11%	671	-28%	111%	355	-35%	257	-32%	38%			
Jun-24	94	-16%	60	-18%	4,874	-13%	31	-31%	64%	906	-10%	1,011	-13%	90%	470	-22%	362	-14%	36%			
Jul-24	53	-14%	39	-24%	4,915	-13%	26	-22%	74%	635	-12%	552	-17%	115%	303	-21%	224	-17%	41%			
Aug-24	54	-14%	42	-17%	4,961	-13%	25	-34%	78%	640	-10%	564	-17%	113%	273	-28%	199	-24%	35%			
Sep-24	80	-11%	48	-18%	5,011	-13%	25	-30%	61%	707	-10%	781	-17%	91%	274	-38%	192	-36%	25%			
Oct-24	66	-1%	38	-26%	5,045	-13%	38	-20%	58%	594	-9%	725	0%	82%	465	5%	343	10%	47%			
Nov-24	69	5%	44	-27%	5,097	-13%	45	-40%	64%	555	-8%	739	4%	75%	386	-10%	288	-3%	39%			
Dec-24	92	4%	47	-16%	5,133	-13%	185	-25%	51%	485	-2%	999	6%	49%	474	-1%	367	0%	37%			
2024	815	-14%	537	-23%	5,132	-13%	537	-26%	66%	7,604	-10%	8,486	-18%	90%	4,186	-30%	3,083	-27%	36%			
2025E	774	-5%	483	-10%	4,875	-5%	430	-20%	62%	7,224	-5%	7,892	-7%	92%	3,977	-5%	2,928	-5%	37%			
2026E	774	0%	483	0%	4,875	0%	344	-20%	62%	7,224	0%	7,892	0%	92%	3,977	0%	2,928	0%	37%			

Source: NBS, Census Economic Information Center (CEIC), CRIC, UBS estimates. Note: Top-100 developers refers to developers with contract sales ranked in top 100 by CRIC

For secondary sales and rental transactions, we raise our secondary sales GFA assumptions for 2025-26 by 7-10% and maintain unchanged rental transaction forecasts. We expect secondary housing transactions to continue to gain share from primary housing transactions, with the former contributing more than 50% of total housing transactions by 2026E.

Figure 35: We expect the secondary sales and rental markets to outperform primary markets

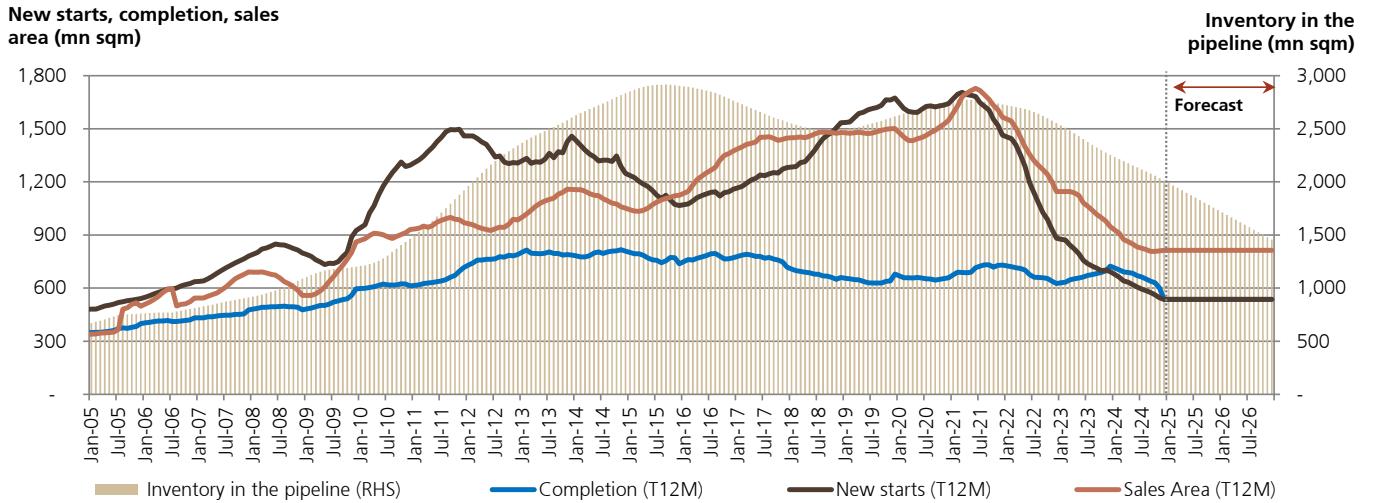
	Secondary sales value		Secondary sales GFA		Secondary ASP		Primary sales value		Primary sales GFA		Primary ASP		Rental transaction	Secondary transaction value mix (secondary / primary)
	Rmb bn	YoY	m sqm	YoY	Rmb/sqm	YoY	Rmb bn	YoY	m sqm	YoY	sqm	YoY		
2018	6,500		395		16,456		12,639	15%	1,479	2%	8,544		1.5	34%
2019	6,700	3%	390	-1%	17,179	4%	13,944	10%	1,501	1%	9,287	9%	1.7	32%
2020	7,500	12%	390	0%	19,231	12%	15,457	11%	1,549	3%	9,980	7%	2.0	18%
2021	7,000	-7%	362	-7%	19,356	1%	16,273	5%	1,565	1%	10,398	4%	2.2	10%
2022	5,462	-22%	396	9%	13,798	-29%	10,957	-29%	1,033	-29%	10,607	2%	1.9	-15%
2023	7,100	30%	570	44%	12,456	0%	10,299	-6%	948	-8%	10,864	2%	2.2	41%
2024E	6,965	-2%	621	9%	11,211	-10%	8,486	-18%	815	-14%	10,419	-4%	2.2	45%
2025E	7,592	9%	677	10%	11,211	0%	7,892	-7%	774	-5%	10,200	-2%	2.3	49%
2027E	8,441	11%	738	3%	11,435	2%	7,892	0%	774	0%	10,200	0%	2.4	52%
2028E	9,384	11%	805	3%	11,663	2%	7,656	-3%	751	-3%	10,200	0%	2.5	55%
2029E	10,434	11%	877	3%	11,897	2%	7,426	-3%	728	-3%	10,200	0%	2.7	58%
2030E	11,600	11%	956	3%	12,135	2%	7,203	-3%	706	-3%	10,200	0%	2.8	62%
	12,897	11%	1,042	3%	12,377	2%	6,987	-3%	685	-3%	10,200	0%	2.9	65%

Source: NBS, UBS estimates

Inventory destocking to continue in 2025E, to potentially end by early 2026E

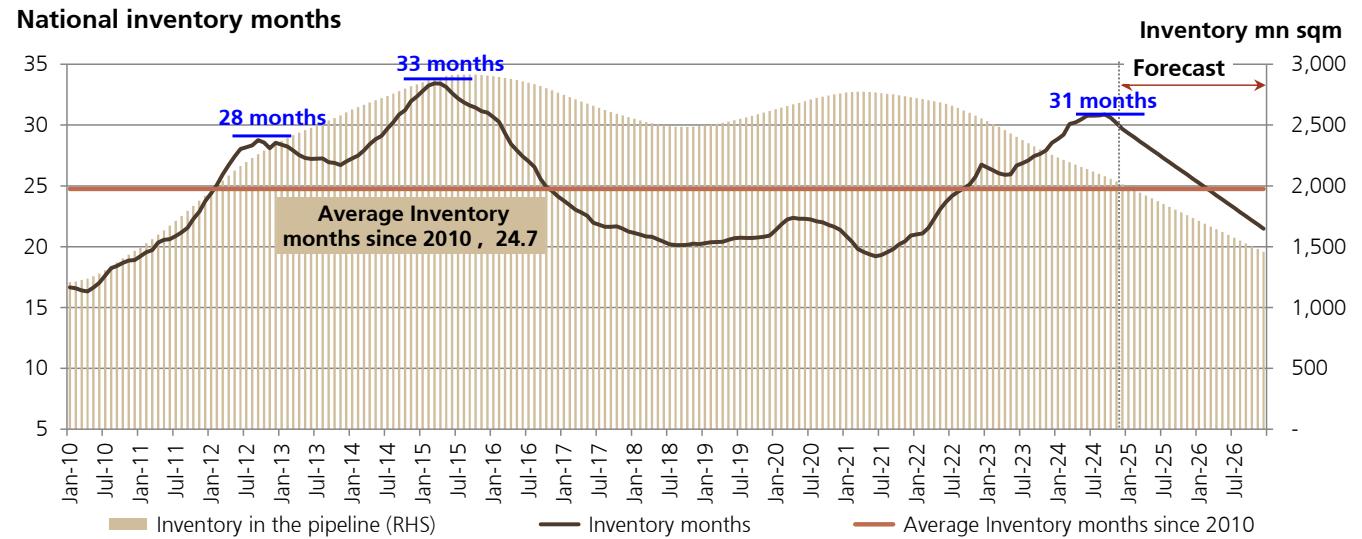
Based on our updated inventory model, we expect inventory destocking to end by early 2026 (previously mid-2026). Assuming new starts and sales remain unchanged, we estimate national inventories to return to 25 months, down from around 30 months currently, by early 2026. We expect property prices by then to have stabilised. Downside risks to our forecasts include: 1) lower-than-expected property sales versus current levels, 2) major developers' defaults leading to homebuyer concerns over primary properties and a subsequent shift to buying existing rather than new property. Upside risks to our forecasts include policy measures (ie, inventory buybacks and an acceleration of the urban village renovation programme) that reduce inventories (our forecasts do not incorporate impact from these two potentialities).

Figure 36: We expect continued destocking in 2025 ...



Source: NBS, UBS estimates. Note: Inventory in the pipeline defined as cumulative property new starts minus cumulative property sold since 2000

Figure 37: ... and inventory turnover months returning to average (since 2010) levels by early 2026



Source: NBS, UBS estimates. Note: Inventory in the pipeline defined as cumulative property new starts minus cumulative property sold since 2000; inventory months calculated based on inventory in the pipeline divided by past 12 months' rolling property sales

Changes to our ratings and earnings

C&D International (1908.HK): Upgrade from Neutral to Buy; price target raised from HK\$12.80 to HK\$19.00

We upgrade C&D International from Neutral to Buy on its: 1) flexible land bank structure; 2) high land bank share in Hangzhou and Chengdu. We expect the company to benefit from a sales recovery in core cities and adjust its 2025E contract sales from a 5% YoY decline to a 10% YoY increase. We also expect improved margins due to price stabilisation in core cities, and revise up 2025-26 GM by 1-2ppcts. We thus lift 2025E-26E earnings by 4-13%, 0-8% above consensus expectations. Our new price target of HK \$19.00 (up from HK\$12.80) is based on 6.6x normalised earnings (previously 5.5x), [per WPI](#).

Figure 38: Changes to our earnings estimates/comparison with consensus

(Rmb m)	New forecasts				Old forecasts			Consensus		
	2023A	2024E	2025E	2026E	2024E	2025E	2026E	2024F	2025F	2026F
Contract sales	137,956	103,360	113,696	113,696	124,161	124,161	124,161			
Revenue	134,430	135,420	127,535	116,883	135,420	137,967	132,563	138,682	135,542	133,296
Gross profit	14,916	13,672	14,151	14,723	13,672	13,929	14,047	15,670	15,569	15,553
GPM (%)	11.1%	10.1%	11.1%	12.6%	10.1%	10.1%	10.6%	11.3%	11.5%	11.7%
Net profit	4,339	4,293	4,481	4,813	4,234	4,290	4,270	4,411	4,480	4,466
Core NPM (%)	3.2%	3.2%	3.5%	4.1%	3.1%	3.1%	3.2%	3.2%	3.3%	3.4%
DPS (HK\$)	1.30	1.30	1.30	1.30	1.30	1.30	1.30	0.13	0.15	0.15
Payout ratio (%)	44%	44%	44%	44%	44%	44%	44%	28%	29%	31%
Net gearing (%)	48%	60%	60%	58%	58%	67%	74%			
Contract sales YoY	-25%	10%	0%	-10%	0%	0%	0%			
Revenue YoY		1%	-6%	-8%	1%	2%	-4%	3%	-2%	-2%
Gross profit YoY		-8%	4%	4%	-8%	2%	1%	5%	-1%	0%
Core net profit YoY		-1%	4%	7%	-2%	1%	0%	2%	2%	0%
vs										
	New vs Old			New vs Cons						
Contract sales	-16.8%	-8.4%	-8.4%							
Revenue	0.0%	-7.6%	-11.8%	-2.4%	-5.9%	-12.3%				
Gross profit	0.0%	1.6%	4.8%	-12.7%	-9.1%	-5.3%				
GPM (%)	0.0ppt	1.0ppt	2.0ppt	-1.2ppt	-0.4ppt	0.9ppt				
Core net profit	1.4%	4.4%	12.7%	-2.7%	0.0%	7.8%				
Core NPM (%)	0.0ppt	0.4ppt	0.9ppt	-0.1ppt	-0.2ppt	-0.1ppt				
DPS (HK\$)	0.0%	0.0%	0.0%	900.0%	766.7%	766.7%				
Payout ratio (%)	0.0ppt	0.0ppt	0.0ppt	16.7ppt	14.9ppt	13.1ppt				
Net gearing (%)	2.4ppt	-7.2ppt	-16.1ppt							

Source: Company data, Thomson Reuters, UBS estimates

Yuexiu Property (123.HK): Upgrade from Neutral to Buy; price target raised from HK\$5.00 to HK\$6.50

We upgrade Yuexiu Property from Neutral to Buy on its: 1) flexible land bank structure; 2) active land acquisition in 2024. On 10 March, the company announced a profit warning (core profit down 50-55% YoY), and we subsequently lower 2024E earnings by 35% to reflect Yuexiu Property's inventory impairment in H224. We expect the company to benefit from a sales recovery in core cities and adjust its 2025E contract sales from a 5% YoY decline to a 10% YoY increase. We also expect margin improvement due to price stabilisation in core cities and less inventory impairment risk, and raise 2025E-26E GM by 0.3ppcts. Thus, we raise 2025E-26E earnings by 6-20%, 13-28% below consensus expectations. Our new price target of HK\$6.50 (up from HK\$5.00) is based on 6.6x normalised earnings (previously 5.5x), [per WPI](#).

Figure 39: Changes to our earnings estimates/comparison with consensus

(Rmb m)	New forecasts				Old forecasts			Consensus		
	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024F	2025F	2026F
Contract sales	142,030	114,540	125,994	125,994	114,540	108,813	108,813			
Revenue	80,222	86,633	71,485	78,704	86,172	66,318	66,825	86,304	85,369	86,693
Gross profit	12,258	6,064	8,578	10,231	9,220	7,759	8,487	10,770	11,110	11,689
GPM (%)	15.3%	7.0%	12.0%	13.0%	10.7%	11.7%	12.7%	12.5%	13.0%	13.5%
Core net profit	3,490	1,749	2,215	2,825	2,676	2,108	2,356	3,085	3,063	3,237
Core NPM (%)	4.4%	2.0%	3.1%	3.6%	3.1%	3.2%	3.5%	3.6%	3.6%	3.7%
DPS (Rmb)	0.35	0.17	0.22	0.28	0.27	0.21	0.23	0.32	0.32	0.33
Net gearing (%)	57%	58%	53%	48%	51%	46%	42%			
Contract sales YoY		-19%	10%	0%	-19%	-5%	0%			
Revenue YoY		8%	-17%	10%	7%	-23%	1%	8%	-1%	2%
Gross profit YoY		-51%	41%	19%	-25%	-16%	9%	-12%	3%	5%
Core net profit YoY		-50%	27%	28%	-23%	-21%	12%	-12%	-1%	6%
vs	New vs Old			New vs Consensus						
Contract sales		0.0%	15.8%	15.8%						
Revenue		0.5%	7.8%	17.8%	0.4%	-16.3%	-9.2%			
GPM (%)		-3.7ppt	0.3ppt	0.3ppt	-5.5ppt	-1.0ppt	-0.5ppt			
Core net profit	-34.6%	5.1%	19.9%	-43.3%	-27.7%	-12.7%				
DPS (Rmb)		-34.6%	5.1%	19.9%	-45.7%	-31.2%	-14.9%			

Source: Company data, Thomson Reuters, UBS estimates

Greentown China (3900.HK): Upgrade from Neutral to Buy; price target raised from HK\$10.00 to HK\$19.00

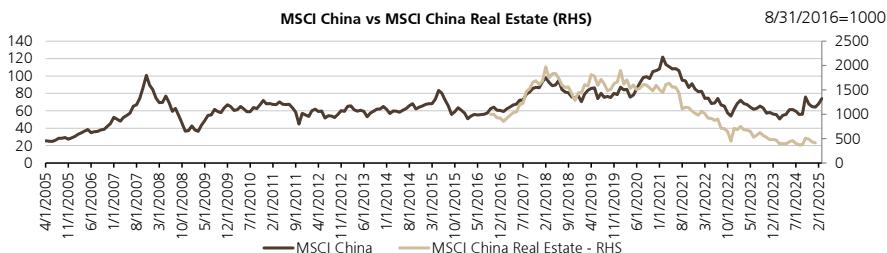
We upgrade Greentown China from Neutral to Buy on its: 1) flexible land bank structure; 2) high land bank share in Hangzhou and Chengdu; 3) active land acquisition in 2024. We expect it to benefit from a sales recovery in core cities and adjust its 2025E contract sales from a 5% YoY decline to a 10% YoY increase. We expect margin improvement due to price stabilisation in core cities, and revise up 2025E-26E GM by 1-2ppcts. We raise 2025E-26E earnings by 5-28%, 43-50% above consensus expectations. We lower 2024E to reflect the announced profit alert. Our new price target of HK\$19.00 (up from HK\$10.00) is based on 6.6x normalised earnings (previously 5.5x), [per WPI](#).

Figure 40: Changes to our earnings estimates/comparison with consensus

(Rmb m)	New forecasts				Old forecasts			Consensus		
	2023A	2024E	2025E	2026E	2024E	2025E	2026E	2024F	2025F	2026F
Contract sales	194,300	171,800	188,980	188,980	170,984	170,984	170,984			
Revenue	131,383	127,388	115,931	114,758	127,388	115,698	109,383	139,131	141,829	145,291
GPM (%)	13.0%	8.5%	11.5%	12.5%	10.5%	10.5%	11.0%	13.1%	13.6%	14.0%
Reported net profit	3,118	1,647	2,246	2,567	2,562	2,131	2,007	4,395	4,463	4,494
Core net profit	6,417	3,619	4,218	4,540	4,535	4,104	3,980			
Core NPM (%)	4.9%	2.8%	3.6%	4.0%	3.6%	3.5%	3.6%	0.0%	0.0%	0.0%
DPS (Rmb)	0.43	0.20	0.27	0.30	0.30	0.25	0.24	0.43	0.45	0.46
Net gearing (%)	64%	78%	83%	87%	68%	72%	75%			
Contract sales YoY		-12%	10%	0%	-12%	0%	0%			
Revenue YoY		-3%	-9%	-1%	-3%	-9%	-5%	6%	2%	2%
Gross profit YoY		-37%	23%	8%	-22%	-9%	-1%	7%	6%	5%
Net profit YoY		-47%	36%	14%	-18%	-17%	-6%			
vs	New vs Old			New vs Cons						
Contract sales		0.5%	10.5%	10.5%						
Revenue		0.0%	0.2%	4.9%	-8.4%	-18.3%	-21.0%			
GPM (%)	-2.0ppt	1.0ppt	1.5ppt	-4.6ppt	-2.1ppt	-1.5ppt				
Reported net profit	-35.7%	5.4%	27.9%	-62.5%	-49.7%	-42.9%				
DPS (Rmb)		-35.7%	5.4%	27.9%	-54.6%	-40.9%	-33.9%			

Source: Company data, Thomson Reuters, UBS estimates

WHAT'S PRICED IN?



YTD, MSCI China Real Estate Index has underperformed MSCI China by 16% (as of 10 March 2025)

Source: Datastream

The MSCI China Real Estate index is trading at 10.1x 12-month forward PE and 0.67x 12-month forward P/BV, compared with the respective 15-year historical averages of 6.6x and 0.87x.

Potential upward earnings revisions: The higher-than-average PE is mainly due to deteriorating earnings, but we see potential upward earnings revisions if margins recover to normalised levels. We estimate Greentown China added Rmb98bn of attributable saleable resources in 2024, and assuming normalised NPM of 7%, the company could book Rmb7bn profit from 2024's land acquisitions. This implies 4.1x PE, based on its current market cap. Similarly, this implies respective PE multiples of 5.1x/5.2x for C&D International/Yuexiu Property (Figure 42). We estimate large-cap developers have implied 9.4-20.6x PE, except CR Land, where we estimate an implied 3.3x PE, based on its current market cap (exc. our estimated Rmb150bn IP valuation).

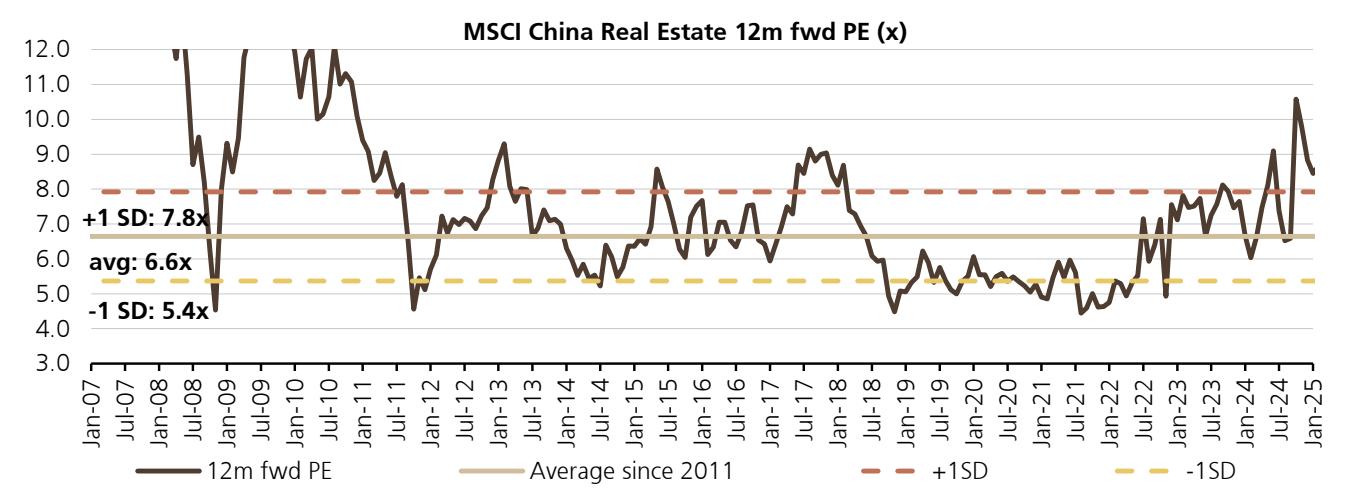
Valuation methodology used to derive our price targets: We used normalised earnings to derive our price targets. As discussed above, if margins normalise, Greentown China could book Rmb6.9bn in profit from its 2024 attributable saleable resources. Considering a general two-year housing completion cycle, we discount profit by one year and estimate 2025E normalised earnings of Rmb6.5bn. Assuming developers are trading at 6.6x 12month forward PE (the 15-year MSCI China Real Estate Index average), we derive an implied 2025E market cap of Rmb43bn. This implies a price target of HK\$19.00. Similarly, for C&D International, we derive an implied 2025E market cap of Rmb35bn and price target of HK\$19.00. For Yuexiu Property, we derive an implied 2025E market cap of Rmb25bn and price target of HK\$6.50.

Figure 42: Greentown China, C&D International and Yuexiu Property had an implied PE of 4.1-5.2x.

Rmb bn	2024 attri. saleable resources	Profit booking (NPM =7%)	Implied PE	Trading Mkt Cap	UBS valuation (PE=6.6x)
CR Land	94.6	6.6	3.3x	171.6	41.6
Greentown China	98.2	6.9	4.1x	27.9	43.2
C&D International	80.3	5.6	5.1x	28.9	35.3
Yuexiu Property	55.8	3.9	5.2x	20.2	24.6
Poly Developments	157.4	11.0	9.4x	103.3	69.3
COLI	125.1	8.8	17.3x	151.4	55.0
CMSK	60.1	4.2	20.4x	85.9	26.4

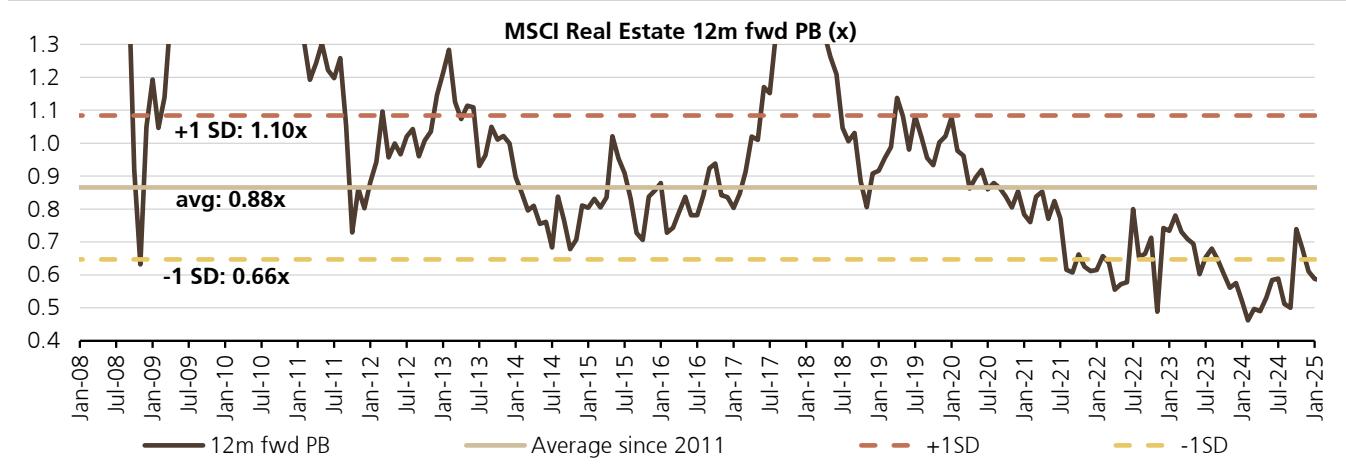
Source: Company data, UBS estimates

Figure 43: MSCI China Real Estate trading at 10.1x 12-month forward PE, +2SD above historical average



Source: Datastream, UBS. Note: Data as of 4 March 2025

Figure 44: MSCI China Real Estate trading at 0.67x 12-month forward P/BV, -1SD below the historical average



Source: Datastream, UBS. Note: Data as of 4 March 2025

Figure 45: Valuation comparison—Chinese developers within our coverage

Company (EN)	Ticker	Rating	Price (LC)	Price target (LC)	Price target upside (%)	Market cap (US\$ bn)	3M avg trading value (US\$ m)	PE		P/BV		Dividend yield		NAV discount (%)	24-26E EPS CAGR (%)	NDER	ROE
								25E	26E	25E	26E	25E (%)	26E (%)		1H24A	25E	
CN developers (H-share)																	
CR Land	1109.HK	Buy	25.85	37.00	43%	23.7	57.8	6.7	6.5	0.58	0.55	5.5%	5.7%	-54%	2%	34%	9%
COLI	0688.HK	Neutral	14.86	12.50	-16%	20.9	48.1	10.1	10.1	0.38	0.38	3.4%	3.4%	-77%	-6%	39%	4%
Longfor	0960.HK	Neutral	10.84	10.30	-5%	9.2	30.8	10.8	10.7	0.41	0.40	2.8%	2.8%	-77%	-6%	57%	4%
Vanke (H)	2202.HK	Sell	6.01	2.60	-57%	9.0	53.1	15.7	22.5	0.26	0.25	0.0%	0.0%	-84%	-22%	62%	2%
Country Garden	2007.HK	Sell	0.51	0.30	-41%	1.8	13.0	N/A	N/A	0.33	0.56	0.0%	0.0%	-99%	-38%	277%	-55%
C&D International	1908.HK	Buy	15.38	19.00	24%	4.0	4.4	6.6	6.1	1.06	0.97	8.5%	8.5%	-9%	6%	41%	18%
Yuexiu Property	0123.HK	Buy	5.38	6.50	21%	2.8	8.5	9.1	7.1	0.35	0.34	4.4%	5.6%	-82%	27%	80%	4%
Greentown China	3900.HK	Buy	11.82	19.00	61%	3.9	17.2	12.4	10.9	0.72	0.69	2.3%	2.6%	-50%	25%	67%	6%
Seazen	1030.HK	Sell	2.18	1.20	-45%	2.0	5.3	9.0	7.3	0.29	0.28	0.0%	0.0%	-85%	9%	51%	3%
Jinmao	0817.HK	Neutral	1.16	1.00	-14%	2.0	5.0	8.1	7.2	0.35	0.34	5.0%	5.5%	-89%	10%	77%	4%
Wgt avg - H-share				4%				9.6	10.1	0.48	0.46	3.7%	3.8%	-67%	-2%	52%	5%
CN developers (A-share)																	
Poly Developments	600048.SS	Neutral	8.63	8.50	-2%	14.3	146.8	10.2	11.6	0.51	0.50	2.8%	2.9%	-71%	-8%	66%	5%
Vanke (A)	000002.SZ	Sell	7.43	5.50	-26%	12.3	191.0	20.8	29.9	0.34	0.34	0.0%	0.0%	-77%	-22%	62%	2%
China Merchants Shekou	001979.SZ	Neutral	9.48	9.80	3%	11.9	95.0	25.0	26.9	0.84	0.83	2.1%	1.9%	-81%	-5%	47%	3%
Wgt avg - A-share				-8%				18.2	22.2	0.56	0.55	1.7%	1.7%	-76%	-12%	59%	3%
Wgt avg - A + H share				0%				12.2	13.9	0.50	0.49	3.0%	3.1%	-70%	-5%	54%	4%

Source: Company data, UBS estimates. Notes: Data as of 11 March 2025; N/A PE due to negative 2025E-26E earnings growth; NDER = net debt over equity reported

UBS Research THESIS MAP a guide to our thinking and what's where in this report**PIVOTAL QUESTIONS****Q: Are we at an inflection point?**

Likely. We see incremental evidence that property markets are stabilising. Signs include a recovery in existing home transactions in 2M25 with no policy easing, inventories falling to below-average levels in tier-1 cities, rising premiums in land auctions and stabilising secondary listings. These are similar to the signs seen at the 2014-15 cycle's inflection point. We lift the sector's 2025E-26E primary sales value by 7-16% and existing home sales by 7-10%, and now expect national price stabilisation by early 2026 (mid-2026 previously).

Q: Could secondary housing offer less competition for primary housing?

Yes. According to our analysis, secondary housing offer different product matrix, which we think constitute less competition for new homes. In addition, the number of secondary listings in tier-1 cities have stabilised, and secondary prices in core cities have also stopped declining since September.

Q: Are regional developers likely to outperform large-cap developers?

Yes. Regional SOE developers have an edge over large-cap developers due to their flexibility in terms of changing land bank mix. As of end-H124, 63% of C&D International's land bank was acquired after 2021 versus the sector average of 34%. This suggests a small historical burden of expensive land acquired in/before 2021. In addition, C&D International has a smaller land bank, and the mix could be changed towards core cities.

UBS VIEW

We upgrade C&D International from Neutral to Buy on its: 1) flexible land bank structure; 2) high land bank share in Hangzhou and Chengdu. We expect the company to benefit from a sales recovery in core cities. We adjust its 2025E contract sales from a 5% YoY decline to a 10% YoY increase. We also expect margin improvement due to price stabilisation in core cities, lift 2025E-26E GM by 1-2pppts and raise 2025E-26E earnings by 4-13%.

EVIDENCE

1) As of end-H124, 63% of C&D International's saleable land bank was bought after 2021 (34% for our seven major developers); 2) at end-H124, C&D International's saleable land bank was 10m sqm.

WHAT'S PRICED IN?

C&D International is trading at 6.6x 2025E PE, implying 1.06x 2025E P/BV. We think the market has not fully priced in its potential to benefit from a sales recovery in core cities. Our new price target of HK\$19.00 is based on 6.6x normalised earnings (previously 5.5x), [per WPI](#).

UPSIDE/DOWNSIDE SPECTRUM

Value drivers (2024E-26E)	Contract sales CAGR	GM average	2025E PE
HK\$24.00 upside	+10%	13%	10.0x
HK\$19.00 base	+5%	12%	8.0x
HK\$12.00 downside	-5%	9%	5.5x

Source: UBS estimates

COMPANY DESCRIPTION

C&D International Investment Group (C&D International) is a leading property developer in China that focuses on mid- to high-end residential property development. C&D International is a state-owned company, and its major shareholder is Xiamen C&D, with a 56% stake as of 2023.

UBS Research THESIS MAP a guide to our thinking and what's where in this report**PIVOTAL QUESTIONS****Q: Are we at an inflection point?**

Likely. We see incremental evidence that property markets are stabilising. Signs include a recovery in existing home transactions in 2M25 with no policy easing, inventories falling to below-average levels in tier-1 cities, rising premiums in land auctions and stabilising secondary listings. These are similar to the signs seen at the 2014-15 cycle's inflection point. We lift the sector's 2025E-26E primary sales value by 7-16% and existing home sales by 7-10%, and now expect national price stabilisation by early 2026 (mid-2026 previously).

Q: Will secondary housing offer less competition for primary housing?

Yes. According to our analysis, secondary housing offer different product matrix, which we think constitute less competition for new homes. In addition, the number of secondary listings in tier-1 cities have stabilised, and secondary prices in core cities have also stopped declining since September.

Q: Are regional developers likely to outperform large-cap developers?

Yes. Regional SOE developers have an edge over large-cap developers due to their flexibility in terms of changing land bank mix. As of end-H124, 60% of Greentown China's land bank was acquired in/before 2021 versus a sector average of 66%. This suggests a small historical burden of expensive land acquired in/before 2021. In addition, Greentown China has a smaller land bank, and the mix could be changed towards core cities.

UBS VIEW

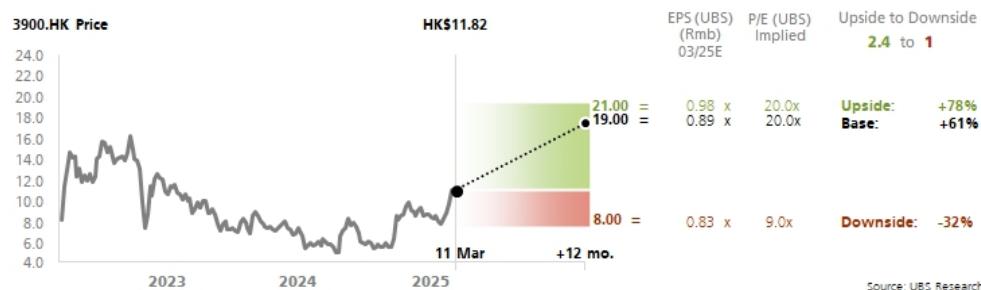
We upgrade Greentown China from Neutral to Buy on its: 1) flexible land bank structure; 2) high land bank share in Hangzhou and Chengdu; 3) active land acquisitions in 2024. We expect the company to benefit from a sales recovery in core cities, and we adjust its 2025E contract sales from a 5% YoY decline to a 10% YoY increase. We also expect margin improvement due to price stabilisation in core cities, lift 2025E-26E GM by 1-2pppts and raise 2025E-26E earnings by 5-28%.

EVIDENCE

1) At end-H124, 40% of Greentown China's saleable land bank was acquired after 2021 (versus 33% for our seven major developers); 2) at end-H124, Greentown China's saleable land bank was 20m sqm; 3) Greentown China's land acquisitions in 2024 declined by only 9% YoY (versus -37% for our seven major developers).

WHAT'S PRICED IN?

Greentown China is trading at 12.4x 2025E PE, implying 0.72x 2025E P/BV. We think the market has not fully priced in its potential to benefit from a sales recovery in core cities. Our new price target of HK\$19.00 is based on 6.6x normalised earnings (previously 5.5x), [per WPI](#).

UPSIDE/DOWNSIDE SPECTRUM**Value drivers (2024E-26E)**

	Contract sales CAGR	Average GM	2025E PE
HK\$21.00 upside	+10%	13%	20.0x
HK\$19.00 base	+5%	12%	20.0x
HK\$8.00 downside	-5%	10%	9.0x

Source: UBS estimates

COMPANY DESCRIPTION

Greentown China Holdings (Greentown China) is a leading property developer in China that focuses on mid-tier to high-end residential property development. Greentown China is a state-owned company. Its major shareholder is China Communications Construction Group, with a 29% stake as of 2023.

UBS Research THESIS MAP a guide to our thinking and what's where in this report**PIVOTAL QUESTIONS****Q: Are we at an inflection point?**

Likely. We see incremental evidence that property markets are stabilising. Signs include a recovery in existing home transactions in 2M25 with no policy easing, inventories falling to below-average levels in tier-1 cities, rising premiums in land auctions and stabilising secondary listings. These are similar to the signs seen at the 2014-15 cycle's inflection point. We lift the sector's 2025E-26E primary sales value by 7-16% and existing home sales by 7-10%, and now expect national price stabilisation by early 2026 (mid-2026 previously).

Q: Could secondary housing impose less competition on primary housing?

Yes. According to our analysis, secondary housing offer different product matrix, which we think constitute less competition for new homes. In addition, the number of secondary listings in tier-1 cities have stabilised, and secondary prices in core cities have also stopped declining since September.

Q: Are regional developers likely to outperform large-cap developers?

Yes. Regional SOE developers have an edge over large-cap developers due to their ability to adjust land bank mix. As of end-H124, YueXiu Property had a 20m sqm land bank (sector average: 30m sqm), and we think its land bank mix can be more flexibly changed towards core cities. The company was the most active participant in the land auction market in 2024, with investment down only 8% YoY compared to our seven covered developers' average 37% decline.

UBS VIEW

We upgrade YueXiu Property from Neutral to Buy on its: 1) flexible land bank structure; 2) active land acquisition in 2024. We expect the company to benefit from a sales recovery in core cities. We adjust its 2025E contract sales from a 5% YoY decline to a 10% YoY increase. We also expect margin improvement due to price stabilisation in core cities, trim 2025E-26E GM by +0.3pppts and revise up 2025E-26E earnings by 5-20%.

EVIDENCE

1) At end-H124, 36% of YueXiu Property's saleable land bank was acquired after 2021 (versus 33% for our seven major developers); 2) at end-H124, YueXiu Property's saleable land bank was only 20m sqm; 3) YueXiu Property's land acquisition in 2024 only declined by 8% YoY (versus our seven covered developers' average 37% decline).

WHAT'S PRICED IN?

YueXiu Property is trading at 9.1x 2025E PE, implying 0.35x 2025E P/BV. We think the market has not fully priced in its potential to benefit from a sales recovery in core cities. Our new price target of HK \$6.50 is based on 6.6x normalised earnings (previously 5.5x), [per WPI](#).

UPSIDE/DOWNSIDE SPECTRUM**Value drivers (2024E-26E)**

Value drivers (2024E-26E)	Contract sales CAGR	GM average	2025E PE
HK\$8.50 upside	+10%	14%	11.0x
HK\$6.50 base	+5%	13%	10.0x
HK\$3.50 downside	-5%	9%	5.5x

Source: UBS estimates

COMPANY DESCRIPTION

YueXiu Property, formerly known as Guangzhou Investment, is an SOE developer under the Guangzhou State-owned Assets Supervision and Administration Commission. Established in 1983 and listed in Hong Kong in 1992, YueXiu Property reached Rmb142bn in contract sales in 2023. As of end-2023, its total land bank amounted to 25.7m sqm, with more than half in the GBA. It holds a 43.6% stake in YueXiu REIT (0405.HK). Guangzhou Metro became a strategic shareholder in 2019, holding a 19.90% stake, while parent company Guangzhou YueXiu Holding holds 44.04%.

Yuexiu Property (0123.HK)

Income Statement (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Revenues	57,379	72,416	80,222	86,633	8.0	71,485	-17.5	78,704	79,511	80,480
Gross profit	12,482	14,806	12,258	6,064	-50.5	8,578	41.5	10,231	11,132	12,072
EBITDA (UBS)	10,824	11,510	8,535	3,014	-64.7	5,185	72.0	6,838	7,738	8,678
Depreciation & amortisation	(346)	(429)	(386)	(386)	0.0	(386)	0.0	(386)	(386)	(386)
EBIT (UBS)	10,478	11,081	8,149	2,628	-67.7	4,798	82.6	6,452	7,352	8,292
Associates & investment income	415	(97)	752	350	-53.5	350	0.0	350	350	350
Other non-operating income	0	0	0	0	-	0	-	0	0	0
Net interest	(350)	(279)	298	(22)	-	105	-	148	211	304
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	10,544	10,704	9,199	2,956	-67.9	5,253	77.7	6,950	7,912	8,946
Tax	(4,709)	(4,280)	(4,319)	(763)	82.3	(2,071)	-171.5	(2,892)	(3,314)	(3,767)
Profit after tax	5,835	6,424	4,880	2,193	-55.1	3,182	45.1	4,058	4,598	5,179
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	(1,685)	(2,184)	(1,390)	(445)	68.0	(967)	-117.4	(1,233)	(1,397)	(1,573)
Extraordinary items	(561)	(287)	(305)	(730)	-139.4	0	-	0	0	0
Net earnings (local GAAP)	3,589	3,953	3,185	1,019	-68.0	2,215	117.4	2,825	3,201	3,605
Net earnings (UBS)	4,150	4,240	3,490	1,749	-49.9	2,215	26.7	2,825	3,201	3,605
Tax rate (%)	44.7	40.0	47.0	25.8	-45.0	39.4	52.8	41.6	41.9	42.1
Per Share (Rmb)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
EPS (UBS, diluted)	1.34	1.37	0.94	0.43	-53.7	0.55	26.7	0.70	0.80	0.90
EPS (local GAAP, diluted)	1.16	1.28	0.86	0.25	-70.5	0.55	117.4	0.70	0.80	0.90
EPS (UBS, basic)	1.34	1.37	0.94	0.43	-53.7	0.55	26.7	0.70	0.80	0.90
DPS (net) (Rmb)	0.54	0.55	0.35	0.17	-49.9	0.22	26.7	0.28	0.32	0.36
Cash EPS (UBS, diluted) ¹	1.45	1.51	1.04	0.53	-49.2	0.65	21.9	0.80	0.89	0.99
Book value per share	14.23	14.59	13.82	13.90	0.6	14.23	2.4	14.65	15.13	15.66
Average shares (diluted)	3,096	3,096	3,716	4,025	8.3	4,025	0.0	4,025	4,025	4,025
Balance Sheet (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Cash and equivalents	40,499	35,118	46,098	47,187	2.4	48,859	3.5	52,466	57,408	65,291
Other current assets	222,305	248,856	292,067	278,432	-4.7	281,842	1.2	279,781	277,814	275,871
Total current assets	262,804	283,974	338,164	325,619	-3.7	330,701	1.6	332,247	335,222	341,162
Net tangible fixed assets	3,896	4,748	2,802	2,416	-13.8	2,030	-16.0	1,644	1,258	872
Net intangible fixed assets	429	521	514	514	0.0	514	0.0	514	514	514
Investments / other assets	46,726	57,108	59,698	59,192	-0.8	59,274	0.1	59,150	59,018	56,788
Total assets	313,855	346,352	401,179	387,740	-3.3	392,519	1.2	393,555	396,012	399,336
Trade payables & other ST liabilities	152,819	162,765	187,111	170,099	-9.1	175,211	3.0	173,778	172,345	170,911
Short term debt	29,802	15,744	22,976	36,571	59.2	31,144	-14.8	28,568	27,446	27,112
Total current liabilities	182,621	178,510	210,087	206,671	-1.6	206,355	-0.2	202,346	199,791	198,023
Long term debt	45,732	72,554	81,395	70,609	-13.3	73,408	4.0	75,526	77,221	78,577
Other long term liabilities	11,135	10,496	7,488	7,488	0.0	7,488	0.0	7,488	7,488	7,488
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	239,488	261,559	298,970	284,768	-4.8	287,251	0.9	285,361	284,500	284,088
Common s/h equity	46,236	47,430	55,629	55,948	0.6	57,276	2.4	58,971	60,891	63,053
Minority interests	28,131	37,363	46,580	47,024	1.0	47,991	2.1	49,224	50,621	52,194
Total liabilities & equity	313,855	346,352	401,179	387,740	-3.3	392,519	1.2	393,555	396,012	399,336
Cash Flow (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Net income (before pref divs)	3,589	3,953	3,185	1,019	-68.0	2,215	117.4	2,825	3,201	3,605
Depreciation & amortisation	346	429	386	386	0.0	386	0.0	386	386	386
Net change in working capital	(7,448)	1,435	10,091	731	-92.8	5,190	NM	4,262	4,168	6,259
Other operating	(792)	(1,472)	(4,819)	(3,157)	34.5	(2,604)	17.5	(2,278)	(2,105)	(1,946)
Operating cash flow	(4,305)	4,345	8,844	(1,021)	-	5,187	-	5,195	5,650	8,304
Tangible capital expenditure	(1,253)	(1,105)	(317)	0	-	0	-	0	0	0
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	3,756	3,527	455	0	-	0	-	0	0	0
Other investing	(9,394)	(10,105)	(199)	0	-	0	-	0	0	0
Investing cash flow	(6,890)	(7,684)	(62)	0	-	0	-	0	0	0
Equity dividends paid	(2,195)	(1,816)	(2,235)	(700)	68.7	(887)	-26.7	(1,131)	(1,281)	(1,443)
Share issues / (buybacks)	0	0	7,510	0	-	0	-	0	0	0
Other financing	9,724	(16,344)	(14,948)	0	-	0	-	0	0	0
Change in debt & pref shares	8,219	10,579	8,309	2,810	-66.2	(2,629)	-	(458)	573	1,022
Financing cash flow	15,748	(7,581)	(1,363)	2,110	-	(3,515)	-	(1,588)	(708)	(421)
Cash flow inc/(dec) in cash	4,553	(10,920)	7,419	1,089	-85.3	1,672	53.6	3,607	4,942	7,883
FX / non cash items	(1,362)	5,539	3,561	0	-	0	100.0	0	0	0
Balance sheet inc/(dec) in cash	3,191	(5,381)	10,979	1,089	-90.1	1,672	53.6	3,607	4,942	7,883

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.¹ Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Valuation (x)								
P/E (local GAAP, diluted)	5.4	5.6	9.9	20.5	9.5	7.5	6.6	5.8
P/E (UBS, diluted)	4.7	5.2	9.1	11.9	9.5	7.5	6.6	5.8
P/CEPS	4.3	4.8	8.2	9.8	8.1	6.6	5.9	5.3
Equity FCF (UBS) yield %	(27.2)	13.9	26.8	(4.9)	24.6	24.7	26.8	39.4
Dividend yield (net) %	8.7	7.4	4.0	3.3	4.2	5.4	6.1	6.8
P/BV	0.4	0.5	0.6	0.4	0.4	0.4	0.3	0.3
EV/revenues (core)	1.0	1.0	1.3	1.1	1.4	1.2	1.1	1.1
EV/EBITDA (UBS core)	5.2	6.5	12.2	32.3	18.7	13.8	11.8	10.1
EV/EBIT (core)	5.4	6.7	12.8	37.0	20.2	14.6	12.4	10.5
EV/OpFCF (core)	5.2	6.5	12.2	32.3	18.7	13.8	11.8	10.1
EV/op. invested capital	0.7	0.8	0.9	0.7	0.7	0.7	0.7	0.7
Enterprise value (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Market cap.	20,415	23,491	31,886	21,072	21,072	21,072	21,072	21,072
Net debt (cash)	32,783	44,108	55,726	59,133	57,843	53,661	49,444	43,829
Buy out of minorities	28,131	37,363	46,580	47,024	47,991	49,224	50,621	52,194
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	81,328	104,961	134,193	127,230	126,906	123,957	121,137	117,095
Non core assets	(24,582)	(30,668)	(29,875)	(29,867)	(29,826)	(29,777)	(29,717)	(29,647)
Core enterprise value	56,746	74,293	104,317	97,362	97,081	94,180	91,420	87,448
Growth (%)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Revenue	24.1	26.2	10.8	8.0	(17.5)	10.1	1.0	1.2
EBITDA (UBS)	14.9	6.3	(25.8)	(64.7)	72.0	31.9	13.2	12.2
EBIT (UBS)	15.1	5.8	(26.5)	(67.7)	82.6	34.5	14.0	12.8
EPS (UBS, diluted)	3.2	2.2	(31.4)	(53.7)	26.7	27.5	13.3	12.6
Net DPS	3.1	2.1	(36.6)	(49.9)	26.7	27.5	13.3	12.6
Margins & Profitability (%)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Gross profit margin	21.8	20.4	15.3	7.0	12.0	13.0	14.0	15.0
EBITDA margin	18.9	15.9	10.6	3.5	7.3	8.7	9.7	10.8
EBIT (UBS) margin	18.3	15.3	10.2	3.0	6.7	8.2	9.2	10.3
Net earnings (UBS) margin	7.2	5.9	4.4	2.0	3.1	3.6	4.0	4.5
ROIC (EBIT)	13.2	11.5	6.9	2.0	3.6	4.9	5.7	6.5
ROIC post tax	7.0	7.0	3.3	1.4	2.1	2.8	3.2	3.7
ROE (UBS)	9.2	9.1	6.8	3.1	3.9	4.9	5.3	5.8
Capital structure & Coverage (x)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Net debt / EBITDA	3.2	4.6	6.8	19.9	10.7	7.6	6.1	4.7
Net debt / total equity %	47.1	62.7	57.0	58.3	52.9	47.7	42.4	35.1
Net debt / (net debt + total equity) %	32.0	38.5	36.3	36.8	34.6	32.3	29.8	26.0
Net debt/EV %	40.3	42.0	41.5	46.5	45.6	43.3	40.8	37.4
Capex / depreciation %	NM	NM	82.2	0.0	0.0	0.0	0.0	0.0
Capex / revenue %	2.2	1.5	0.4	0.0	0.0	0.0	0.0	0.0
EBIT / net interest	31.1	39.3	-	NM	-	-	-	-
Dividend cover (UBS)	2.5	2.5	2.7	2.5	2.5	2.5	2.5	2.5
Div. payout ratio (UBS) %	40.0	39.9	36.9	40.0	40.0	40.0	40.0	40.0
Revenues by division (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Property development	54,153	68,728	75,216	81,160	65,451	71,997	71,997	71,997
Property management	1,410	1,841	2,337	2,804	3,365	4,038	4,846	5,815
Property others	1,173	1,522	2,195	2,195	2,195	2,195	2,195	2,195
Property investment	642	325	474	474	474	474	474	474
Others	1	0	0	0	0	0	(1)	(1)
Total	57,379	72,416	80,222	86,633	71,485	78,704	79,511	80,480
EBIT (UBS) by division (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Property development	8,343	10,654	7,056	1,166	3,505	4,976	5,709	6,544
Property others	1,394	136	324	618	359	434	470	421
Property management	329	183	375	450	540	648	778	934
Property investment	412	108	394	394	394	394	394	394
Others	0	0	0	0	0	0	1	(1)
Total	10,478	11,081	8,149	2,628	4,798	6,452	7,352	8,292

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Greentown China Holdings (3900.HK)

Income Statement (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Revenues	100,240	127,153	131,383	127,388	-3.0	115,931	-9.0	114,758	120,091	120,600
Gross profit	18,168	22,021	17,073	10,828	-36.6	13,332	23.1	14,345	16,212	17,487
EBITDA (UBS)	12,045	15,539	10,668	5,663	-46.9	7,385	30.4	8,346	10,277	11,526
Depreciation & amortisation	(617)	(702)	(755)	(755)	0.0	(755)	0.0	(755)	(755)	(755)
EBIT (UBS)	11,428	14,838	9,913	4,908	-50.5	6,630	35.1	7,591	9,522	10,772
Associates & investment income	1,483	1,684	2,165	2,165	0.0	2,165	0.0	2,165	2,165	2,165
Other non-operating income	9	(3,037)	(1,626)	(1,973)	-21.3	(1,973)	0.0	(1,973)	(1,973)	(1,973)
Net interest	(364)	(228)	(727)	(2,076)	-185.5	(2,320)	-11.8	(2,486)	(2,684)	(2,890)
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	12,555	13,256	9,725	3,024	-68.9	4,502	48.9	5,297	7,030	8,074
Tax	(4,868)	(4,361)	(3,047)	(279)	90.8	(760)	-172.0	(1,018)	(1,581)	(1,921)
Profit after tax	7,687	8,895	6,678	2,745	-58.9	3,743	36.4	4,279	5,449	6,154
Preference dividends	(1,214)	(172)	(26)	0	-	0	-	0	0	0
Minorities	(3,218)	(6,139)	(3,560)	(1,098)	69.2	(1,497)	-36.4	(1,712)	(2,179)	(2,461)
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	3,255	2,584	3,092	1,647	-46.7	2,246	36.4	2,567	3,269	3,692
Net earnings (UBS)	3,255	2,584	3,092	1,647	-46.7	2,246	36.4	2,567	3,269	3,692
Tax rate (%)	38.8	32.9	31.3	9.2	-70.5	16.9	82.7	19.2	22.5	23.8
Per Share (Rmb)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
EPS (UBS, diluted)	1.30	1.02	1.22	0.65	-46.7	0.89	36.4	1.01	1.29	1.46
EPS (local GAAP, diluted)	1.30	1.02	1.22	0.65	-46.7	0.89	36.4	1.01	1.29	1.46
EPS (UBS, basic)	1.31	1.03	1.22	0.65	-46.7	0.89	36.4	1.01	1.29	1.46
DPS (net) (HK\$)	0.46	0.50	0.43	0.20	-54.6	0.27	36.4	0.30	0.39	0.44
Cash EPS (UBS, diluted) ¹	1.55	1.30	1.52	0.95	-37.6	1.18	24.9	1.31	1.59	1.76
Book value per share	13.91	14.23	14.27	14.72	3.2	15.35	4.2	16.06	16.96	17.98
Average shares (diluted)	2,501	2,536	2,533	2,533	0.0	2,533	0.0	2,533	2,533	2,533
Balance Sheet (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Cash and equivalents	71,496	70,394	73,445	69,291	-5.7	65,644	-5.3	70,068	78,878	88,183
Other current assets	386,759	391,977	390,281	401,520	2.9	426,367	6.2	453,068	475,735	498,515
Total current assets	458,254	462,371	463,725	470,811	1.5	492,010	4.5	523,136	554,612	586,698
Net tangible fixed assets	10,221	9,614	10,823	10,068	-7.0	9,313	-7.5	8,558	7,803	7,048
Net intangible fixed assets	909	1,570	1,553	1,553	0.0	1,553	0.0	1,553	1,553	1,553
Investments / other assets	51,660	61,522	59,435	59,627	0.3	59,820	0.3	60,012	60,204	60,396
Total assets	521,044	535,077	535,537	542,060	1.2	562,696	3.8	593,259	624,172	655,695
Trade payables & other ST liabilities	280,340	279,596	270,701	261,247	-3.5	274,195	5.0	288,664	298,224	307,784
Short term debt	32,050	25,158	32,547	50,763	56.0	34,829	-31.4	26,230	26,167	29,525
Total current liabilities	312,390	304,754	303,248	312,009	2.9	309,025	-1.0	314,894	324,391	337,309
Long term debt	91,779	112,273	113,595	109,106	-4.0	129,658	18.8	150,843	167,791	181,349
Other long term liabilities	9,229	6,637	4,759	4,759	0.0	4,759	0.0	4,759	4,759	4,759
Preferred shares	10,758	1,527	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	424,156	425,191	421,602	425,874	1.0	443,441	4.1	470,495	496,940	523,417
Common s/h equity	34,679	36,024	36,130	37,283	3.2	38,855	4.2	40,653	42,941	45,526
Minority interests	62,208	73,862	77,805	78,903	1.4	80,400	1.9	82,111	84,291	86,752
Total liabilities & equity	521,044	535,077	535,537	542,060	1.2	562,696	3.8	593,259	624,172	655,695
Cash Flow (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Net income (before pref divs)	4,469	2,756	3,118	1,647	-47.2	2,246	36.4	2,567	3,269	3,692
Depreciation & amortisation	617	702	755	755	0.0	755	0.0	755	755	755
Net change in working capital	1,635	3,865	17,967	(20,694)	-	(11,898)	42.5	(12,233)	(13,107)	(13,220)
Other operating	(6,663)	1,492	(5,365)	906	-	1,305	44.1	1,519	1,987	2,269
Operating cash flow	59	8,815	16,474	(17,386)	-	(7,593)	56.3	(7,391)	(7,095)	(6,504)
Tangible capital expenditure	(1,066)	(2,052)	(1,184)	0	-	0	-	0	0	0
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	(31)	490	3,793	0	-	0	-	0	0	0
Other investing	(31,909)	(21,886)	(26,856)	0	-	0	-	0	0	0
Investing cash flow	(33,006)	(23,448)	(24,247)	0	-	0	-	0	0	0
Equity dividends paid	(3,047)	(2,631)	(2,736)	(494)	81.9	(673)	-36.4	(770)	(980)	(1,107)
Share issues / (buybacks)	(10,810)	(9,029)	(1,553)	0	-	0	-	0	0	0
Other financing	41,653	14,836	12,760	0	-	0	-	0	0	0
Change in debt & pref shares	6,525	13,601	8,711	13,727	57.6	4,619	-66.4	12,585	16,885	16,916
Financing cash flow	34,321	16,778	17,183	13,233	-23.0	3,945	-70.2	11,815	15,905	15,809
Cash flow inc/(dec) in cash	1,374	2,145	9,410	(4,154)	-	(3,647)	12.2	4,425	8,809	9,305
FX / non cash items	4,918	(3,246)	(6,359)	0	-	0	-40.9	0	0	0
Balance sheet inc/(dec) in cash	6,293	(1,102)	3,050	(4,154)	-	(3,647)	12.2	4,425	8,809	9,305

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.¹ Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Valuation (x)								
P/E (local GAAP, diluted)	6.8	11.5	6.7	17.6	13.0	11.4	8.9	7.9
P/E (UBS, diluted)	6.8	11.5	6.7	17.6	13.0	11.4	8.9	7.9
P/CEPS	5.7	8.9	5.4	12.0	9.7	8.8	7.3	6.6
Equity FCF (UBS) yield %	(4.6)	23.1	73.8	(60.1)	(26.0)	(25.3)	(24.3)	(22.3)
Dividend yield (net) %	4.3	3.7	4.8	1.6	2.1	2.5	3.1	3.5
P/BV	0.6	0.8	0.6	0.8	0.8	0.7	0.7	0.6
EV/revenues (core)	1.0	0.9	1.0	1.2	1.4	1.5	1.5	1.4
EV/EBITDA (UBS core)	8.3	7.7	11.9	25.9	21.5	20.0	17.0	15.1
EV/EBIT (core)	8.7	8.1	12.8	29.9	24.0	21.9	18.3	16.2
EV/OpFCF (core)	8.3	7.7	11.9	25.9	21.5	20.0	17.0	15.1
EV/op. invested capital	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Enterprise value (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Market cap.	22,102	29,399	20,671	29,197	29,197	29,197	29,197	29,197
Net debt (cash)	67,906	65,828	70,630	81,637	94,710	102,924	111,042	111,042
Buy out of minorities	46,978	68,035	75,834	78,354	79,651	81,255	83,201	85,521
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	136,986	163,262	167,135	189,188	203,559	213,377	223,440	225,761
Non core assets	(37,414)	(43,539)	(40,324)	(42,489)	(44,654)	(46,819)	(48,983)	(51,148)
Core enterprise value	99,572	119,723	126,811	146,699	158,905	166,558	174,457	174,613
Growth (%)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Revenue	52.4	26.8	3.3	(3.0)	(9.0)	(1.0)	4.6	0.4
EBITDA (UBS)	14.5	29.0	(31.3)	(46.9)	30.4	13.0	23.1	12.2
EBIT (UBS)	15.0	29.8	(33.2)	(50.5)	35.1	14.5	25.4	13.1
EPS (UBS, diluted)	24.7	(21.7)	19.8	(46.7)	36.4	14.3	27.3	12.9
Net DPS	31.4	8.7	(14.0)	(54.6)	36.4	14.3	27.3	12.9
Margins & Profitability (%)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Gross profit margin	18.1	17.3	13.0	8.5	11.5	12.5	13.5	14.5
EBITDA margin	12.0	12.2	8.1	4.4	6.4	7.3	8.6	9.6
EBIT (UBS) margin	11.4	11.7	7.5	3.9	5.7	6.6	7.9	8.9
Net earnings (UBS) margin	3.2	2.0	2.4	1.3	1.9	2.2	2.7	3.1
ROIC (EBIT)	9.7	11.5	7.1	3.2	3.9	4.3	5.1	5.4
ROIC post tax	5.5	7.2	4.2	2.1	2.7	2.9	3.4	3.7
ROE (UBS)	9.7	7.3	8.6	4.5	5.9	6.5	7.8	8.3
Capital structure & Coverage (x)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Net debt / EBITDA	5.2	4.4	6.8	16.0	13.4	12.8	11.2	10.6
Net debt / total equity %	65.1	62.4	63.8	78.0	82.9	87.2	90.4	92.8
Net debt / (net debt + total equity) %	39.4	38.4	39.0	43.8	45.3	46.6	47.5	48.1
Net debt/EV %	49.6	40.3	42.3	43.2	46.5	48.2	49.7	52.7
Capex / depreciation %	172.6	NM	156.8	0.0	0.0	0.0	0.0	0.0
Capex / revenue %	1.1	1.6	0.9	0.0	0.0	0.0	0.0	0.0
EBIT / net interest	35.4	72.3	16.6	3.4	3.8	3.9	4.4	4.5
Dividend cover (UBS)	3.4	2.4	3.1	3.6	3.6	3.6	3.6	3.6
Div. payout ratio (UBS) %	29.2	41.8	31.9	28.0	28.0	28.0	28.0	27.8
Revenues by division (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Others	100,240	127,153	131,383	127,388	115,931	114,758	120,091	120,600
Total	100,240	127,153	131,383	127,388	115,931	114,758	120,091	120,600
EBIT (UBS) by division (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Others	11,428	14,838	9,913	4,908	6,630	7,591	9,522	10,772
Total	11,428	14,838	9,913	4,908	6,630	7,591	9,522	10,772

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

C&D International Investment Group (1908.HK)

Income Statement (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Revenues	54,565	99,636	134,430	135,420	0.7	127,535	-5.8	116,883	123,944	126,271
Gross profit	9,079	15,219	14,916	13,672	-8.3	14,151	3.5	14,723	16,232	17,168
EBITDA (UBS)	5,610	8,086	7,985	7,698	-3.6	8,126	5.6	8,697	10,206	11,142
Depreciation & amortisation	(76)	(119)	(151)	(151)	0.0	(151)	0.0	(151)	(151)	(151)
EBIT (UBS)	5,533	7,967	7,834	7,547	-3.7	7,975	5.7	8,546	10,055	10,991
Associates & investment income	447	1,012	381	305	-20.0	244	-20.0	195	156	125
Other non-operating income	0	0	0	0	-	0	-	0	0	0
Net interest	(65)	(96)	649	268	-58.7	231	-13.8	270	301	359
Exceptionals (incl goodwill)	0	0	0	0	-	0	-	0	0	0
Pre-tax profit	5,915	8,883	8,864	8,120	-8.4	8,449	4.1	9,011	10,512	11,475
Tax	(1,705)	(2,923)	(2,247)	(1,884)	16.2	(1,978)	-5.0	(2,126)	(2,497)	(2,737)
Profit after tax	4,210	5,959	6,616	6,235	-5.8	6,471	3.8	6,886	8,015	8,739
Preference dividends	(345)	(714)	(696)	(696)	0.0	(696)	0.0	(696)	(696)	(696)
Minorities	(596)	(628)	(1,301)	(1,247)	4.1	(1,294)	-3.8	(1,377)	(1,603)	(1,748)
Extraordinary items	(61)	(397)	(281)	0	-	0	-	0	0	0
Net earnings (local GAAP)	3,207	4,220	4,339	4,293	-1.1	4,481	4.4	4,813	5,716	6,295
Net earnings (UBS)	3,269	4,618	4,620	4,293	-7.1	4,481	4.4	4,813	5,716	6,295
Tax rate (%)	28.8	32.9	25.4	23.2	-8.5	23.4	0.9	23.6	23.8	23.8
Per Share (Rmb)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
EPS (UBS, diluted)	2.43	2.85	2.52	2.08	-17.5	2.17	4.4	2.33	2.77	3.05
EPS (local GAAP, diluted)	2.38	2.60	2.37	2.08	-12.2	2.17	4.4	2.33	2.77	3.05
EPS (UBS, basic)	2.49	3.10	2.78	2.26	-18.5	2.36	4.4	2.54	3.02	3.32
DPS (net) (HK\$)	2.30	1.30	1.30	1.30	0.0	1.30	0.0	1.30	1.30	1.30
Cash EPS (UBS, diluted) ¹	2.49	2.92	2.60	2.15	-17.3	2.24	4.2	2.40	2.84	3.12
Book value per share	9.04	9.86	11.32	12.42	9.7	13.57	9.3	14.82	16.33	18.02
Average shares (diluted)	1,345	1,623	1,832	2,064	12.7	2,064	0.0	2,064	2,064	2,064
Balance Sheet (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Cash and equivalents	48,351	50,280	54,161	49,862	-7.9	52,481	5.3	57,136	63,283	70,629
Other current assets	276,607	312,411	337,099	324,273	-3.8	320,425	-1.2	328,288	331,206	333,388
Total current assets	324,959	362,691	391,260	374,134	-4.4	372,905	-0.3	385,424	394,488	404,017
Net tangible fixed assets	1,966	1,946	2,415	2,389	-1.1	2,364	-1.1	2,338	2,313	2,287
Net intangible fixed assets	692	739	733	733	0.0	733	0.0	733	733	733
Investments / other assets	18,470	28,087	32,869	33,174	0.9	33,418	0.7	33,613	33,769	33,893
Total assets	346,086	393,463	427,278	410,430	-3.9	409,420	-0.2	422,107	431,303	440,930
Trade payables & other ST liabilities	201,538	223,643	254,938	227,133	-10.9	218,669	-3.7	222,372	220,891	219,410
Short term debt	4,859	5,890	5,922	15,064	154.4	11,904	-21.0	9,498	9,583	10,858
Total current liabilities	206,397	229,534	260,860	242,197	-7.2	230,572	-4.8	231,869	230,474	230,267
Long term debt	74,445	83,448	73,984	72,473	-2.0	79,608	9.8	87,252	93,367	98,260
Other long term liabilities	977	1,061	1,495	1,495	0.0	1,495	0.0	1,495	1,495	1,495
Preferred shares	14,500	14,500	12,000	12,000	0.0	12,000	0.0	12,000	12,000	12,000
Total liabilities (incl pref shares)	296,320	328,543	348,339	328,164	-5.8	323,675	-1.4	332,616	337,336	342,021
Common s/h equity	12,452	17,137	21,456	23,537	9.7	25,721	9.3	28,091	30,963	34,157
Minority interests	37,315	47,783	57,482	58,729	2.2	60,024	2.2	61,401	63,004	64,751
Total liabilities & equity	346,086	393,463	427,278	410,430	-3.9	409,420	-0.2	422,107	431,303	440,930
Cash Flow (Rmbm)	12/21	12/22	12/23	12/24E	%ch	12/25E	%ch	12/26E	12/27E	12/28E
Net income (before pref divs)	3,553	4,934	5,035	4,988	-0.9	5,177	3.8	5,508	6,412	6,991
Depreciation & amortisation	76	119	151	151	0.0	151	0.0	151	151	151
Net change in working capital	6,632	(2,548)	19,567	(14,979)	-	(4,616)	69.2	(4,161)	(4,399)	(3,663)
Other operating	(5,053)	(3,403)	(3,217)	247	-	355	43.8	487	751	927
Operating cash flow	5,209	(899)	21,536	(9,593)	-	1,066	-	1,985	2,915	4,406
Tangible capital expenditure	(101)	(107)	(126)	(125)	0.5	(125)	0.0	(125)	(125)	(125)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) & disposals	(328)	(398)	388	0	-	0	-	0	0	0
Other investing	(21,460)	(17,980)	(9,842)	0	-	0	-	0	0	0
Investing cash flow	(21,888)	(18,485)	(9,580)	(125)	98.7	(125)	0.0	(125)	(125)	(125)
Equity dividends paid	(636)	(1,781)	(1,567)	(2,213)	-41.2	(2,296)	-3.8	(2,443)	(2,844)	(3,101)
Share issues / (buybacks)	22,375	13,435	6,778	0	-	0	-	0	0	0
Other financing	(2,023)	4,443	(5,770)	0	100.0	0	0.0	0	0	0
Change in debt & pref shares	14,873	(9)	(9,582)	7,631	-	3,974	-47.9	5,239	6,201	6,167
Financing cash flow	34,590	16,088	(10,140)	5,418	-	1,678	-69.0	2,795	3,357	3,066
Cash flow inc/(dec) in cash	17,910	(3,296)	1,816	(4,300)	-	2,619	-	4,655	6,147	7,347
FX / non cash items	1,542	5,224	2,065	0	-100.0	0	-	0	0	0
Balance sheet inc/(dec) in cash	19,452	1,929	3,881	(4,300)	-	2,619	-	4,655	6,147	7,347

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.¹ Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Valuation (x)								
P/E (local GAAP, diluted)	5.1	5.9	8.0	6.9	6.7	6.2	5.2	4.8
P/E (UBS, diluted)	5.0	5.3	7.5	6.9	6.7	6.2	5.2	4.8
P/CEPS	4.7	4.8	6.6	6.1	6.0	5.5	4.7	4.3
Equity FCF (UBS) yield %	33.8	(4.4)	63.2	(33.5)	3.2	6.3	9.5	14.6
Dividend yield (net) %	15.8	7.3	6.2	8.3	8.3	8.3	8.3	8.3
P/BV	1.3	1.6	1.7	1.2	1.1	1.0	0.9	0.8
EV/revenues (core)	1.3	0.9	0.8	0.8	0.9	1.0	0.9	0.9
EV/EBITDA (UBS core)	12.2	11.5	13.3	13.6	13.9	13.2	11.4	10.5
EV/EBIT (core)	12.3	11.7	13.6	13.9	14.1	13.4	11.6	10.7
EV/OpFCF (core)	12.2	11.5	13.3	13.6	13.9	13.2	11.4	10.5
EV/op. invested capital	1.0	1.0	1.1	1.1	1.0	1.0	1.0	1.0
Enterprise value (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Market cap.	15,108	23,043	33,828	29,311	29,311	29,311	29,311	29,311
Net debt (cash)	38,635	49,506	45,651	43,710	50,353	51,322	51,641	51,078
Buy out of minorities	28,562	42,549	52,633	58,106	59,377	60,712	62,202	63,878
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	82,305	115,097	132,112	131,126	139,040	141,345	143,154	144,266
Non core assets	(14,001)	(22,148)	(25,750)	(26,054)	(26,298)	(26,493)	(26,649)	(26,774)
Core enterprise value	68,303	92,950	106,362	105,072	112,742	114,852	116,505	117,493
Growth (%)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Revenue	27.7	82.6	34.9	0.7	(5.8)	(8.4)	6.0	1.9
EBITDA (UBS)	4.0	44.1	(1.3)	(3.6)	5.6	7.0	17.4	9.2
EBIT (UBS)	3.9	44.0	(1.7)	(3.7)	5.7	7.2	17.7	9.3
EPS (UBS, diluted)	25.8	17.1	(11.4)	(17.5)	4.4	7.4	18.8	10.1
Net DPS	-	(43.5)	0.0	0.0	0.0	0.0	0.0	0.0
Margins & Profitability (%)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Gross profit margin	16.6	15.3	11.1	10.1	11.1	12.6	13.1	13.6
EBITDA margin	10.3	8.1	5.9	5.7	6.4	7.4	8.2	8.8
EBIT (UBS) margin	10.1	8.0	5.8	5.6	6.3	7.3	8.1	8.7
Net earnings (UBS) margin	6.0	4.6	3.4	3.2	3.5	4.1	4.6	5.0
ROIC (EBIT)	8.2	9.0	8.4	7.7	7.4	7.6	8.6	9.1
ROIC post tax	5.7	5.6	6.1	5.8	5.6	5.8	6.5	6.9
ROE (UBS)	31.3	31.2	23.9	19.1	18.2	17.9	19.4	19.3
Capital structure & Coverage (x)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Net debt / EBITDA	8.1	6.6	4.7	6.5	6.3	5.9	5.1	4.5
Net debt / total equity %	91.3	82.5	47.8	60.4	59.5	57.7	55.0	51.0
Net debt / (net debt + total equity) %	47.7	45.2	32.3	37.6	37.3	36.6	35.5	33.8
Net debt/EV %	46.9	43.0	34.6	33.3	36.2	36.3	36.1	35.4
Capex / depreciation %	131.6	90.0	83.4	83.0	83.0	83.0	83.0	83.0
Capex / revenue %	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EBIT / net interest	NM	NM	-	-	-	-	-	-
Dividend cover (UBS)	1.3	2.8	2.4	1.9	2.0	2.1	2.5	2.7
Div. payout ratio (UBS) %	76.5	36.0	42.3	53.2	51.2	47.6	40.1	36.4
Revenues by division (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Others	54,565	99,636	134,430	135,420	127,535	116,883	123,944	126,271
Total	54,565	99,636	134,430	135,420	127,535	116,883	123,944	126,271
EBIT (UBS) by division (Rmbm)	12/21	12/22	12/23	12/24E	12/25E	12/26E	12/27E	12/28E
Others	5,533	7,967	7,834	7,547	7,975	8,546	10,055	10,991
Total	5,533	7,967	7,834	7,547	7,975	8,546	10,055	10,991

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

UBS Evidence Lab is a sell-side team of experts that work across numerous specialized labs creating insight-ready datasets. The experts turn data into evidence by applying a combination of tools and techniques to harvest, cleanse, and connect billions of data items each month. Since 2014, UBS Global Research analysts have utilized the expertise of UBS Evidence Lab for insight-ready datasets on companies, sectors, and themes, resulting in the production of thousands of differentiated UBS Global Research reports. UBS Evidence Lab does not provide investment recommendations or advice but provides insight-ready datasets for further analysis by UBS Global Research and by clients. All published UBS Evidence Lab content is available via UBS Neo. The amount and type of content available may vary. Please contact your UBS sales representative if you wish to discuss access.

UBS Evidence lab aggregates secondary housing pricing data and listing data sourced from real estate portals in China into a proprietary data warehouse. This report leverages the following UBS Evidence Lab asset: China Secondary Housing Monitor - Pricing and Listing. Each week, thousands of listings are ingested, geocoded and run through a series of data validation checks to flag incomplete and inaccurate listings before pricing calculations are run across key metrics.

Valuation Method and Risk Statement

We base our valuations of China's property developers on PE or P/BV multiples.

We believe key downside risks related to the Chinese property market include: 1) government administrative policies that restrict demand and mortgage lending; 2) tight financing for China's developers; 3) lower-than-expected residential growth in China's economy.

We believe key upside risks include: 1) material policy loosening that effectively boosts residential property sales, investments and prices to positive YoY growth; 2) large-scale asset disposals at fair prices by some developers to ease liquidity pressures.

Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at <https://neo.ubs.com/quantitative>, or contact your UBS sales representative for access to the report or the Quantitative Research Team on qa@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

Yuexiu Property

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	4
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	4
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	4
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	N/A
11. What is the catalyst?	

C&D International Investment Group

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	4
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	4
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	4
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	3
7. What's driving the difference?	

Question	Response
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	N/A
11. What is the catalyst?	

Greentown China Holdings

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	3
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	4
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	1
5. What's driving the difference?	Larger-than-expected inventory impairment
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of:(1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	2
7. What's driving the difference?	Larger-than-expected inventory impairment
8. Is there an upcoming catalyst for the company over the next three months?	No Catalyst
9. Is there an actual or approximate date for the catalyst?	
10. Is the catalyst date an actual or approximate date?	
11. What is the catalyst?	

Required Disclosures

This document has been prepared by UBS Securities Asia Limited, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates, including former Credit Suisse AG and its subsidiaries, branches and affiliates are referred to herein as "UBS".

For information on the ways in which UBS manages conflicts and maintains independence of its UBS Global Research product; historical performance information; certain additional disclosures concerning UBS Global Research recommendations; and terms and conditions for certain third party data used in research report, please visit <https://www.ubs.com/disclosures>. Unless otherwise indicated, information and data in this report are based on company disclosures including but not limited to annual, interim, quarterly reports and other company announcements. The figures contained in performance charts refer to the past; past performance is not a reliable indicator of future results. Additional information will be made available upon request. UBS Securities Co. Limited is licensed to conduct securities investment consultancy businesses by the China Securities Regulatory Commission. UBS acts or may act as principal in the debt securities (or in related derivatives) that may be the subject of this report. This recommendation was finalized on: 11 March 2025 08:13 PM GMT. UBS has designated certain UBS Global Research department members as Derivatives Research Analysts where those department members publish research principally on the analysis of the price or market for a derivative, and provide information reasonably sufficient upon which to base a decision to enter into a derivatives transaction. Where Derivatives Research Analysts co-author research reports with Equity Research Analysts or Economists, the Derivatives Research Analyst is responsible for the derivatives investment views, forecasts, and/or recommendations. **Quantitative Research Review:** UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For the latest responses, please see the Quantitative Research Review Addendum at the back of this report, where applicable. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at <https://neo.ubs.com/quantitative>, or contact your UBS sales representative for access to the report or the Quantitative Research Team on qa@ubs.com. A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research team on the email above.

Analyst Certification:

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner, including with respect to UBS, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

UBS Global Research: Global Equity Rating Definitions

12-Month Rating	Definition	Coverage ¹	IB Services ²
Buy	FSR is > 6% above the MRA.	51%	24%
Neutral	FSR is between -6% and 6% of the MRA.	41%	20%
Sell	FSR is > 6% below the MRA.	8%	22%
Short-Term Rating	Definition	Coverage ³	IB Services ⁴
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 31 December 2024.

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category.

4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

KEY DEFINITIONS: **Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months. In some cases, this yield may be based on accrued dividends. **Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium). **Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation. **Short-Term Ratings** reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case. **Equity Price Targets** have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES: **UK and European Investment Fund ratings and definitions are:** **Buy:** Positive on factors such as structure, management, performance record, discount; **Neutral:** Neutral on factors such as structure, management, performance record, discount; **Sell:** Negative on factors such as structure, management, performance record, discount. **Core Banding Exceptions (CBE):** Exceptions to the standard +/-6% bands may be granted by the Investment Review Consultation (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

Research analysts contributing to this report who are employed by any non-US affiliate of UBS Securities LLC are not registered/qualified as research analysts with FINRA. Such analysts may not be associated persons of UBS Securities LLC and therefore are not subject to the FINRA restrictions on communications with a subject company, public appearances, and trading securities held by a research analyst account. The name of each affiliate and analyst employed by that affiliate contributing to this report, if any, follows.

UBS AG Hong Kong Branch: Hazel Tan, PhD, John Lam, CFA, Mark Leung, Vera Gong, CFA. **UBS Securities Co. Limited:** Jessica Han, CFA, ACCA.

Company Disclosures

Company Name	Reuters	12-month rating	Price	Price date
C&D International Investment Group ²⁸	1908.HK	Buy	HK\$15.38	11 Mar 2025
China Vanke ^{4,18}	000002.SZ	Sell	Rmb7.43	11 Mar 2025
China Vanke - H ^{4,18}	2202.HK	Sell	HK\$6.01	11 Mar 2025
Greentown China Holdings ^{2,5,28}	3900.HK	Buy	HK\$11.82	11 Mar 2025
Kerry Properties ²⁸	0683.HK	Buy	HK\$17.32	11 Mar 2025
Swire Properties	1972.HK	Buy	HK\$16.12	11 Mar 2025
Yuexiu Property	0123.HK	Buy	HK\$5.38	11 Mar 2025

Source: UBS Global Research; LSEG Eikon. All prices as of local market close. Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date.

- 2. UBS has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past 12 months.
- 4. Within the past 12 months, UBS has received compensation for investment banking services from this company/entity or one of its affiliates.
- 5. UBS expects to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.
- 18. Market capitalisation is calculated by multiplying the current share price by the sum of A and H shares.
- 28. UBS holds a long or short position of 0.5% or more of the listed shares of this company.

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report. For a complete set of disclosure statements associated with the companies discussed in this report, including information on valuation and risk, please contact UBS Securities LLC, 1285 Avenue of Americas, New York, NY 10019, USA, Attention: Investment Research.

The Disclaimer relevant to Global Wealth Management clients follows the Global Research Disclaimer. The Disclaimer relevant to Credit Suisse Wealth Management follows the Global Wealth Management Disclaimer.

UBS Global Research Disclaimer

This document has been prepared by UBS Securities Asia Limited, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates, including former Credit Suisse AG and its subsidiaries, branches and affiliates are referred to herein as "UBS".

Any opinions expressed in this document may change without notice and are only current as of the date of publication. Different areas, groups, and personnel within UBS may produce and distribute separate research products independently of each other. For example, research publications from **UBS CIO** are produced by UBS Global Wealth Management. **UBS Global Research** is produced by UBS Investment Bank. Research methodologies and rating systems of each separate research organization may differ, for example, in terms of investment recommendations, investment horizon, model assumptions, and valuation methods. As a consequence, except for certain economic forecasts (for which UBS CIO and UBS Global Research may collaborate), investment recommendations, ratings, price targets, and valuations provided by each of the separate research organizations may be different, or inconsistent. You should refer to each relevant research product for the details as to their methodologies and rating system. Not all clients may have access to all products from every organization. Each research product is subject to the policies and procedures of the organization that produces it.

This document is provided solely to recipients who are expressly authorized by UBS to receive it. If you are not so authorized you must immediately destroy the document.

UBS Global Research is provided to our clients through UBS Neo, and in certain instances, UBS.com and any other system or distribution method specifically identified in one or more communications distributed through UBS Neo or UBS.com (each a system) as an approved means for distributing UBS Global Research. It may also be made available through third party vendors and distributed by UBS and/or third parties via e-mail or alternative electronic means.

All UBS Global Research is available on UBS Neo. Please contact your UBS sales representative if you wish to discuss your access to UBS Neo. Where UBS Global Research refers to "UBS Evidence Lab Inside" or has made use of data provided by UBS Evidence Lab and you would like to access that data please contact your UBS sales representative. UBS Evidence Lab data is available on UBS Neo. The level and types of services provided by UBS Global Research and UBS Evidence Lab to a client may vary depending upon various factors such as a client's individual preferences as to the frequency and manner of receiving communications, a client's risk profile and investment focus and perspective (e.g., market wide, sector specific, long-term, short-term, etc.), the size and scope of the overall client relationship with UBS Global Research and UBS Evidence Lab and legal and regulatory constraints. UBS HOLT is an offering of UBS Global Research. HOLT Lens is a corporate performance platform offering that provides an objective accounting-led framework for comparing and valuing companies and is available to clients of UBS Global Research; for further details and pricing please contact your UBS Sales representative. In particular, HOLT has a variety of warranted prices based on the scenario chosen; please mail UBS Securities LLC, 1285 Avenue of Americas, New York, NY 10019, USA, Attention: Investment Research, if you are interested in the warranted price on a particular company, again subject to commercial considerations. For all other HOLT specific disclaimers, please see <https://www.ubs.com/disclosures>.

When you receive UBS Global Research through a system, your access and/or use of such UBS Global Research is subject to this UBS Global Research Disclaimer and to the UBS Neo Platform Use Agreement (the "Neo Terms") together with any other relevant terms of use governing the applicable System.

When you receive UBS Global Research via a third party vendor, e-mail or other electronic means, you agree that use shall be subject to this UBS Global Research Disclaimer, the Neo Terms and where applicable the UBS Investment Bank terms of business (<https://www.ubs.com/global/en/investment-bank/regulatory.html>) and to UBS's Terms of Use/Disclaimer (<https://www.ubs.com/global/en/legalinfo2/disclaimer.html>). In addition, you consent to UBS processing your personal data and using cookies in accordance with our Privacy Statement (<https://www.ubs.com/global/en/legalinfo2/privacy.html>) and cookie notice (<https://www.ubs.com/global/en/legal/privacy/users.html>).

If you receive UBS Global Research, whether through a System or by any other means, you agree that you shall not copy, revise, amend, create a derivative work, provide to any third party, or in any way commercially exploit any UBS research provided via UBS Global Research or otherwise, and that you shall not extract data from any research or estimates provided to you via UBS Global Research or otherwise, without the prior written consent of UBS.

In certain circumstances (including for example, if you are an academic or a member of the media) you may receive UBS Global Research otherwise than in the capacity of a client of UBS and you understand and agree that (i) the UBS Global Research is provided to you for information purposes only; (ii) for the purposes of receiving it you are not intended to be and will not be treated as a "client" of UBS for any legal or regulatory purpose; (iii) the UBS Global Research must not be relied on or acted upon for any purpose; and (iv) such content is subject to the relevant disclaimers that follow.

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject UBS to any registration or licensing requirement within such jurisdiction.

This document is a general communication and is educational in nature; it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. By providing this document, none of UBS or its representatives has any responsibility or authority to provide or have provided investment advice in a fiduciary capacity or otherwise. Investments involve risks, and investors should exercise prudence and their own judgment in making their investment decisions. None of UBS or its representatives is suggesting that the recipient or any other person take a specific course of action or any action at all. The recipient should carefully read this document in its entirety and not draw inferences or conclusions from the rating alone. By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient. The financial instruments described in the document may not be eligible for sale in all jurisdictions or to certain categories of investors.

Options, structured derivative products and futures (including OTC derivatives) are not suitable for all investors. Trading in these instruments is considered risky and may be appropriate only for sophisticated investors. Prior to buying or selling an option, and for the complete risks relating to options, you must receive a copy of "The Characteristics and Risks of Standardized Options." You may read the document at <https://www.theocc.com/publications/risks/riskchap1.jsp> or ask your salesperson for a copy. Various theoretical explanations of the risks associated with these instruments have been published. Supporting documentation for any claims, comparisons, recommendations, statistics or other technical data will be supplied upon request. Past performance is not necessarily indicative of future results. Transaction costs may be significant in option strategies calling for multiple purchases and sales of options, such as spreads and straddles. Because of the importance of tax considerations to many options transactions, the investor considering options should consult with his/her tax advisor as to how taxes affect the outcome of contemplated options transactions.

Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates or other market conditions. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument referred to in the document. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

UBS notes that no globally accepted framework or definition (legal, regulatory or otherwise) currently exists, nor is there a market consensus as to what constitutes an "ESG" (Environmental, Social or Governance) or an equivalent-label, or as to what precise attributes are required for the Information (as defined below) to be defined as ESG or equivalently-labelled. Any information, data or other content including from a third party source contained, referred to herein or used for whatsoever purpose by UBS or a third party ("Information"), in relation to any actual or potential ESG objective, issue or consideration is not intended to be relied upon for ESG classification, regulatory regime or industry initiative purposes ("ESG Regimes"). Nothing in these materials is intended to convey, suggest or indicate that UBS considers or represents any product, service, person or body mentioned in these materials as meeting or qualifying for any ESG classification, labelling or similar standards that may exist under the ESG Regimes. UBS has not conducted any assessment of compliance with ESG Regimes. Parties are reminded to make their own assessments for these purposes.

The value of any investment or income may go down as well as up, and investors may not get back the full (or any) amount invested. Past performance is not necessarily a guide to future performance. Neither UBS nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the Information.

Prior to making any investment or financial decisions, any recipient of this document or the information should take steps to understand the risk and return of the investment and seek individualized advice from his or her personal financial, legal, tax and other professional advisors that takes into account all the particular facts and circumstances of his or her investment objectives.

Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. There is no representation that any transaction can or could have been effected at those prices, and any prices do not necessarily reflect UBS's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by UBS or any other source may yield substantially different results.

No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in any materials to which this document relates (the "Information"), except with respect to Information concerning UBS. The Information is not intended to be a

complete statement or summary of the securities, markets or developments referred to in the document. UBS does not undertake to update or keep current the information. Any statements contained in this report attributed to a third party represent UBS's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes:

- (i) valuation or accounting purposes;
- (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or
- (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees.

By receiving this document and the information you will be deemed to represent and warrant to UBS that you will not use this document or any of the information for any of the above purposes or otherwise rely upon this document or any of the information.

UBS has policies and procedures, which include, without limitation, independence policies and permanent information barriers, that are intended, and upon which UBS relies, to manage potential conflicts of interest and control the flow of information within divisions of UBS and among its subsidiaries, branches and affiliates. For further information on the ways in which UBS Global Research manages conflicts and maintains independence of its research products, historical performance information and certain additional disclosures concerning UBS Global Research recommendations, please visit <https://www.ubs.com/disclosures>.

UBS Global Research will initiate, update and cease coverage solely at the discretion of UBS Global Research Management, which will also have sole discretion on the timing and frequency of any published research product. The analysis contained in this document is based on numerous assumptions. All material information in relation to published research reports, such as valuation methodology, risk statements, underlying assumptions (including sensitivity analysis of those assumptions), ratings history etc. as required by the Market Abuse Regulation, can be found on UBS Neo. Different assumptions could result in materially different results.

The analyst(s) responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting market information. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS into other areas, units, groups or affiliates of UBS. The compensation of the analyst who prepared this document is determined exclusively by UBS Global Research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues; however, compensation may relate to the revenues of UBS and/or its divisions as a whole, of which investment banking, sales and trading are a part, and UBS as a whole.

For financial instruments admitted to trading on an EU regulated market: UBS (excluding UBS Securities LLC) acts as a market maker or liquidity provider (in accordance with the interpretation of these terms under English law or, if not carried out by UBS in the UK the law of the relevant jurisdiction in which UBS determines it carries out the activity) in the financial instruments of the issuer save that where the activity of liquidity provider is carried out in accordance with the definition given to it by the laws and regulations of any other EU jurisdictions, such information is separately disclosed in this document. For financial instruments admitted to trading on a non-EU regulated market: UBS may act as a market maker save that where this activity is carried out in the US in accordance with the definition given to it by the relevant laws and regulations, such activity will be specifically disclosed in this document. UBS may have issued a warrant the value of which is based on one or more of the financial instruments referred to in the document. UBS and its affiliates and employees may have long or short positions, trade as principal and buy and sell in instruments or derivatives identified herein; such transactions or positions may be inconsistent with the opinions expressed in this document.

Within the past 12 months UBS may have received or provided investment services and activities or ancillary services as per MiFID II which may have given rise to a payment or promise of a payment in relation to these services from or to this company.

United Kingdom: This material is distributed by UBS AG, London Branch to persons who are eligible counterparties or professional clients. UBS AG, London Branch is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. **Europe:** Except as otherwise specified herein, these materials are distributed by UBS Europe SE, a subsidiary of UBS AG, to persons who are eligible counterparties or professional clients (as detailed in the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) Rules and according to MiFID) and are only available to such persons. The information does not apply to, and should not be relied upon by, retail clients. UBS Europe SE is authorised by the European Central Bank (ECB) and regulated by the BaFin and the ECB. **Germany, Luxembourg, the Netherlands, Belgium and Ireland:** Where an analyst of UBS Europe SE has contributed to this document, the document is also deemed to have been prepared by UBS Europe SE. In all cases it is distributed by UBS Europe SE and UBS AG, London Branch. **Turkey:** Distributed by UBS AG, London Branch. No information in this document is provided for the purpose of offering, marketing and sale by any means of any capital market instruments and services in the Republic of Turkey. Therefore, this document may not be considered as an offer made or to be made to residents of the Republic of Turkey. UBS AG, London Branch is not licensed by the Turkish Capital Market Board under the provisions of the Capital Market Law (Law No. 6362). Accordingly, neither this document nor any other offering material related to the instruments/services may be utilized in connection with providing any capital market services to persons within the Republic of Turkey without the prior approval of the Capital Market Board. However, according to article 15 (d) (ii) of the Decree No. 32, there is no restriction on the purchase or sale of the securities abroad by residents of the Republic of Turkey. **Poland:** Distributed by UBS Europe SE (spolka z ograniczoną odpowiedzialnością) Oddział w Polsce. Where an analyst of UBS Europe SE (spolka z ograniczoną odpowiedzialnością) Oddział w Polsce has contributed to this document, the document is also deemed to have been prepared by UBS Europe SE (spolka z ograniczoną odpowiedzialnością) Oddział w Polsce. **Russia:** Prepared and distributed by UBS Bank (OOO). Should not be construed as an individual Investment Recommendation for the purpose of the Russian Law - Federal Law #39-FZ ON THE SECURITIES MARKET Articles 6.1-6.2. **Switzerland:** Distributed by UBS AG to persons who are institutional investors only. UBS AG is regulated by the Swiss Financial Market Supervisory Authority (FINMA). **Italy:** Prepared by UBS Europe SE and distributed by UBS Europe SE and UBS Europe SE, Italy Branch. Where an analyst of UBS Europe SE, Italy Branch has contributed to this document, the document is also deemed to have been prepared by UBS Europe SE, Italy Branch. **France:** Prepared by UBS Europe SE and distributed by UBS Europe SE and UBS Europe SE, France Branch. Where an analyst of UBS Europe SE, France Branch has contributed to this document, the document is also deemed to have been prepared by UBS Europe SE, France Branch. **Spain:** Prepared by UBS Europe SE and distributed by UBS Europe SE and UBS Europe SE, Spain Branch. Where an analyst of UBS Europe SE, Spain Branch has contributed to this document, the document is also deemed to have been prepared by UBS Europe SE, Spain Branch. **Sweden:** Prepared by UBS Europe SE and distributed by UBS Europe SE and UBS Europe SE, Sweden Branch. Where an analyst of UBS Europe SE, Sweden Branch has contributed to this document, the document is also deemed to have been prepared by UBS Europe SE, Sweden Branch. **South Africa:** Distributed by UBS South Africa (Pty) Limited (Registration No. 1995/011140/07), an authorised user of the JSE and an authorised Financial Services Provider (FSP 7328). **Saudi Arabia:** This document has been issued by UBS AG (and/or any of its subsidiaries, branches or affiliates), a public company limited by shares, incorporated in Switzerland with its registered offices at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH-8001 Zurich. This publication has been approved by UBS Saudi Arabia (a subsidiary of UBS AG), a Saudi closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial register number 1010257812 having its registered office at Tatweer Towers, P.O. Box 75724, Riyadh 11588, Kingdom of Saudi Arabia. UBS Saudi Arabia is authorized and regulated by the Capital Market Authority to conduct securities business under license number 08113-37. **UAE / Dubai:** The information distributed by UBS AG Dubai Branch is only intended for Professional Clients and/or Market Counterparties, as classified under the DFSA rulebook. No other person should act upon this material/communication. The information is not for further distribution within the United Arab Emirates. UBS AG Dubai Branch is regulated by the DFSA in the DIFC. UBS Investment Bank is not licensed to provide banking services in the UAE by the Central Bank of the UAE, nor is it licensed by the UAE Securities and Commodities Authority. **Israel:** This Material is distributed by UBS AG, London Branch. UBS Securities Israel Ltd is a licensed Investment Marketer that is supervised by the Israel Securities Authority (ISA). UBS AG, London Branch and its affiliates incorporated outside Israel are not licensed under the Israeli Advisory Law. UBS may engage among others in issuance of Financial Assets or in distribution of Financial Assets of other issuers for fees or other benefits. UBS AG, London Branch and its affiliates may prefer various Financial Assets to which they have or may have an Affiliation (as such term is defined under the Israeli Advisory Law). Nothing in this Material should be considered as investment advice under the Israeli Advisory Law. This Material is being issued only to and/or is directed only at persons who are Eligible Clients within the meaning of the Israeli Advisory Law, and this Material must not be furnished to, relied on or acted upon by any other persons. **United States:** Distributed to US persons by either UBS Securities LLC or by UBS Financial Services Inc., subsidiaries of UBS AG; or by a group, subsidiary or affiliate of UBS AG that is not registered as a US broker-dealer (a "non-US affiliate") to major US institutional investors only. UBS Securities LLC or UBS Financial Services Inc. accepts responsibility for the content of a report prepared by another non-US affiliate when distributed to US persons by UBS Securities LLC or UBS Financial Services Inc. All transactions by a US person in the securities mentioned in this report must be effected through UBS Securities LLC or UBS Financial Services Inc., and not through a non-US affiliate. UBS Securities LLC is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule"), and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule. **Canada:** Distributed by UBS Securities Canada Inc., a registered investment dealer in Canada and a Member-Canadian Investor Protection Fund, or by another affiliate of UBS AG that is registered to conduct business in Canada or is otherwise exempt from registration. **Brazil:** Except as otherwise specified herein, this Material is prepared by UBS Brasil Corretora de Câmbio, Títulos e Valores Mobiliários S.A. (UBS Brasil CCTVM) to persons who are eligible investors residing in Brazil, which are considered to be Professional Investors (Investidores Profissionais), as designated by the applicable regulation, mainly the CVM Resolution No. 30 from the 11th of May 2021 (determines the duty to verify the suitability of products, services and transactions with regards to the client's profile). UBS Brasil CCTVM is a subsidiary of UBS BB Servicos de Assessoria Financeira e Participacoes S.A. ("UBS BB"). UBS BB is an association between UBS AG and Banco do Brasil (through its subsidiary BB – Banco de Investimentos S.A.), of which UBS AG is the majority owner and which provides investment banking services and coverage in Brazil, Argentina, Chile, Paraguay, Peru and Uruguay. UBS Brasil CCTVM is regulated by the Comissão de Valores Mobiliários (CVM) and by the Central Bank of Brazil. Ombudsman: 0800-940-0266/ <https://www.ubs.com.br/pt/ubsbb-investment-bank/ombudsman.html>. UBS may hold relevant financial and commercial interest in relation to the company subject to this Research report. **Hong Kong:** This document is issued by UBS AG (and/or any of its subsidiaries, branches or affiliates), a public company limited by shares, incorporated in Switzerland with its registered offices at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH-8001 Zurich. This publication has been approved by UBS Hong Kong (a subsidiary of UBS AG), a Hong Kong closed joint stock company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China under commercial register number 1010257812 having its registered office at Tatweer Towers, P.O. Box 75724, Riyadh 11588, Kingdom of Saudi Arabia. UBS Hong Kong is authorized and regulated by the Hong Kong Monetary Authority to conduct securities business under license number 08113-37. **Other Jurisdictions:** This document is issued by UBS AG (and/or any of its subsidiaries, branches or affiliates), a public company limited by shares, incorporated in Switzerland with its registered offices at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH-8001 Zurich. This publication has been approved by UBS (a subsidiary of UBS AG), a Swiss closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial register number 1010257812 having its registered office at Tatweer Towers, P.O. Box 75724, Riyadh 11588, Kingdom of Saudi Arabia. UBS (a subsidiary of UBS AG) is authorized and regulated by the Capital Market Authority to conduct securities business under license number 08113-37.

Kong: Distributed by UBS Securities Asia Limited. Please contact local licensed persons of UBS Securities Asia Limited in respect of any matters arising from, or in connection with, the analysis or document. **Singapore:** Distributed by UBS Securities Pte. Ltd. [Co. Reg. No.: 198500648C] or UBS AG, Singapore Branch. Please contact UBS Securities Pte. Ltd., an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110); or UBS AG, Singapore Branch, an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with, the analysis or document. The recipients of this document represent and warrant that they are accredited and institutional investors as defined in the Securities and Futures Act (Cap. 289). **Japan:** Distributed by UBS Securities Japan Co., Ltd. to professional investors (except as otherwise permitted). Where this report has been prepared by UBS Securities Japan Co., Ltd., UBS Securities Japan Co., Ltd. is the author, publisher and distributor of the report. Distributed by UBS AG, Tokyo Branch to Professional Investors (except as otherwise permitted) in relation to foreign exchange and other banking businesses when relevant. **Australia:** Clients of UBS AG: Distributed by UBS AG (ABN 47 088 129 613 and holder of Australian Financial Services License No. 231087). For all other recipients: Distributed by UBS Securities Australia Ltd (ABN 62 008 586 481 and holder of Australian Financial Services License No. 231098). This document contains general information and/or general advice only and does not constitute personal financial product advice. As such, the Information in this document has been prepared without taking into account any investor's objectives, financial situation or needs, and investors should, before acting on the Information, consider the appropriateness of the Information, having regard to their objectives, financial situation and needs. If the Information contained in this document relates to the acquisition, or potential acquisition of a particular financial product by a 'Retail' client as defined by section 761G of the Corporations Act 2001 where a Product Disclosure Statement would be required, the retail client should obtain and consider the Product Disclosure Statement relating to the product before making any decision about whether to acquire the product. **New Zealand:** Distributed by UBS New Zealand Ltd. UBS New Zealand Ltd is not a registered bank in New Zealand. You are being provided with this publication or material because you have indicated to UBS that you are a "wholesale client" within the meaning of section 5C of the Financial Advisers Act 2008 of New Zealand (Permitted Client). This publication or material is not intended for clients who are not Permitted Clients (non-permitted Clients). If you are a non-permitted Client you must not rely on this publication or material. If despite this warning you nevertheless rely on this publication or material, you hereby (i) acknowledge that you may not rely on the content of this publication or material and that any recommendations or opinions in such this publication or material are not made or provided to you, and (ii) to the maximum extent permitted by law (a) indemnify UBS and its associates or related entities (and their respective Directors, officers, agents and Advisors) (each a 'Relevant Person') for any loss, damage, liability or claim any of them may incur or suffer as a result of, or in connection with, your unauthorised reliance on this publication or material and (b) waive any rights or remedies you may have against any Relevant Person for (or in respect of) any loss, damage, liability or claim you may incur or suffer as a result of, or in connection with, your unauthorised reliance on this publication or material. **Korea:** Distributed in Korea by UBS Securities Pte. Ltd., Seoul Branch. This report may have been edited or contributed to from time to time by affiliates of UBS Securities Pte. Ltd., Seoul Branch. This material is intended for professional/institutional clients only and not for distribution to any retail clients. **Malaysia:** This material is authorized to be distributed in Malaysia by UBS Securities Malaysia Sdn. Bhd (Capital Markets Services License No.: CML/A0063/2007). This material is intended for professional/institutional clients only and not for distribution to any retail clients. **India:** Distributed by UBS Securities India Private Ltd. (Corporate Identity Number U67120MH1996PTC097299) 2/F, 3 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai (India) 400051. Phone: +912261556000. It provides brokerage services bearing SEBI Registration Number: INZ000259830; Merchant Banking services bearing SEBI Registration Number: INM000013101; and Research Analyst services bearing SEBI Registration Number: INH000001204. Name of Compliance Officer Mr. Parameshwaran Shivaramakrishnan, Phone : +912261556151, Email : parameshwaran.s@ubs.com, Name of Grievance Officer Parameshwaran Shivaramakrishnan, Phone : +912261556151, Email: ol-ubs-sec-compliance@ubs.com Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. UBS may have debt holdings or positions in the subject Indian company/companies. UBS may have financial interests (e.g. loan/derivative products, rights to or interests in investments, etc.) in the subject Indian company / companies from time to time. Within the past 12 months, UBS may have received compensation for non-investment banking securities-related services and/or non-securities services from the subject Indian company/companies. The subject company/companies may have been a client/clients of UBS during the 12 months preceding the date of distribution of the research report with respect to investment banking and/or non-investment banking securities-related services and/or non-securities services. With regard to information on associates, please refer to the Annual Report at: https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting.html **Taiwan:** Except as otherwise specified herein, this material may not be distributed in Taiwan. Information and material on securities/instruments that are traded in a Taiwan organized exchange is deemed to be issued and distributed by UBS Securities Pte. LTD., Taipei Branch, which is licensed and regulated by Taiwan Financial Supervisory Commission. Save for securities/instruments that are traded in a Taiwan organized exchange, this material should not constitute "recommendation" to clients or recipients in Taiwan for the covered companies or any companies mentioned in this document. No portion of the document may be reproduced or quoted by the press or any other person without authorisation from UBS. **Indonesia:** This report is being distributed by PT UBS Sekuritas Indonesia and is delivered by its licensed employee(s), including marketing/sales person, to its client. PT UBS Sekuritas Indonesia, having its registered office at Sequis Tower Level 22 unit 22-1,Jl.Jend. Sudirman, kav.71, SCBD lot 11B, Jakarta 12190. Indonesia, is a subsidiary company of UBS AG and licensed under Capital Market Law no. 8 year 1995, a holder of broker-dealer and underwriter licenses issued by the Capital Market and Financial Institution Supervisory Agency (now Otoritas Jasa Keuangan/OJK). PT UBS Sekuritas Indonesia is also a member of Indonesia Stock Exchange and supervised by Otoritas Jasa Keuangan (OJK). Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens except in compliance with applicable Indonesian capital market laws and regulations. This report is not an offer of securities in Indonesia and may not be distributed within the territory of the Republic of Indonesia or to Indonesian citizens in circumstance which constitutes an offering within the meaning of Indonesian capital market laws and regulations.

The disclosures contained in research documents produced by UBS AG, London Branch or UBS Europe SE shall be governed by and construed in accordance with English law.

UBS specifically prohibits the redistribution of this document in whole or in part without the written permission of UBS and in any event UBS accepts no liability whatsoever for any redistribution of this document or its contents or the actions of third parties in this respect. Images may depict objects or elements that are protected by third party copyright, trademarks and other intellectual property rights. © UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

Global Wealth Management Disclaimer

You receive this document in your capacity as a client of UBS Global Wealth Management. This publication has been distributed to you by UBS Switzerland AG (regulated by FINMA in Switzerland) or its affiliates ("UBS") with whom you have a banking relationship with. The full name of the distributing affiliate and its competent authority can be found in the country-specific disclaimer at the end of this document.

The date and time of the first dissemination of this publication is the same as the date and time of its publication.

Risk information:

You agree that you shall not copy, revise, amend, create a derivative work, provide to any third party, or in any way commercially exploit any UBS research, and that you shall not extract data from any research or estimates, without the prior written consent of UBS.

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject UBS to any registration or licensing requirement within such jurisdiction.

This document is **for your information only**; it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. By providing this document, none of UBS or its representatives has any responsibility or authority to provide or have provided investment advice in a fiduciary capacity or otherwise. Investments involve risks, and investors should exercise prudence and their own judgment in making their investment decisions. None of UBS or its representatives is suggesting that the recipient or any other person take a specific course of action or any action at all. By receiving this document, the recipient acknowledges and agrees with the intended purpose described above and further disclaims any expectation or belief that the information constitutes investment advice to the recipient or otherwise purports to meet the investment objectives of the recipient. The financial instruments described in the document may not be eligible for sale in all jurisdictions or to certain categories of investors.

Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates or other market conditions. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument referred to in the document. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

The value of any investment or income may go down as well as up, and investors may not get back the full (or any) amount invested. Past performance is not necessarily a guide to future performance. Neither UBS nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the information (as defined below).

Prior to making any investment or financial decisions, any recipient of this document or the information should take steps to understand the risk and return of the investment and seek individualized advice from his or her personal financial, legal, tax and other professional advisors that takes into account all the particular facts and circumstances of his or her investment objectives.

Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. There is no representation that any transaction can or could have been effected at those prices, and any prices do not necessarily reflect UBS's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by UBS or any other source may yield substantially different results.

No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in any materials to which this document relates (the "Information"), except with respect to Information concerning UBS. The Information is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. UBS does not undertake to update or keep current the Information. Any opinions expressed in this document may change without notice and may differ or be contrary to opinions expressed by other business areas or groups, personnel or other representative of UBS. Any statements contained in this report attributed to a third party represent UBS's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. In no circumstances may this document or any of the Information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes: (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees.

By receiving this document and the Information you will be deemed to represent and warrant to UBS that you will not use this document or any of the Information for any of the above purposes or otherwise rely upon this document or any of the Information.

UBS has policies and procedures, which include, without limitation, independence policies and permanent information barriers, that are intended, and upon which UBS relies, to manage potential conflicts of interest and control the flow of information within divisions of UBS (including between Global Wealth Management and UBS Global Research) and among its subsidiaries, branches and affiliates. For further information on the ways in which UBS manages conflicts and maintains independence of its research products, historical performance information and certain additional disclosures concerning UBS research recommendations, please visit <https://www.ubs.com/research-methodology>.

Research will initiate, update and cease coverage solely at the discretion of research management, which will also have sole discretion on the timing and frequency of any published research product. The analysis contained in this document is based on numerous assumptions. Different assumptions could result in materially different results.

The analyst(s) responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting market information. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS into other areas, units, groups or affiliates of UBS. The compensation of the analyst who prepared this document is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues; however, compensation may relate to the revenues of UBS and/or its divisions as a whole, of which investment banking, sales and trading are a part, and UBS's subsidiaries, branches and affiliates as a whole.

For financial instruments admitted to trading on an EU regulated market: UBS AG, its affiliates or subsidiaries (excluding UBS Securities LLC) acts as a market maker or liquidity provider (in accordance with the interpretation of these terms in the UK) in the financial instruments of the issuer save that where the activity of liquidity provider is carried out in accordance with the definition given to it by the laws and regulations of any other EU jurisdictions, such information is separately disclosed in this document. For financial instruments admitted to trading on a non-EU regulated market: UBS may act as a market maker save that where this activity is carried out in the US in accordance with the definition given to it by the relevant laws and regulations, such activity will be specifically disclosed in this document. UBS may have issued a warrant the value of which is based on one or more of the financial instruments referred to in the document. UBS and its affiliates and employees may have long or short positions, trade as principal and buy and sell in instruments or derivatives identified herein; such transactions or positions may be inconsistent with the opinions expressed in this document.

Options and futures are not suitable for all investors, and trading in these instruments is considered risky and may be appropriate only for sophisticated investors. Prior to buying or selling an option, and for the complete risks relating to options, you must receive a copy of "Characteristics and Risks of Standardized Options". You may read the document at <https://www.theocc.com/about/publications/character-risks.jsp> or ask your financial advisor for a copy.

Investing in structured investments involves significant risks. For a detailed discussion of the risks involved in investing in any particular structured investment, you must read the relevant offering materials for that investment. Structured investments are unsecured obligations of a particular issuer with returns linked to the performance of an underlying asset. Depending on the terms of the investment, investors could lose all or a substantial portion of their investment based on the performance of the underlying asset. Investors could also lose their entire investment if the issuer becomes insolvent. UBS does not guarantee in any way the obligations or the financial condition of any issuer or the accuracy of any financial information provided by any issuer. Structured investments are not traditional investments and investing in a structured investment is not equivalent to investing directly in the underlying asset. Structured investments may have limited or no liquidity, and investors should be prepared to hold their investment to maturity. The return of structured investments may be limited by a maximum gain, participation rate or other feature. Structured investments may include call features and, if a structured investment is called early, investors would not earn any further return and may not be able to reinvest in similar investments with similar terms. Structured investments include costs and fees which are generally embedded in the price of the investment. The tax treatment of a structured investment may be complex and may differ from a direct investment in the underlying asset. UBS and its employees do not provide tax advice. Investors should consult their own tax advisor about their own tax situation before investing in any securities.

Important Information About Sustainable Investing Strategies: Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and portfolio construction. Strategies across geographies approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or Sustainable Investing considerations may inhibit the portfolio manager's ability to participate in certain investment opportunities that otherwise would be consistent with its investment objective and other principal investment strategies. The returns on a portfolio incorporating ESG factors or Sustainable Investing considerations may be lower or higher than portfolios where ESG factors, exclusions, or other sustainability issues are not considered by the portfolio manager, and the investment opportunities available to such portfolios may differ.

Within the past 12 months UBS Switzerland AG, its affiliates or subsidiaries may have received or provided investment services and activities or ancillary services as per MiFID II which may have given rise to a payment or promise of a payment in relation to these services from or to this company.

Disclosures: If you require detailed information on disclosures of interest or conflict of interest as required by Market Abuse Regulation please contact the mailbox MAR_disclosure_twopager@ubs.com. Please note that e-mail communication is unsecured.

External Asset Managers / External Financial Consultants: In case this research or publication is provided to an External Asset Manager or an External Financial Consultant, UBS expressly prohibits that it is redistributed by the External Asset Manager or the External Financial Consultant and is made available to their clients and/or third parties.

Australia: This document is provided by UBS Switzerland AG. UBS Switzerland AG does not hold an Australian Financial Services Licence (AFSL) and relies on an exemption to provide financial services to persons in Australia. This document is intended only for distribution to wholesale clients under the Corporations Act 2001 (Cth). UBS Switzerland AG is a related body corporate of UBS AG, Australia Branch and UBS Securities Australia Limited. This document may be distributed to clients by those entities, but it is provided by UBS Switzerland AG and is not provided under any of the other entities' AFSL. The information in this document is general in nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. Each recipient should consider their own objectives, financial situation or needs before acting on the advice and obtain the relevant Product Disclosure Statement (if required) before making any decision whether to acquire any product. In Australia, UBS entities, other than UBS AG, Australia Branch, are not authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Cth.) and their obligations do not represent deposits or other liabilities of UBS AG, Australia Branch. UBS AG, Australia Branch does not guarantee or otherwise provide assurance in respect of the obligations of such UBS entities or the funds. An investor is exposed to investment risk including possible delays in repayment and loss of income and principal invested, as relevant. If you do not wish to receive marketing materials from UBS, please contact your UBS representative or the contact details listed in the Australia Privacy Notice: <https://www.ubs.com/global/en/legal/privacy.html>. Your personal data will be processed in accordance with this notice. **Bahrain:** This report is distributed by UBS AG, Bahrain Branch, authorized and regulated by the Central Bank of Bahrain (CBB) as an Investment Firm Category 2. Related financial services or products are only made available to professional clients and Accredited Investors, as defined by the CBB, and are not intended for any other persons. CBB has not reviewed, nor has it approved, this document or the marketing of any investment vehicle referred to herein in the Kingdom of Bahrain and is not responsible for the performance of any such investment vehicle. UBS AG, Bahrain Branch is located at Level 21, East Tower, Bahrain World Trade Centre, Manama, Kingdom of Bahrain. **Brazil:** This report is only intended for Brazilian residents who are directly purchasing or selling securities in the Brazil capital market through a local authorized institution. **Canada:** The information contained herein is not, and under no circumstances is to be construed as, a prospectus, an advertisement, a public offering, an offer to sell securities described herein, solicitation of an offer to buy securities described herein, in Canada or any province or territory thereof. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada and is not tailored to the needs of the recipient. To the extent that the information contained herein references securities of an issuer incorporated, formed or created under the laws of Canada or a province or territory of Canada, any trades in such securities must be conducted through a dealer registered in Canada or, alternatively, pursuant to a dealer registration exemption. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. In Canada, this publication is distributed by UBS Investment Management Canada Inc. **China:** This report and any

offering material such as term sheet, research report, other product or service documentation or any other information (the "Material") sent with this report was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the material erroneously, UBS asks that you kindly delete it and inform UBS immediately. This report is prepared by UBS Switzerland AG or its offshore subsidiary or affiliate (collectively as "UBS Offshore"). UBS Offshore is an entity incorporated out of China and is not licensed, supervised or regulated in China to carry out banking or securities business. The recipient should not contact the analysts or UBS Offshore which produced this report for advice as they are not licensed to provide securities investment advice in China. UBS Investment Bank (including Research) has its own wholly independent research and views which at times may vary from the views of UBS Global Wealth Management. The recipient should not use this document or otherwise rely on any of the information contained in this report in making investment decisions and UBS takes no responsibility in this regard.

Czech Republic: UBS is not a licensed bank in the Czech Republic and thus is not allowed to provide regulated banking or investment services in the Czech Republic. This communication and/or material is distributed for marketing purposes and constitutes a "Commercial Message" under the laws of Czech Republic in relation to banking and/or investment services. Please notify UBS if you do not wish to receive any further correspondence. **Denmark:** This publication is not intended to constitute a public offer under Danish law. It is distributed only for information purposes to clients of UBS Europe SE, Denmark Branch, filial of UBS Europe SE, with place of business at Sankt Annæ Plads 13, 1250 Copenhagen, Denmark, registered with the Danish Commerce and Companies Agency, under No. 38 17 24 33. UBS Europe SE, Denmark Branch, filial of UBS Europe SE is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the Danish Financial Supervisory Authority (Finanstilsynet), to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin. **Egypt:** Securities or other investment products are not being offered or sold by UBS to the public in Egypt and they have not been and will not be registered with the Egyptian Financial Regulatory Authority (FRA). **France:** This publication is not intended to constitute a public offer under French law, it does not constitute a personal recommendation as it is distributed only for information purposes to clients of UBS Europe SE Succursale de France (a branch of UBS Europe SE), having its registered office at 69 boulevard Haussmann 75008 Paris, registered with the "Registre du Commerce et des Sociétés" of Paris under N°844 425 629. UBS Europe SE Succursale de France is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the French "Autorité de contrôle prudentiel et de résolution" and "Autorité des marchés financiers", to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin. **Germany:** This publication is not intended to constitute a public offer under German law. It is distributed only for information purposes to clients of UBS Europe SE, Germany, with place of business at Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and supervised jointly by the European Central Bank, the German Central Bank (Deutsche Bundesbank) and BaFin, to which this publication has not been submitted for approval. **Hong Kong SAR:** This publication is distributed to clients of UBS AG Hong Kong Branch by UBS AG Hong Kong Branch, a licensed bank under the Hong Kong Banking Ordinance and a registered institution under the Securities and Futures Ordinance. UBS AG Hong Kong Branch is incorporated in Switzerland with limited liability. **India:** Distributed by UBS Securities India Private Ltd. (Corporate Identity Number U67120MH1996PTC097299) 2/F, 3 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai (India) 400051. Phone: +912261556000. It provides brokerage services bearing SEBI Registration Number INZ000259830; Merchant Banking services bearing SEBI Registration Number: INM000013101 and Research Analyst services bearing SEBI Registration Number: INH000001204. Name of Compliance Officer Mr. Parameshwaran Shivaramakrishnan, Phone: +912261556151, Email: parameshwaran.s@ubs.com, Name of Grievance Officer Mr. Parameshwaran Shivaramakrishnan, Phone: +912261556151, Email: pl-ubs-sec-compliance@ubs.com. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. UBS AG, its affiliates or subsidiaries may have debt holdings or positions in the subject Indian company/companies. UBS AG, its affiliates or subsidiaries may have financial interests (e.g. like loan/derivative products, rights to or interests in investments, etc.) in the subject Indian company/companies from time to time. Within the past 12 months, UBS AG, its affiliates or subsidiaries may have received compensation for non-investment banking securities-related services and/or non-securities services from the subject Indian company/companies. The subject company/companies may have been a client/clients of UBS AG, its affiliates or subsidiaries during the 12 months preceding the date of distribution of the research report with respect to investment banking and/or non-investment banking securities-related services and/or non-securities services. With regard to information on associates, please refer to the Annual Report at: https://www.ubs.com/global/en/about_ubs/investor_relations/annualreporting.html. **Indonesia:** This communication and any offering material term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed without the consent of UBS. None of the Material has been registered or filed under the prevailing laws and with any financial or regulatory authority in your jurisdiction. The Material may not have been approved, disapproved, endorsed, registered or filed with any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or products or futures contracts). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including futures contracts) nor is it an offer to buy or to sell any securities or products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you. **Israel:** UBS is a premier global financial firm offering wealth management, asset management and investment banking services from its headquarters in Switzerland and its operations in over 50 countries worldwide to individual, corporate and institutional investors. This publication is intended for information only and is not intended as an offer to buy or solicitation of an offer. Furthermore, this publication is not intended as an investment advice. Nothing contrary to the above, no action has been, or will be, taken in Israel that would permit an offering of the product(s) mentioned in this document or a distribution of this document to the public in Israel. In particular, this document has not been reviewed or approved by the Israeli Securities Authority. The product(s) mentioned in this document is/are being offered to a limited number of sophisticated investors who qualify as one of the investors listed in the first supplement to the Israeli Securities Law, 5728-1968. This document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Anyone who purchases the product(s) mentioned herein shall do so for its own benefit and for its own account and not with the aim or intention of distributing or offering the product(s) to other parties. Anyone who purchases the product(s) shall do so in accordance with its own understanding and discretion and after it has received any relevant financial, legal, business, tax or other advice or opinion required by it in connection with such purchase(s). The word "advice" and/or any of its equivalent terms shall be read and construed in conjunction with the definition of the term "investment marketing" as defined under the Israeli Regulation of Investment Advice, Investment Marketing and Portfolio Management Law. The Swiss laws and regulations require a number of mandatory disclosures to be made in independent financial research reports or recommendations. Pursuant to the Swiss Financial Market Infrastructure Act and the Financial Market Infrastructure Ordinance-FINMA, banks must disclose the percentage of voting rights they hold in companies being researched, if these holdings are equal to or exceed the statutory thresholds. In addition, the Directives on the Independence of Financial Research, issued by the Swiss Bankers Association, mandate a number of disclosures, including the disclosure of potential conflicts of interest, the participation within previous 12 months in any securities issues on behalf of the company being researched, as well as the fact that remuneration paid to the financial analysts is based generally upon the performance of (i) the new issues department or investment banking; or (ii) securities trading performance (including proprietary trading) or sales. **Italy:** This publication is not intended to constitute a public offer under Italian law. It is distributed only for information purposes to clients of UBS Europe SE, Succursale Italia, with place of business at Via del Vecchio Politecnico, 3-20121 Milano. UBS Europe SE, Succursale Italia is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the Bank of Italy (Banca d'Italia) and the Italian Financial Markets Supervisory Authority (CONSOB - Commissione Nazionale per le Società e la Borsa), to which this publication has not been submitted for approval. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea, duly authorized by BaFin. **Jersey:** UBS AG, Jersey Branch, is regulated and authorized by the Jersey Financial Services Commission for the conduct of banking, funds and investment business. Where services are provided from outside Jersey, they will not be covered by the Jersey regulatory regime. UBS AG, Jersey Branch is a branch of UBS AG a public company limited by shares, incorporated in Switzerland whose registered offices are at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH 8001 Zurich. UBS AG, Jersey Branch's principal place of business is 1, IFC Jersey, St Helier, Jersey, JE2 3BX. **Luxembourg:** This publication is not intended to constitute a public offer under Luxembourg law. It is distributed only for information purposes to clients of UBS Europe SE, Luxembourg Branch ("UBS Luxembourg"), R.C.S. Luxembourg n° B209123, with registered office at 33A, Avenue J. F. Kennedy, L-1855 Luxembourg. UBS Europe SE is a credit institution constituted under German law in the form of a Societas Europaea (HRB n° 107046), with registered office at Bockenheimer Landstrasse 2-4, D-60306 Frankfurt am Main, Germany, duly authorized by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin") and subject to the joint prudential supervision of BaFin, the European Central Bank and the central bank of Germany (Deutsche Bundesbank). UBS Luxembourg is furthermore supervised by the Luxembourg prudential supervisory authority (Commission de Surveillance du Secteur Financier), in its role as host member state authority. This publication has not been submitted for approval to any public supervisory authority. **Malaysia:** This communication and any offering material term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved, endorsed, registered or filed with any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or derivatives products). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or derivatives products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in

considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you.

Mexico: This information is distributed by UBS Asesores México, S.A. de C.V. ("UBS Asesores"), an affiliate of UBS Switzerland AG, incorporated as a non-independent investment advisor under the Mexican regulation due to the relation with a Foreign Bank. UBS Asesores is registered under number 30060-001-(14115)-21/06/2016 and subject to the supervision of the Mexican Banking and Securities Commission ("CNBV") exclusively regarding the rendering of (i) portfolio management services, (ii) securities investment advisory services, analysis and issuance of individual investment recommendations, and (iii) anti-money laundering and terrorism financing matters. This UBS publication or any material related thereto is addressed only to Sophisticated or Institutional Investors located in Mexico. Research reports only reflect the views of the analysts responsible for the report. The compensation of the analyst(s) who prepared this report is determined exclusively by research management and senior management of any entity of UBS Group to which such analyst(s) render(s) services.

Monaco: This document is not intended to constitute a public offering or a comparable solicitation under the Principality of Monaco laws, but might be made available for information purposes to clients of UBS (Monaco) S.A., a regulated bank having its registered office at 2 avenue de Grande Bretagne 98000 Monaco operating under a banking license granted by the "Autorité de Contrôle Prudentiel et de Résolution" (ACPR) and the Monegasque government which authorizes the provision of banking services in Monaco. UBS (Monaco) S.A. is also licensed by the "Commission de Contrôle des Activités Financières" (CCAF) to provide investment services in Monaco. The latter has not approved this publication.

Philippines: This communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved, endorsed, registered or filed with any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or derivatives products). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or derivatives products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you.

Portugal: UBS Switzerland AG is not licensed to conduct banking and financial activities in Portugal nor is UBS Switzerland AG supervised by the Portuguese regulators (Bank of Portugal "Banco de Portugal" and Portuguese Securities Exchange Commission "Comissão do Mercado de Valores Mobiliários").

Qatar: UBS Qatar LLC is authorized by the Qatar Financial Centre Regulatory Authority, with QFC no. 01169, and has its registered office at 14th Floor, Burj Alfardan Tower, Building 157, Street No. 301, Area No. 69, Al Majdami, Lusail, Qatar. UBS Qatar LLC neither offers any brokerage services nor executes any order with, for or on behalf of its clients. A client order will have to be placed with, and executed by, UBS Switzerland AG in Switzerland or an affiliate of UBS Switzerland AG, that is domiciled outside Qatar. It is in the sole discretion of UBS Switzerland AG in Switzerland or its affiliate to accept or reject an order and UBS Qatar LLC does not have authority to provide a confirmation in this respect. UBS Qatar LLC may however communicate payment orders and investment instructions to UBS Switzerland AG in Switzerland for receipt, acceptance and execution. UBS Qatar LLC is not authorized to act for and on behalf of UBS Switzerland AG or an affiliate of UBS Switzerland AG. This document and any attachments hereto are intended for eligible counterparties and business customers only.

Russia: This document or information contained therein is for information purposes only and constitutes neither a public nor a private offering, is not an invitation to make offers, to sell, exchange or otherwise transfer any financial instruments in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. The information contained herein is not an "individual investment recommendation" as defined in Federal Law of 22 April 1996 No 39-FZ "On Securities Market" (as amended) and the financial instruments and operations specified herein may not be suitable for your investment profile or your investment goals or expectations. The determination of whether or not such financial instruments and operations are in your interests or are suitable for your investment goals, investment horizon or the acceptable risk level is your responsibility. We assume no liability for any losses connected with making any such operations or investing into any such financial instruments and we do not recommend to use such information as the only source of information for making an investment decision.

Saudi Arabia: UBS Saudi Arabia is authorised and regulated by the Capital Market Authority to conduct securities business under licence number 08113-37.

Singapore: Where applicable, this material is distributed in Singapore by UBS AG, Singapore Branch, which is licensed by the Monetary Authority of Singapore under the Banking Act 1970 to carry on banking business. UBS AG is incorporated in Switzerland with limited liability. UBS AG has a branch registered in Singapore (UEN S98FC5560C). This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (each as defined under the Financial Advisers Regulations (the "FAR")) only. By virtue of your status as an institutional investor, accredited investor, or expert investor, UBS AG is exempted from complying with certain requirements under the Financial Advisers Act 2001 (the "FAA"), the FAR and the relevant Notices and Guidelines issued thereunder, in respect of any financial advisory service which UBS AG may provide to you. These include exemptions from complying with: Section 34 of the FAA (pursuant to Regulation 33(1) of the FAR); Section 36 of the FAA (pursuant to Regulation 34(1) of the FAR); and Section 45 of the FAA (pursuant to Regulation 35(1) of the FAR). Singapore recipients and clients of UBS AG, Singapore Branch should contact UBS AG, Singapore Branch for any matters arising from, or in connection with, this material. Where applicable, this communication and any offering material term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication was done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved or endorsed by any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or products or futures contracts). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you.

Spain: This report is distributed in Spain by UBS AG, Sucursal en España, authorized under number 1460 in the Register by the Banco de España.

Sweden: This publication is not intended to constitute a public offer under Swedish law. It is distributed only for information purposes to clients of UBS Europe SE, Sweden Bankfilial, with place of business at Regeringsgatan 38, 11153 Stockholm, Sweden, registered with the Swedish Companies Registration Office under Reg. No 516406-1011. UBS Europe SE, Sweden Bankfilial is subject to the joint supervision of the European Central Bank, the German Central Bank (Deutsche Bundesbank), the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, "BaFin"), as well as of the Swedish supervisory authority (Finansinspektionen), to which this publication has not been submitted for approval.

Taiwan: This material is provided by UBS AG, Taipei Branch in accordance with laws of Taiwan, in agreement with or at the request of clients/prospects.

Thailand: This communication and any offering material, term sheet, research report, other product or service documentation or any other information (the "Material") sent with this communication were done so as a result of a request received by UBS from you and/or persons entitled to make the request on your behalf. Should you have received the Material erroneously, UBS asks that you kindly delete the e-mail and inform UBS immediately. The Material, where provided, was provided for your information only and is not to be further distributed in whole or in part in or into your jurisdiction without the consent of UBS. The Material may not have been reviewed, approved, disapproved, endorsed, registered or filed with any financial or regulatory authority in your jurisdiction. UBS has not, by virtue of the Material, made available, issued any invitation to subscribe for or to purchase any investment (including securities or derivatives products). The Material is neither an offer nor a solicitation to enter into any transaction or contract (including future contracts) nor is it an offer to buy or to sell any securities or derivatives products. The relevant investments will be subject to restrictions and obligations on transfer as set forth in the Material, and by receiving the Material you undertake to comply fully with such restrictions and obligations. You should carefully study and ensure that you understand and exercise due care and discretion in considering your investment objective, risk appetite and personal circumstances against the risk of the investment. You are advised to seek independent professional advice in case of doubt. Any and all advice provided on and/or trades executed by UBS pursuant to the Material will only have been provided upon your specific request or executed upon your specific instructions, as the case may be, and may be deemed as such by UBS and you.

Türkiye: The information in this document is not provided for the purpose of offering, marketing or sale of any capital market instrument or service in the Republic of Türkiye. Therefore, this document may not be considered as an offer made, or to be made, to residents of the Republic of Türkiye in the Republic of Türkiye. UBS Switzerland AG is not licensed by the Capital Markets Board of Türkiye (the CMB) under the provisions of the Capital Market Law (Law No. 6362). Accordingly, neither this document nor any other offering material related to the instrument/service may be utilized in connection with providing any capital market services to persons within the Republic of Türkiye without the prior approval of the CMB. However, according to article 15 (d) (ii) of the Decree No. 32 residents of the Republic of Türkiye are allowed to purchase or sell the financial instruments traded in financial markets outside of the Republic of Türkiye. Further to this, pursuant to article 9 of the Communiqué on Principles Regarding Investment Services, Activities and Ancillary Services No. III-37.1, investment services provided abroad to residents of the Republic of Türkiye based on their own initiative are not restricted.

United Arab Emirates (UAE) / DIFC: UBS is not a financial institution licensed in the UAE by the Central Bank of the UAE nor by the Emirates' Securities and Commodities Authority and does not undertake banking activities in the UAE. This document is provided for your information only and does not constitute financial advice. DIFC: UBS AG Dubai Branch is licensed by the DFSA in the DIFC. This material is strictly intended for Professional Clients and/or Market Counterparties only as classified under the DFSA rulebook. No other person should act upon this material. The Investment Research is provided for information purposes only and is not a recommendation or offer to buy/sell/hold a particular investment. The investment research may be out of date. You should seek investment advice before acting on the basis of the investment research.

United Kingdom: This document is issued by UBS Wealth Management, a division of UBS AG which is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. In the United Kingdom, UBS AG is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

Authority. Details about the extent of regulation by the Prudential Regulation Authority are available from us on request. A member of the London Stock Exchange. This publication is distributed to retail clients of UBS Wealth Management. **Ukraine:** UBS is not registered and licensed as a bank/financial institution under Ukrainian legislation and does not provide banking and other financial services in Ukraine. UBS has not made, and will not make, any offer of the mentioned products to the public in Ukraine. No action has been taken to authorize an offer of the mentioned products to the public in Ukraine and the distribution of this document shall not constitute financial services for the purposes of the Law of Ukraine "On Financial Services and Financial Companies" dated 14 December 2021. Any offer of the mentioned products shall not constitute an investment advice, public offer, circulation, transfer, safekeeping, holding or custody of securities in the territory of Ukraine. Accordingly, nothing in this document or any other document, information or communication related to the mentioned products shall be interpreted as containing an offer, a public offer or invitation to offer or to a public offer, or solicitation of securities in the territory of Ukraine or investment advice under Ukrainian law. Electronic communication must not be considered as an offer to enter into an electronic agreement or other electronic instrument within the meaning of the Law of Ukraine "On Electronic Commerce" dated 3 September 2015. This document is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. **USA:** Distributed to US persons only by UBS Financial Services Inc. or UBS Securities LLC, subsidiaries of UBS AG. UBS Switzerland AG, UBS Europe SE, UBS Bank, S.A., UBS Brasil Administradora de Valores Mobiliários Ltda., UBS Asesores México, S.A. de C.V., UBS SuMi TRUST Wealth Management Co., Ltd., UBS Wealth Management Israel Ltd. and UBS Menkul Degerler AS are affiliates of UBS AG. **UBS Financial Services Inc. accepts responsibility for the content of a report prepared by a non-US affiliate when it distributes reports to US persons.** All transactions by a US person in the securities mentioned in this report should be effected through a US-registered broker dealer affiliated with UBS, and not through a non-US affiliate. The contents of this report have not been and will not be approved by any securities or investment authority in the United States or elsewhere. UBS Financial Services Inc. is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

Credit Suisse Wealth Management Disclaimer

This disclaimer must be read in conjunction with "Risk Information" and "Important Information About Sustainable Investing Strategies" sections of the Global Wealth Management Disclaimer above. You receive this document in your capacity as a client of Credit Suisse Wealth Management. Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can opt out from receiving these materials at any time by informing your Relationship Manager.

Except as otherwise specified herein and/or depending on the local Credit Suisse entity from which you are receiving this report, this report is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). **Brazil:** This report is distributed in Brazil by Credit Suisse (Brasil) S.A. Corretora de Títulos e Valores Mobiliários or its affiliates ("Credit Suisse"). Pursuant to CVM Resolution No. 20/2021, of February 25, 2021, the author(s) of the report hereby certify(ies) that the views expressed in this report solely and exclusively reflect the personal opinions of the author(s) and have been prepared independently, including with respect to Credit Suisse and other UBS Group entities. Part of the author(s)'s compensation is based on various factors, including the total revenues of the relevant UBS Group entity of which they are in employment of, but no part of the compensation has been, is, or will be related to the specific recommendations or views expressed in this report. In addition, Credit Suisse declares that: Credit Suisse has provided, and/or may in the future provide investment banking, brokerage, asset management, commercial banking and other financial services to the subject company/companies or its affiliates, for which they have received or may receive customary fees and commissions, and which constituted or may constitute relevant financial or commercial interests in relation to the subject company/companies or the subject securities. **France:** This report is distributed by Credit Suisse (Luxembourg) S.A. Succursale en France (the "France branch") which is a branch of Credit Suisse (Luxembourg) S.A., a duly authorized credit institution in the Grand Duchy of Luxembourg with registered address 5, rue Jean Monnet, L-2180 Luxembourg. The France branch is subject to the prudential supervision of the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF), and of the French supervisory authority, the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and of the Autorité des Marchés Financiers. **Italy:** This report is distributed in Italy by Credit Suisse (Italy) S.p.A., a bank incorporated and registered under Italian law subject to the supervision and control of Banca d'Italia and CONSOB. **Japan:** This report is solely distributed in Japan by Credit Suisse Securities (Japan) Limited, Financial Instruments Dealer, Director-General of Kanto Local Finance Bureau (Kinsho) No. 66, a member of the Japan Securities Dealers Association, Financial Futures Association of Japan, Japan Investment Advisers Association, and Type II Financial Instruments Firms Association or UBS SuMi TRUST Wealth Management Co., Ltd, Financial Instruments Dealer, Director-General of Kanto Local Finance Bureau (Kinsho) No. 3233, a member of the Japan Securities Dealers Association, Financial Futures Association of Japan, Japan Investment Advisers Association. Neither Credit Suisse Securities (Japan) Limited nor UBS SuMi TRUST Wealth Management Co., Ltd will distribute or forward this report outside Japan. **Mexico:** This information is distributed by C. Suisse Asesoria México, S.A. de C.V. ("CS Asesores"), an affiliate of UBS Group AG, incorporated as a non-independent investment advisor under the Mexican regulation due to the relation with a Foreign Bank and its indirect relation with Grupo Financiero Credit Suisse (México), S.A. de C.V. CS Asesores is registered under number 30070-001-(14208)-10/10/2016 and subject to the supervision of the Mexican Banking and Securities Commission ("CNBV") exclusively regarding the rendering of (i) portfolio management services, (ii) securities investment advisory services, analysis and issuance of individual investment recommendations, and (iii) anti-money laundering and terrorism financing matters. This publication or any material related thereto is addressed only to Sophisticated or Institutional Investors located in Mexico. Research reports only reflect the views of the analysts responsible for the report. The compensation of the analyst(s) who prepared this report is determined exclusively by research management and senior management of any entity of UBS Group to which such analyst(s) render(s) services. **Qatar:** This information has been distributed by Credit Suisse (Qatar) L.L.C., which is duly authorized and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA) under QFC License No. 00005. All related financial products or services will only be available to Business Customers or Market Counterparties (as defined by the QFCRA), including individuals, who have opted to be classified as a Business Customer, with net assets in excess of QR 4 million, and who have sufficient financial knowledge, experience and understanding to participate in such products and/or services. Therefore this information must not be delivered to, or relied on by, any other type of individual. **Saudi Arabia:** This information is being distributed by Credit Suisse Saudi Arabia (CR Number 1010228645), duly licensed and regulated by the Saudi Arabian Capital Market Authority pursuant to License Number 08104-37 dated 23/03/1429H corresponding to 21/03/2008AD. Credit Suisse Saudi Arabia's principal place of business is at King Khaled Road, Laysen Valley, Building number 6, 12329-2376, Riyadh, Saudi Arabia. Website: <https://www.credit-suisse.com/sa/en/cssa.html>. **South Africa:** This information is being distributed by Credit Suisse (UK) Limited which is registered as a financial services provider with the Financial Sector Conduct Authority in South Africa with FSP number 48779. **Türkiye:** The investment information, comments and recommendations contained herein are not within the scope of investment advisory activity. The investment advisory services are provided by the authorized institutions to the persons in a customized manner taking into account the risk and return preferences of the persons. Whereas, the comments and advices included herein are of general nature. Therefore recommendations may not be suitable for your financial status or risk and yield preferences. For this reason, making an investment decision only by relying on the information given herein may not give rise to results that fit your expectations. This report is distributed by Credit Suisse Istanbul Menkul Degerler Anonim Şirketi, regulated by the Capital Markets Board of Türkiye, with its registered address at Levazim Mahallesi, Koru Sokak No. 2 Zorlu Center Terasevler No. 61 34340 Beşiktaş/ İstanbul-Türkiye. **United Kingdom:** This document is distributed by Credit Suisse (UK) Limited. Credit Suisse (UK) Limited, is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The registered address of Credit Suisse (UK) Limited is 5 Broadgate, London, EC2M 2QS.

© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

