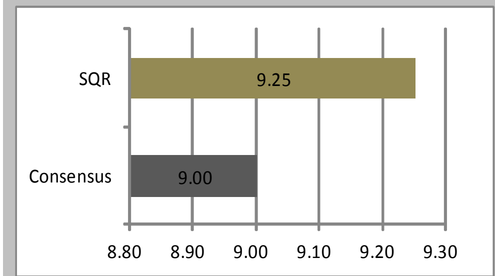
SILVIA QUANDT
RESEARCH GMBH

EUROASIA Premier Real Estate Buy, TP €9.25

Target price decomposition



Stock data/Rating			BUY
Last price	**EUR**	**4.75**	**±**
SQR target	**EUR**	**9.25**	**94.8%**
Consensus target	**EUR**	9.00	
52 week high/low	EUR	8.59	3.90
All-time high/low	EUR	9.10	3.90
Performance	-1month	-3months	ytd
%	0.8%	-1.3%	-4.2%
Current market cap	EUR	52.8	m
Shares out (average)		11.0	m
Free float		11.0	%

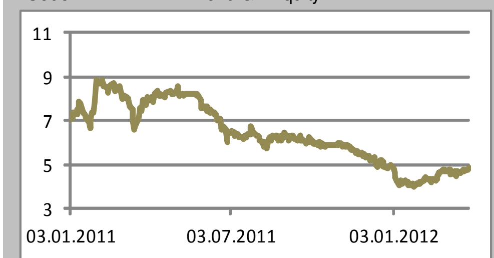
P&L	**2010**	**2011e**	**2012e**
Sales EURm	6,545	20,364	39,318
EBIT margin	9.19%	53.25%	26.49%
Net margin	0.64%	49.59%	26.44%
ROA	4.34%	56.52%	111.39%
ROE	0.21%	28.20%	23.27%
Dividend yield	0.00%	0.00%	0.00%

Bal. Sheet EUR'000	**2010**	**2011e**	**2012e**
Balance Sheet	26,863	46,673	63,261
Investment assets	17,561	19,955	10,000
Cash	19.8	19,446	9,091
Equity	25,076	37,250	47,775
Net debt	1.77	- 10.02	6.40
Enterprise value	54.57	42.78	59.20
NAV	2.28	3.39	4.34

Valuation	**2010**	**2011e**	**2012e**
EV/EBIT	6.51	3.45	4.83
P/E	8.09	4.11	3.88
P/E at SQR target	173.3	8.8	8.3
ROE/ROA	0.05	0.50	0.21

Market data			
Bollinger up/low	EUR	4.83	4.53
MAV 100/200 days	EUR	4.79	5.48
Beta (6 months)		0.38	

Code JT9 GR Equity



Source: Bloomberg

Profitable execution of Weifang projects. EuroAsia delivered !

EuroAsia succeeded in developing and disposing of its Weifang projects. Now, the company will leap forward - geographically and size wise.

EuroAsia (EA) continued to operate profitably: in H1 2011, the company reported revenues of EUR2m and an EBITDA of EUR1m, fully in line with the company's guidance. For the full year, sales/disposals are likely to generate some EUR27m in revenues, mainly from the sale of the Shengapuia estate (EUR12m).

EuroAsia (EA) expanded rapidly in 2010 and 2011, supported by SNI and its founder, X.Sun. As EA's business model is to develop projects alongside the plans of the local government, EA's developments are less risky than typical build-to-sell projects. X.Sun is a highly respected local developer.

EuroAsia (EA) operates in a highly promising 'quasi-niche' market: tier 3 cities. Here the residential price regime is less strict than in Tier1 & 2 cities. In addition, the local growth is higher. EA has successfully developed local residential and commercial projects, but see now new opportunities in the commercial sector, also in tier 1 & 2 cities.

* **Delivering on promises is EA's prime goal**
  In 2011, EA delivered to its promises. All major projects were either sold or developed according to plans. The Agro-machine market Phase 1 is finished.
* **Strong ties to SNI safeguard 2011 results and growth**
  EA's strong ties to SNI – the most respected local developer – remain a stronghold for EA's current success. In the future, EA will operate more independent and in other regions of China.
* **EuroAsia to benefit from good reputation and expanded regional reach**
  Following its success in Weifang, EA will expand into other regions, focusing – as before – on projects supported or initiated by the respective local governments. EA's low risk profile would not be altered significantly.

EuroAsia (EA) is expected to achieve net profits (2011e) of EUR9m and an EBIT of EUR10m. We understand that the company's debt exposure remains low, at almost zero. Based on the EBIT result, the implicit market capitalization based on our long term fair value would lead to an EV of EUR90m and a P/E of 7.5 (pre minorities).

We do not share the view that **EA** needs to trade at a discount to its peers due to lower Tier 1&2 cities exposure. Vanke, China's largest developer, saw its shares up 33% on the back of reduction of down payments to lure 1st time buyers. EA's shares are down 6% ytd. Vanke trades at 10x 2012 EPS.

EuroAsia's shares trade at a cheap 'China developer crisis scenario', while its activities are truly in the 'non crisis' regions.
Starting this year with a negative share price move, the stock offers good upside to our interim target price of EUR6,50 (upside 37%) and later towards our long term fair value of EUR9.25 (upside 93%).

Ralf Groenemeyer, **groenemeyer@silviaquandt.de**

Please inform yourself of important disclosures and disclaimers in the appendix

SILVIA QUANDT
RESEARCH GMBH

Corporate update

EuroAsia is expected to achieve net profits (2011e) of EUR9m on the back of execution of its development projects, sale of assets and re-definition of some of its longer term Weifang region developments. EA operated in 2011 according to plan: despite negative news flow from other regions and developers, EA achieved profit margins as forecast. This underlines EA's low risk business model. In 2012, EA will expand this low-risk development business into other cities and regions.

Since the beginning of 2011, EA was active in generating cash from its development projects. CEO Chan was focusing on cash creation, as business conditions were slightly impaired in most of China, not in Weifang. However, sentiment impaired slightly during the year when the effects of the tightening measures imposed by the PBOC resulted in declining home prices in most of China's Tier 1 and Tier 2 cities. While this resulted in lower turnover, it boosted the 'firepower' of EA to around EUR40m by the end of the year (cash plus approved credit lines).

Development is still a very profitable business in China

Development is still a good business: EA disposed of five projects in the Weifang area, realizing either the appraised value or even a higher value. This suggests that the book values of EA are fully justified. Other developers had to re-assess their asset values. EA business model – which is focusing on low risk - local government oriented – developments proved to be rather set-back immune. In addition, EA acted fast by realizing value early and leaving potential additional profits – correlated to higher risks – to buyers of the assets/development projects.

Cash generation puts EuroAsia into the pole position for further growth

Cash is king: EA suggests that conditions for developers are far from improving, hence cash rich developers can attract the more profitable projects. In some Tier 1 cities, developers lure home buyers by lowering the up-front cash payment from 30% of the purchase price to just 10% - not a risk free option. EA has exited the residential mass market early and focuses on luxury housing (town houses, apartments) in unique locations. On the other side EA is expanding its non-residential activities, which appear to be less volatile in the near future.

EuroAsia's land bank activities secure future profitability

Land bank lays base for growth: EA increased the land bank portfolio from 463,000sqm by the end of 2010 to 562,000 by the end of 2011. While this is about 100,000sqm less than initially predicted, it is of less risk and higher earnings potential. EA has simplified and streamlined its development activities and hence streamlined its land banking portfolio. In particular the bare land for luxury homes in Jiulongjian is an example of this strategy. With an appraised value of EUR30m, this property is set to create profits in excess of 80% of EA's current market capitalization.

Expanding EA's development expertise to new regions: EA will expand its ability to create profitable developments towards prime locations in other Tier 2 and Tier 3 cities. EA has identified such projects of near Shanghai (the largest development area in China) and other core Tier 1 cities. EA will continue to focus on developments with short turn-around periods, as demonstrated in 2011. The project will also shift EA's focus partly away from residential towards commercial.

EuroAsia is ahead of the curve: shift towards commercial developments

EA's shift towards commercial developments underpin the company's ability to act fast and react quickly to a changing economic environment. While the development of affordable residential assets has been supported heftily by the government - allowing EA to benefit from rising follow-up demand for high end apartments - China's authorities have shifted emphasis to growth and job creating manufacturing. This requires new and efficient premises. EA's experience to create such premises fast (see Agricultural Machinery Mart) put it into the forefront of developers to benefit from such moves.

Conservative earnings targets. EA maintains its POI target of at least 35%, which was set, when EA worked with equity - and pre-payments - exclusively. The new EUR20m credit facility allows it to boost business volumes and leverage returns to shareholders. Given the basic low-risk approach (government led activities) and the untypical short 'risk' period between the beginning of a development and the completion (= sale of the development, not the end of the construction period), the new business exclusively based on the cash on hand and the credit facility is nearly EUR38m, or 70% of EA's current market capitalization).

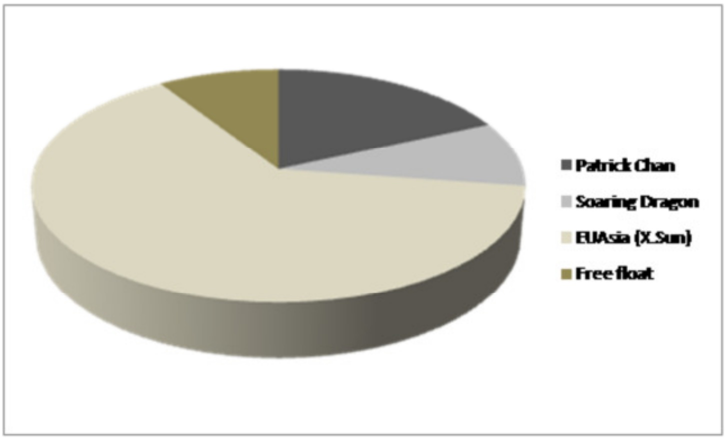
SILVIA QUANDT
RESEARCH GMBH

While uncertainty is rather low, the valuation of EA suggests high earnings volatility, which appears to be overly pessimistic. The business model implies instead strong earnings and the management is purely shareholder focused. This is, we believe, not priced in.

Shareholder Structure

The current free float is 9%. While the free float is comparably low, EA plans to change the listing segment, increasing the free float to at least 25%.

Chart: Shareholder structure



Source: Company reports

SILVIA QUANDT
RESEARCH GMBH

Company Business Model

EuroAsia is ahead of its peers. It identified commercial real estate development as a new target segment. In addition, it will move into other regions, but not diverting from its successful business model: the development of assets, which are either initiated, sponsored or supported by local governments. EuroAsia's understanding of local governments' needs allows it to create low risk, but successful developments fast and efficient in terms of working capital requirements and time. At the same time, it remains conservatively financed and almost debt free.

EuroAsia's (EA) business model is best described by looking at statements and announcements given in the past 12 months by the company. In essence, EA acquires land for development. Given the structure of the developer business, this investment is basically the only 'risk' investment by EA.

EuroAsia developments turnaround period is less than 24 months

1) EA acquires land at prime locations in third tier cities (until now: predominantly in the Weifang area) with concrete development plans in place. This acquisition process is a core characteristic of EA, reducing typical high development risks. Due to this acquisition procedure EA realizes unusual short time to market. This implies that the development risks are reduced further. EA aims to see completion periods of 12 - 18 months. It should be said that under EA's terms, a 'completion of a development' defines the period, in which EA develops the project and sells it to a third party. The actual 'completion' of the building/construction process might take longer, but would be no longer a risk factor for EA.

EuroAsia works with local governments, which secures fast occupation of developments

2) EA focuses on developments that are part of government development plans. In essence this means that the development area will be occupied, as local government plans provide sufficient occupation expectations. The path of full occupancy is clearly dependent on the overall speediness of the surrounding development. But - as mentioned above - this would not be seen as a risk factor for EA: the company would have sold the fully aligned development project - including pre-lettings - to the end investor well before the construction phase of a development project has ended.

3) EA is not dependent on the support and subsidies for local 'quasi - social' housing. The Chinese government is eager to boost the urbanisation of the Chinese population: by the end of 2011, more people lived in cities than on rural land for the 1st time in China's entire history. EA benefits from this trend, but not from demand for basic housing, which has recently be in focus of the media: here, home prices declined as the typical 1st time buyer simply waited to see the effects of the widely publicized 'home price reduction' efforts by the Chinese government and Central bank. EA, in contrast, focuses on commercial and high-end residential developments, which are not subsidized or face pricing issues.

EuroAsia is diversified, leading to secure and high ROI of >35%

4) EA simplified its business model to enhance flexibility to lift shareholders' value. In the initial phase, EA retained some of its development on the balance sheet in order to retain rental income. However, as a result EA's balance sheet was unduly inflated and the returns on the rental assets were significantly inferior to the returns on investment of at least 35% in EA's traditional development business. Hence, EA divested its rental assets.

5) EA diversifies its development projects. It aims not to devote more the RMB400m (EUR47m) to a single project. It should be noted that not all of this amount (which represents about 90% of EA's current market capitalisation) is being invested at once: instead, the initial land purchase represents the only 'true risk' investment for EA. Following steps are only taken, if a) a potential final investor is identified and/or b) pre-letting status reached >50% and/or c) a JV partner for the development project is brought in.

As a result of the above, EA's developer risk is substantially lower than that of its peers. In addition, EA has currently almost no debt on its balance sheet and about 30% of its market capitalisation in cash. EA is not affected by the house price development for standard housing, but benefits from a faster urbanisation trend also in Tier 3 cities, as higher income groups seek better housing. Finally, EA is an established commercial developer (hotels, machinery parks, logistics) - which is a growth driver for the Chinese economy.

EuroAsia: no 'fast exit risk', as EuroAsia's balance sheet is almost debt free

EuroAsia maintains the view that significant amounts of debt on the balance sheet of a developer forces them to engage into fast, less profitable disposals and too risky initial land purchases. Hence, it currently has no debt on its balance sheet and a RMB250m credit line facility (unused) with a local Weifang bank. Unlike its competitors, its debt-to-asset ratio is extremely low, significantly different to its peers.

We understand that almost the entire listed local Chinese peer group of developers (on the Shanghai Stock Exchange) had some RMB700bn (or EUR85bn) of development assets on their balance sheet, which were ready to be sold. The weakness of the market - or better: the intelligent understanding of house buyers that market prices for residential assets are set to decline a little further - by the end of Q3 2011. The increase on 'assets available for sale' was close to 40% year-on-year.

While this clearly shows that the price levels for residential assets was softening the problem on the developers' side emerges from the fact that they used mostly debt for the financing of the developments. We understand that a typical Chinese developer uses about 2/3 of debt in the development phase. Larger players tend to use even higher 'debt-to-asset' ratios than smaller ones as they have easier access to debt. EA uses almost no debt during the development phase. The credit line made available by a local bank would allow EA to boost its business volumes in the next years however. Until now, we expect no cash flow problems with EA, unlike the situation with other developers.

In fact, EA acted fast and disposed of 5 of its - mostly rental - assets in H2 2011, leading to a cash inflow of RMB140m (EUR17m). As such, EA's year-end balance sheet contains some development projects but mostly cash making EA one of the most conservative real estate investments in China.

EuroAsia: Taking advantage of the Chinese government shift to GDP growth

After fighting inflation for most of 2011, the new 5-year plan of the Chinese government re-shifts to growth. However, unlike the previous six 5-year plans the government focuses on domestic demand and the boost of domestic businesses.

The export dependency should decline. However, while most market participants assumed that exports contributed 60% to GDP growth a recent McKinsey study revealed that this figure would be more in the 19 - 33% bracket (2002 - 2008). The main reason is that about 45 - 50% the value of all finished goods exported had actually previously been imported. The focus of domestic demand and growth might therefore lead to a stable - maybe higher - net export contribution in the coming 5 years, as a higher local content is to be expected.

In addition, higher domestic demand requires more utilisation of the infrastructure, which had been built in the past 5 years, particularly since 2008. This implies more logistic, office and light industrial/wholesale trading facilities in major cities, but also in Tier2 and Tier3 cities.

EuroAsia has identified this shift early and has boosted its non-residential activities through the completion of the agricultural machine market in Weifang The search for new similar projects across China is clearly supported by the success of the Weifang project. In addition, EA shifted its residential development focus purely onto luxury development in unique areas. This shift takes advantage of the fast growth of above-average income persons which seek appropriate living conditions which are a scarcity in China currently.

SILVIA QUANDT
RESEARCH GMBH

2011 expectations and estimates

EuroAsia acted fast and sold assets worth RMB224m in 2011, leading to an EBITDA of RMB230m (preliminary results). We expect net profits of EUR5m on sales of EUR16.6m, i.e. representing an exit margin of 31%. The majority of the assets sold had a rental income margin of <8%. In addition, EA continues to build up its land bank: it increased by 100,000sqm to 561,770sqm. The appraised value - if engaged into development projects - of this land bank is - we believe - close to EUR80m, or 150% of EA's actual market capitalization.

Asset disposals in 2011

EA disposed of 5 projects and assets in 2011. These were no longer required for EA's forward strategy. In other words: EA exited the rental assets holding business and sold two residential developments in Weifang, the EuroAsia Apartment Building and the Qing Zhou Apartments development. In addition, it sold the Shengpaihua estate to SNI for RMB129m (EUR15.3m). Total disposals led to cash revenues of EUR16.1m. Following the disposals, EA is cash rich and should record net profits of around EUR5m

Development updates

1) Cloud Lake Hotel (appraised value EUR11.4m)

Cloud Lake project with potentially EUR15m pre-tax profit in 2012 (30% of current mkt cap)

EA's original plan was to sell the project for an expected ROI of 100%(!). The project is the development of a 5-star hotel, which is located at a lake approx. 30 minutes outside Weifang. the development size is 32,023sqm.
EA decided not to sell the asset at the current development stage, but use 35% of the cash receivable from the asset sales to further develop the project and complete also the construction work. The rationale behind this decision is the overall returns would be higher, i.e. the current EUR11.4m plus ROI on the additional investment of EUR6m. We assume that EA could end up with a gross profit of EUR15m within 2012. From the current projects Cloud Lake appears to be the one with the safest return outlook in 2012.

2) Cloud Lake Houses (20,000sqm bare land for luxury homes, expected value EUR9.4m)

Cloud Lake houses could bring in EUR1.1m pre-tax profit in 2012 and EUR3.4m in 2012.

EA changed the original plan to build 6 high rise buildings in the Cloud Lake Hotel vicinity to be used for high end apartments. Instead, EA realized the significant demand for luxury villas. In fact, such a development fits better to the 5-star hotel than high rise buildings. We assume that EA would use the land to build up to 25 luxury homes in phase 1, selling each for about EUR0.375m, or EUR9.4m in total. Based on the current business model EA should be able to receive some EUR4.5m in pre-tax profits, mostly in 2013. However, we expect some of the gains in 2012, as EA typically starts the development if 50% of assets are sold - in which case a certain pre-payment amount (25%) should be recorded, leaving a potential pre-tax profit of EUR1.1m as attributable to the current fiscal year. In our model, we have opted for full booking in 2013.

3) Agricultural Machinery Market 'AMM' (appraised value EUR9.6m for phase 1)

AMM with EUR3.4m pre-tax profit potential in 2012. AMM extension unlikely for this year.

EA is close to completing phase 1 of the AMM and will sell the project by the end of the year. After having received a down-payment of EUR1.1m in 2011, further payments have been received, in total EUR3.6m until the end of February 2012. Phase 1 with 159,999sqm should be sold for a total of EUR9.6m, implying an additional EUR6m in asset sales towards the end of the year. We expect EA to achieve a profit margin of 40%, i.e. adding EUR8.5m in cash this year (after EUR1.1m in 2011) and about EUR3.4m in pre-tax profits.

EA is negotiating with the government for the sale of an additional 333.333sqm for a price not higher than RMB175m (EUR63/sqm). This purchase would be funded by cash flow, suggesting a two-step purchase payment over 12 months. EA remains prudent and cautious, avoiding risky asset purchases. EA will only purchase the base land for an extension of the existing AMM if all of the phase 1 space is sold and fully occupied by machine producers as exhibition and sales space.

SILVIA QUANDT
RESEARCH GMBH

4) Luxury Jiulongjian Townhouses (appraised value EUR29.7m)

EUR43m pre-tax profit potential in 2013 - 2015. EA to start phase 2 only after completion of phase 1

This is the most valuable project in EA's current development pipeline. The company initially acquired 225,000sqm of bare land for the construction of townhouses. The value has been increased by EUR5.9m in 2012 as the result of EA having received initial building/planning permissions. EA will now carefully develop the project and provide initial plans, but the construction period is not expected to start before 2013. Finalization of this project's phase is therefore most likely early 2015.

EA aims to use the cash flow from project phase 1 to acquire additional 135,000sqm of bare land. EA will only decide to acquire the land if the demand is high and exceeds the supply of phase 1.

The overall project is potentially the most profitable project in EA's current pipeline, but not for 2012 or 2013 but thereafter. This indicates that EA is planning carefully but also throughout a significantly longer period than the typical life of a project (<18 months). This strategy allows investors to assess a multi period profit generation.

EA expects the total project to yield well in excess of 40% ROI, leading to a pre-tax profit of EUR43m for the entire (phase 1 + 2) project.

Pipeline value equals 88% of EuroAsia's market capitalization

Table: Pre-tax profit potential of EA's pipeline

€ m	2012e	2013e	2014e	2015e	cumulative
Project pre-tax					
Cloud Lake Hotel	15,00				15,00
Cloud Lake Houses		4,50			4,50
AMM phase 1	3,40				3,40
AMM phase 2		3,00	4,00		7,00
Luxury Townhouses phase 1		12,00	14,60		26,60
Luxury Townhouses phase 2			3,00	13,20	16,20
Total pre-tax profit of pipeline	**18,40**	**19,50**	**21,60**	**13,20**	**72,70**

Source: Euro Asia BVI, SQR estimates

On a cumulative net profit base, resulting from EA's pipeline, EuroAsia's shares trade at a P/E of 1.2x (!)

The table above illustrates EA's current pipeline potential: we assume that the pre-tax profit contribution could reach a cumulative amount of EUR73m, equal to 150% (!) of its current market capitalization. Applying a 15% discount rate to the expected cash flows (note: all sales of EA are cash sales) and applying a 25% tax rate, the present value of the net income of EA's pipeline is approx. EUR44m (88% of EA's current market capitalization).

Based on the strong pipeline and earnings potential, we regard EuroAsia as a very attractive value investment at current prices. Assuming a long term P/E ratio of 10x (implied equity yield 10%), EuroAsia's shares should be worth some EUR100m, equal to EUR9.10/share. This does not include the company's ability to source new projects and developments.

We believe that EuroAsia is able to realize this value and hence the value to its shareholders.

Financials

Profit and Loss Accounts

Yuan '1000	2009a	2010a	2011e	2012e	2013e
Profit&loss					
Sales revenues	**-**	72.000,0	224.000,0	432.500,0	579.994,8
Rental income	4.749,9	19.000,0	9.000,0	-	-
WIP	-	-	-	30.000,0	60.000,0
other revenues	-	288,1	-	-	-
Total revenues	**4.749,9**	**91.288,1**	**233.000,0**	**462.500,0**	**639.994,8**
rental costs (VAT)	807,4	6.830,0	3.235,3	-	-
cost of sales (book value of sales)	-	64.000,0	70.000,0	293.000,0	410.000,0
costs of development			25.000,0	35.000,0	50.000,0
other construction costs					
property management costs		3.000,0	3.000,0	3.000,0	3.000,0
personnel costs	1.319,4	1.044,0	1.252,8	1.503,4	1.804,0
other costs	3.607,0	1.193,4	1.491,7	1.864,6	2.330,8
Total costs	**5.733,8**	**76.067,4**	**103.979,8**	**334.368,0**	**467.134,8**
EBITDA	**- 983,9**	**15.220,7**	**129.020,2**	**128.132,0**	**172.860,0**
reported EBITDA					
depreciation on assets	-	2.745,0	1.423,8	1.427,3	273,0
amortisation on land rights	-	4.087,9	3.525,3	4.180,5	2.500,0
EBIT	**- 983,9**	**8.387,9**	**124.071,1**	**122.524,1**	**170.087,0**
non recurring items		3.508,3			
reported EBIT	***- 983,9***	***4.879,6***	***124.071,1***	***122.524,1***	***170.087,0***
interest income	-	-	-	-	-
interest costs	-	-	-	-	20.000,0
participation income					
other financials (net)	-	-	-	-	-
IFRS40 impairments	25.633,3	-	30.000,0	40.500,0	30.000,0
Pre-tax income	**24.649,4**	**4.879,6**	**154.071,1**	**163.024,1**	**180.087,0**
Tax rate	*25,0%*	*25,0%*	*25,0%*	*25,0%*	*25,0%*
taxes	-	1.219,9	38.517,8	40.756,0	45.021,7
-thereof cash taxes	-	1.219,9	38.517,8	40.756,0	45.021,7
other taxes	-	3.072,6	-	-	-
Net income	**24.649,4**	**587,1**	**115.553,3**	**122.268,1**	**135.065,2**
minorities	-	-	-	-	-
Attrib. Net income	**24.649,4**	**587,1**	**115.553,3**	**122.268,1**	**135.065,2**
shares outstanding (avg)	10.000,0	11.000,0	11.000,0	11.000,0	11.000,0
EPS (reported)	**2,46**	**0,05**	**10,50**	**11,12**	**12,28**
EPS (excl. IFRS gains)	**2,46**	**0,05**	**10,50**	**11,12**	**12,28**
EPS €	**-**	**-**	**0,88**	**0,93**	**1,02**
BVPS	**23,42**	**25,08**	**37,25**	**47,77**	**59,64**
NAVPS	**-**	**-**	**-**	**-**	**-**

Source: Euro Asia BVI, SQR estimates

Balance Sheet Accounts

Yuan '1000	2009a	2010a	2011e	2012e	2013e
Balance sheet					
Total assets	**269.895,4**	**295.493,3**	**513.407,8**	**695.870,6**	**930.448,3**
intangible assets	-	-	-	-	-
goodwill	-	-	-	-	-
long term real estate assets	100.670,0	52.155,0	52.283,8	10.000,0	10.000,0
long term lease land assets	163.330,0	141.012,0	167.221,0	100.000,0	75.000,0
fixed assets	-	-	-	-	-
other long term assets	-	-	-	-	-
Total long term assets	**264.000,0**	**193.167,0**	**219.504,8**	**110.000,0**	**85.000,0**
Assets available for sale	-	-	-	321.000,0	525.000,0
financial receivables	977,0	64.658,4	25.000,0	50.000,0	75.000,0
WIP	-	-	-	54.237,0	60.448,3
pre-payments for land rights	-	37.450,0	55.000,0	60.633,6	85.000,0
goods&services	-	-	-	-	-
tax assets	-	-	-	-	-
other assets	-	-	-	-	-
Total short term assets	**977,0**	**102.108,4**	**80.000,0**	**485.870,6**	**745.448,3**
Cash & equivalents	**4.918,4**	**217,9**	**213.903,0**	**100.000,0**	**100.000,0**
Total liabilities	**269.895,4**	**295.493,3**	**513.407,7**	**695.870,6**	**930.448,3**
base capital	10.000,0	11.000,0	11.000,0	11.000,0	11.000,0
capital reserves	205.000,0	245.461,8	245.461,8	245.461,8	245.461,8
earnings reserves	- 10,4	-	1,6	2,5	2,2
other equity	- 5.480,3	18.782,3	12.500,0	6.000,0	1.403,8
third parties	9,6	-	-	-	-
annual net profit	24.649,4	587,1	140.789,8	263.057,9	398.123,2
minorities	-	-	-	-	-
Total equity	**234.168,3**	**275.831,2**	**409.753,2**	**525.522,2**	**655.991,0**
deferred taxes	-	-	-	-	-
pension provisions	-	-	-	-	-
bank loans (long)	-	-	-	-	-
derivatives	-	-	-	-	-
other long term debt (non interest)	30.000,0	5.200,0	20.000,0	20.000,0	20.000,0
Total long term debt	**30.000,0**	**5.200,0**	**10.325,0**	**20.000,0**	**20.000,0**
other provisions (taxes, etc)	-	5.277,9	10.500,0	15.000,0	15.000,0
bank loans (short)	-	-	29.956,2	95.000,0	200.000,0
payments received	-	-	39.655,2	20.000,0	15.000,0
goods&services	5.727,1	2.354,2	3.218,1	10.348,3	14.457,3
tax liabilities	-	6.830,0	10.000,0	10.000,0	10.000,0
other short term liabilities	-	-	-	-	-
Total short term debt	**5.727,1**	**14.462,1**	**93.329,5**	**150.348,3**	**254.457,3**

Source: Euro Asia BVI, SQR estimates

Cash Flow Analysis

Yuan '1000	2009a	2010a	2011e	2012e	2013e
Cash flow					
EBIT	- 983,9	- 4.879,6	124.071,1	122.524,1	170.087,0
depreciation	-	6.832,8	4.949,1	5.607,9	2.773,0
IFRS valuation	25.643,7	-	-	-	-
Gains(-),Loss(+) from asst sale	-	- 8.000,0	- 154.000,0	- 139.500,0	- 169.994,8
Share program	-	-	-	-	-
Change in 3rd parties	-	-	-	-	-
Change in deferred tax liabilities	142,9	5.277,9	5.222,1	4.500,0	5.000,0
Change in deferred tax assets	-	-	-	-	-
Change in reserves	- 10,4		5.222,1	4.500,0	-
Increase(-),decrease(+) of other assets	5.609,1	- 101.131,4	22.108,4	- 30.633,6	- 49.366,4
Increase(-),decrease(+) of other liabilities	7.516,5	3.372,9	- 863,9	- 7.130,3	- 4.109,0
cash taxes	-	- 4.292,5	- 38.517,8	- 40.756,0	- 45.021,7
interest income	-	-	-	-	-
interest costs	-	-	-	-	- 20.000,0
other items			- 8.950,0	- 4.300,0	10.000,0
Operating CF	**37.917,9**	**- 102.819,9**	**- 40.758,8**	**- 85.187,9**	**- 100.631,9**
cash from asset sales	0,0	72.000,0	173.000,0	127.000,0	195.000,0
purchase of subsidiaries	-	-	-	-	-
capex	-	-	-	-	-
investments	- 264.000,0	-	-	-	-
interest payments	-	-	-	-	-
CF from investments	**- 264.000,0**	**72.000,0**	**173.000,0**	**127.000,0**	**195.000,0**
change in debt	30.000,0	5.200,0	78.867,4	57.018,9	104.109,0
Capital increase	200.000,0	42.510,7	2.048,9	2.048,9	2.048,9
own shares	-	- 0,0	-	-	-
CF from financing	**230.000,0**	**47.710,7**	**80.916,3**	**59.067,8**	**106.157,9**

Source: Euro Asia BVI, SQR estimates

Operating Financial Ratios

Yuan '1000	2009a	2010a	2011e	2012e	2013e
Balance sheet total	269.895,40	295.493,30	513.407,84	695.870,60	930.448,30
Equity	234.168,30	275.831,20	409.753,25	525.522,24	655.990,96
Equity % of BS	**87%**	**93%**	**80%**	**76%**	**71%**
Cash	4.918,40	217,90	213.903,00	100.000,00	100.000,00
restricted cash (pre-payments)	-	37.450,00	55.000,00	60.633,60	85.000,00
Total cash	4.918,40	37.667,90	268.903,00	160.633,60	185.000,00
Cash % of BS	**2%**	**13%**	**52%**	**23%**	**20%**

Source: Euro Asia BVI, SQR estimates

Disclaimer

1. General risk notice

Investments in securities generally involve high risks. A complete loss of the invested capital cannot be excluded with this investment form. Potential investors should be aware of the fact that the prices of securities can fall as well as rise and that income from security investments may partly be subject to considerable fluctuations. Hence, no warranties or guarantees can be given in respect of the future performance of the mentioned securities and the attainable yield of the investment.

2. Information according to section 34b German Securities Trade Act (WpHG) and according to the German Regulation concerning the Analysis of Financial Instruments (FinAnV):

2.1. Information about the publisher, responsible company, transmission of financial analyses:

Company responsible for the preparation and publication: Silvia Quandt Research GmbH, Grüneburgweg 18, 60322 Frankfurt / Main.

Sole holder of the shares of Silvia Quandt Research GmbH is Silvia Quandt & Cie. AG, Grüneburgweg 18, 60322 Frankfurt / Main.

Silvia Quandt & Cie. AG acts in Germany as an intermediary bound by contract according to section 2 subsection 10 German Banking Act (KWG) on behalf and for the account of biw Bank für Investments und Wertpapiere AG as far as it affects investment brokerage and contract brokerage as well as placement business according to section 1 subsection 1a sentence 2 No. 1, 1 c and No. 2 KWG. In case of the transmission of financial analyses by Silvia Quandt & Cie. AG within the scope of the aforementioned finance services, this activity is attributed to biw bank für Investments und Wertpapiere AG. biw bank für Investments und Wertpapiere AG is subject to supervision by the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Straße 108, D-53117 Bonn and Lurgiallee 12, D-60439 Frankfurt am Main.

Author of the present financial analysis: Ralf Groenemeyer, Head of Research

2.2. Sources of information and summary of the basis of valuation and the valuation methods applied during the preparation

2.2.1. Sources of information:

Essential sources of information for the preparation of this document are publications in interior and foreign media like information services (e.g., Reuters, VWD, Bloomberg, dpa-AFX, among others), business press (e.g., “Börsenzeitung” (financial paper), “Handelsblatt”, “Frankfurter Allgemeine Zeitung”, Financial Times, among others), specialized press, published statistics, rating agencies as well as publications of the analysed issuers.

All information refers to the date of the publication: [Date, time, refer to the date at the end of the disclaimer]

2.2.2. Summary of the basis of valuation and the valuation methods used during the preparation:

Within the scope of the evaluation of enterprises the following valuation methods are applied: multiplier models (stock exchange value / profit, stock exchange value / cash flow, stock exchange value / book value, Enterprise Value (EV) / turnover, EV / EBIT, EV / EBITA, EV / EBITDA), Peer Group comparisons, historic valuation methods, discounting models (DCF, DDM, EVA, RIM), Break-up-Value- and Sum-of-the-Parts-approaches, substance-valuation methods or a combination of different methods. The valuation models are dependent on economic parameters like interest rates, currencies, resources and on economic assumptions. Moreover, market moods influence the valuations of enterprises. Also, the approaches are based on expectations that may change rapidly and without advance warning according to developments specific for the respective branch. Therefore, the valuation results and fair values derived from the models may also change accordingly. The results of the evaluation basically refer to a period of 12 months. Nevertheless, they are also subjected to market conditions and constitute merely a snapshot. They may be reached faster or slower or may be scaled up or down.

Silvia Quandt Research GmbH uses a 3-stage absolute share rating system. The respective recommendations /classifications /ratings refer to a time frame of at least 6 to a maximum of 18 months and are connected with the following expectations:

BUY: The expected yield, based on the determined target price, incl. dividend payment within the respective suitable time frame amounts to > = + 10%.

NEUTRAL: The expected yield, based on the determined target price, incl. dividend payment within the suitable time frame amounts to between -10% and <+10%.

AVOID: The expected yield, based on the determined target price, incl. dividend payment within the suitable time frame amounts to <= - 10%.

2.3. Update

A specific update of the present analysis at a firm time has currently not yet been determined. The analysis and the opinions and assessments contained therein merely reflect the perspective taken at the date stated on the first page of the analysis. Silvia Quandt Research GmbH reserves the right to make an update of the analysis or the opinions and assessments contained therein without prior notice. The decision whether and when an update is made lies solely in the discretion of Silvia Quandt Research GmbH.

2.4. Information about possible conflicts of interest

According to section 34b WpHG and according to the FinAnV, among other things, when preparing a financial analysis an obligation exists to point out possible conflicts of interest in relation to the analysed finance instrument or the issuer.

2.4.1. Conflict of interests of Silvia Quandt Research GmbH

Possible conflicts of interest may be in existence with the employees of Silvia Quandt Research GmbH who have prepared the analysis/ with Silvia Quandt Research GmbH as the company responsible for the preparation or with its affiliated enterprises/ with other persons or enterprises who act for Silvia Quandt Research GmbH or its affiliated enterprises and who assist in the preparation of the analysis, respectively in relation to the following financial instruments or issuers mentioned in this analysis.

1. There is an essential shareholding (= holding > 5% of the share capital) between the aforementioned persons and/or enterprises and the issuer who or his financial instruments are the subject of the financial analysis.

2. The remuneration of the aforementioned persons and/or enterprises is dependent on investment banking transactions of their own enterprise or of enterprises affiliated with them within the scope of the activity as an intermediary bound by contract with biw bank für Investments und Wertpapiere AG.

3. In their trading portfolio the aforementioned persons and/or enterprises regularly hold financial instruments which or the issuer of which are subjected to the financial analysis.

4. The aforementioned persons and/or enterprises hold in respect of the financial instruments, which or the issuer of which are subjected to the financial analysis, a net short (short position) of at least 1 percent of the share capital of the issuer.

5. The aforementioned persons and/or enterprises supervise financial instruments, which or the issuer of which are subjected to the financial analysis, within the scope of an outsourcing arrangement with biw bank für Investments und Wertpapiere AG, in a market by placing purchase or selling orders (Market Making/Designated sponsoring).

6. The aforementioned persons and/or enterprises were involved within the preceding twelve months as an intermediary bound by contract with biw bank für Investments und Wertpapiere AG in the public offering of financial instruments, which or the issuer of which are subjected to the financial analysis.

7. The aforementioned persons and/or enterprises acted as an intermediary bound by contract with biw bank für Investments und Wertpapiere AG within the scope of the listing on the stock exchange of the issuer, who or whose financial instruments are subjected to the financial analysis, as an issuing bank or a selling agent.

8. The aforementioned persons and/or enterprises, within the preceding twelve months and towards the issuer, who or whose financial instruments are subjected to the financial analysis, were bound by an agreement about services in connection with investment banking transactions within the scope of a position as an intermediary bound by contract with biw bank für Investments und Wertpapiere AG or received in this period from such an agreement a benefit or a performance promise.

9. The aforementioned persons and/or enterprises, within the scope of the position as an intermediary bound by contract with biw bank für Investments und Wertpapiere AG, expect from the issuer, who or whose financial instruments are subjected to the financial analysis, during the next three months remunerations for services in connection with investment banking transactions or seek such remunerations.

10. The aforementioned persons and/or enterprises have concluded an agreement for the preparation of a financial analysis with the issuer, who or whose financial instruments are subjected to the financial analysis.

11. This financial analysis had been made accessible for the issuer, who or whose financial instruments are subjected to the financial analysis, before publication and was modified subsequently.

12. The aforementioned persons and/or members of the management board of the aforementioned enterprises hold seats on the board of directors or seats on the supervisory board with issuers, who or whose financial instruments are subjected to the financial analysis.

13. The aforementioned persons and/or enterprises have other important financial interests relating to the issuer, who or whose financial instruments are subjected to the financial analysis.

Silvia Quandt Research GmbH has adopted measures of precaution to prevent and avoid possible conflicts of interest in preparing and transmitting financial analyses as far as possible or to deal with such conflicts adequately. In particular, a Watch- and a Restricted list are maintained, and in-house information barriers (Chinese Walls) have been installed to block the access of employees who prepare financial analyses to any information which could give rise to conflicts of interest in relation to the issuers concerned. As far as a conflict of interests exists, it will be disclosed.

2.4.2. Conflicts of interest biw bank für Investments und Wertpapiere AG when transmitting the financial analysis

Possible conflicts of interests may be in existence with biw bank für Investments und Wertpapiere AG during the transmission of this financial analysis and with natural persons who act for biw bank für Investments und Wertpapiere AG and its affiliated enterprises, respectively in relation to the following financial instruments or issuers mentioned in this analysis.

1. There is an essential shareholding (= holding > 5% of the share capital) between the aforementioned persons and/or enterprises and the issuer who or his financial instruments are the subject of the financial analysis.

2. The remuneration of the aforementioned persons and/or enterprises is dependent on investment banking transactions of their own enterprise or of affiliated enterprises.

3. In their trading portfolio the aforementioned Persons and/or enterprises regularly hold financial instruments which or the issuer of which are subjected to the financial analysis.

4. The aforementioned persons and/or enterprises hold in respect of the financial instruments, which or the issuer of which are subjected to the financial analysis, a net short (short position) of at least 1 percent of the share capital of the issuer.

5. The aforementioned persons and/or enterprises supervise financial instruments, which or the issuer of which are subjected to the financial analysis, in a market by placing purchase or selling orders (Market Making/ Designated Sponsoring).

6. The aforementioned persons and/or enterprises were involved within the preceding twelve months in lead managing a consortium for in the public offering of financial instruments, which or the issuer of which are subjected to the financial analysis.

7. The aforementioned persons and/or enterprises acted as an issuing bank or a selling agent within the scope of the listing on the stock exchange of the issuer, who or whose financial instruments are subjected to the financial analysis.

8. The aforementioned persons and/or enterprises, within the preceding twelve months and towards the issuer, who or whose financial instruments are subjected to the financial analysis, were bound by an agreement about services in connection with investment banking transactions or received in this period from such an agreement a benefit or a performance promise.

9. The aforementioned persons and/or enterprises expect from the issuer, who or whose financial instruments are subjected to the financial analysis, during the next three months remunerations for services in connection with investment banking transactions or seek at such remunerations.

10. The aforementioned persons and/or enterprises have concluded an agreement for the preparation of a financial analysis with the issuer, who or whose financial instruments are subjected to the financial analysis.

11. This financial analysis had been made accessible for the issuer, who or whose financial instruments are subjected to the financial analysis, before publication and was modified subsequently.

12. The aforementioned persons and/or members of the management board of the aforementioned enterprises hold seats on the board of directors or seats on the supervisory board with issuers, who or whose financial instruments are subjected to the financial analysis.

13. The aforementioned persons and/or enterprises have other important financial interests relating to the issuer, who or whose financial instruments are subjected to the financial analysis.

biw Bank für Investments und Wertpapiere AG has adopted measures of precaution to prevent and avoid possible conflicts of interest during the preparation and transmission of financial analyses as far as possible or to deal with such conflicts adequately. In particular a Watch- and a Restricted list are maintained, and in-house information barriers (Chinese Walls) have been installed to block the access of employees who transmit financial analyses to any information which could give rise to conflicts of interest in relation to the issuers concerned. As far as a conflict of interests exists, it will be disclosed.

2.5. Quarterly overview according to section 5 subsection 4 No. 3 FinAnV

Silvia Quandt Research GmbH evaluates the circulation of its recommendations once in the quarter. The quarterly overview is visible on the internet under www.silviaquandt.de.

3. Disclaimer

This document was prepared by Silvia Quandt Research GmbH exclusively for purposes of information. It constitutes neither a contract nor any obligation.

This document is intended exclusively for the use by persons from their home country who are familiar with the purchase and sale of securities due to their occupation and, thus, who dispose of according knowledge. The duplication, transmission and circulation, in parts or as a whole, is permitted only after the prior written consent of Silvia Quandt Research GmbH has been granted. An illegitimate transmission to third parties is not permitted.

This document may not be distributed in Great Britain without the prior written consent of Silvia Quandt Research GmbH. In this case, solely persons are authorized to take delivery who have professional experience with investments in securities and fall within the scope of the provision of article 19 (5) of the financial services and markets act 2000 (financial promotion) order 2005 (the order) in the respectively relevant version; or persons who are subject to article 49 (2) (a) to (d) of the order. Any transmission or distribution to persons who are not subjected to this is not permitted.

This document or a copy of it may not be taken into or forwarded to Australia, Japan, Canada or the United States of America or directly or indirectly distributed in Australia, Japan, Canada or the United States of America or to any citizen of these countries. In no case this document may be forwarded or distributed to US-persons who are subjected to the United States Securities Act.

In other countries or to citizens of other countries the distribution of this document can also be limited by law. The addressee of this document has to inform himself about respective restrictions and observe these accordingly.

This document is not intended to be and may not be construed as a recommendation, an offer or a solicitation of an offer for the acquisition, the disposal or the subscription of any security or of any investment. It does in no case constitute an investment consulting and in no case serves as a purchase or sales recommendation. An investment decision may not be based on this document. Potential investors should individually consult with suitable persons prior to their investment decision. [Within the scope of the public offer [ ] a security prospectus was prepared which is available under []. Potential investors are advised to peruse this document before purchasing the securities.]

This document prepared by Silvia Quandt Research GmbH is based on information from sources (publicly accessible information at the date of the publication that may change nevertheless) which Silvia Quandt Research GmbH considered to be reliable, but are de facto not accessible to an independent verification. Despite careful assessment, Silvia Quandt Research GmbH does not give any guarantee and warranty for the completeness and accuracy of the prepared document and does not assume any liability for the completeness and accuracy; any responsibility and liability is excluded provided that on the part of Silvia Quandt Research GmbH deliberate intention or gross negligence does not exist.

All statements and opinions are exclusively such of Silvia Quandt Research GmbH or the author and can be modified without prior notice. Any mistakes in the document due to misapprehensions can be rectified by Silvia Quandt Research GmbH; in this respect Silvia Quandt Research GmbH cannot be held to account for damages incurred from these mistakes, unless the mistakes can be attributed to grossly negligent behavior of Silvia Quandt Research GmbH. Silvia Quandt Research GmbH does not assume any liability for pecuniary detriments, unless these are based on deliberate intention or gross negligence. With the acceptance of this document the reader or the user of this document agrees with the stated risk notice, the legal information and the disclaimer and agrees to be bound by the aforementioned terms as well as to make the information contained in this analysis exclusively accessible for entitled persons. The user of this document is obliged towards Silvia Quandt Research GmbH to compensate for all damages, claims, losses and disadvantages incurred as a result of or in connection with the unauthorized use of this document.

The preparation of this document is subject to German law. The legal venue for all disputes is Frankfurt am Main (Germany). Should a provision of this disclaimer be or become ineffective, the remaining provisions of this disclaimer remain unaffected thereof.

3.1. Issuer and notice according to section 4 subsection 4 No. 4 FinAnV about preceding publications during the last twelve months about the security or the issuer

Issuer of the analyzed finance instrument is EuroAsia

3.2. Date of the first publication and date and time of the price of financial instruments

Company	1st publication	Price €	Recommendation	Target €
Euro Asia Premier Real Estate	29.04.2011	8,29 €	Buy	9,25 €

3.3. Overview of our financial analyses of securities or issuers during the last twelve months

Company	Date of issue	Price at issue	Recommendation	Target price
Euro Asia Premier Real Estate	29.04.2011	8,29 €	Buy	9,25 €
Euro Asia Premier Real Estate	01.12.2012	5,46 €	Buy	9,25 €

SILVIA QUANDT
RESEARCH GMBH

3.4. Information about possible conflicts of interest

3.4.1. Conflict of interests of Silvia Quandt Research GmbH

2.4.1.1. Bet: >5%	2.4.1.2. Comp.	2.4.1.3. Trade	2.4.1.4. Short >1%	2.4.1.5. DS	2.4.1.6. ECM act.	2.4.1.7. IPO	2.4.1.8. Comp.Res.	2.4.1.9. Comp.ECM	2.4.1.10. Contract	2.4.1.11. Inform.	2.4.1.12. Mandate	2.4.1.13. Holding
								x				

3.4.2. Conflicts of interest biw bank für Investments und Wertpapiere AG when transmitting the financial analysis

2.4.2.1. Bet: >5%	2.4.2.2. Comp.	2.4.2.3. Trade	2.4.2.4. Short >1%	2.4.2.5. DS	2.4.2.6. ECM act.	2.4.2.7. IPO	2.4.2.8. Comp.Res.	2.4.2.9. Comp.ECM	2.4.2.10. Contract	2.4.2.11. Inform.	2.4.2.12. Mandate	2.4.2.13. Holding
		x		x	x			x				

3.5. Publication according to article 5 (4) no. 3 of the German Regulation concerning the analysis of financial instruments (Finanzanalyseverordnung):

Companies under coverage by Silvia Quandt Research GmbH	Total	% of total	Thereof recommendations for issuers to which investment banking services were provided during the preceding twelve months
Buy	94	59%	35
Neutral	56	35%	6
Avoid	10	6%	0

This document is not intended for use by persons resident in any jurisdiction that regulates access to such documents by applicable laws. Investment decisions must not be based on any statement in this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly. In case of uncertainty persons should not access and consider this document. This document is not intended for use by persons that are classified as US-persons under the United States Securities Act.

Frankfurt am Main, 28.03.2012

Silvia Quandt Research GmbH

Grüneburgweg 18
60322 Frankfurt

Tel: + 49 69 95 92 90 93 -0
Fax: + 49 69 95 92 90 93 – 11