



Asian Bamboo

2010 Interim
Report

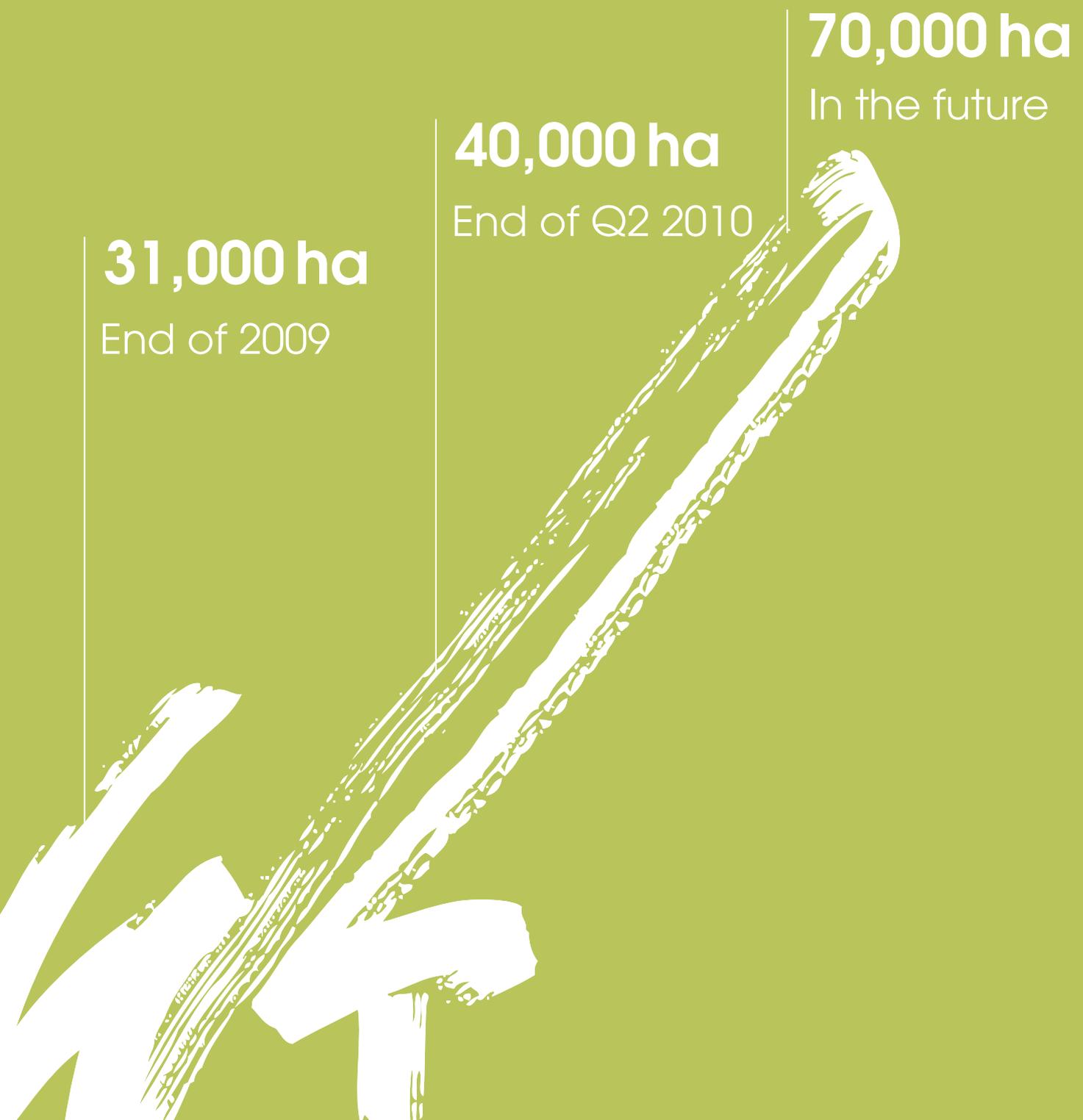
January until March



Introduction

In January and February we primarily sell winter shoots and in March the sales mix shifts towards spring shoots. This year, thanks to our partner companies, we have also sold many more bamboo trees than in previous years.

As a consequence of our faster than expected plantation lease execution, we expect to surpass our year end target of 40,000 ha in the first half of the year. Therefore, our focus will now shift to reaching our longer term goal of a total plantation size of at least 70,000 hectares (ha).



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Asian Bamboo at a glance

OPERATIONAL DATA

<i>In '000 EUR unless otherwise stated</i>	Q1 2010	Q1 2009	Change
Revenue	19,217	10,722	79%
Cost of sales	(8,891)	(3,325)	167%
Gross profit	10,326	7,397	40%
Gross profit margin	54%	69%	
Administrative expenses	2,564	886	189%
Finance net	1,043	3,721	-72%
Income tax	2	281	-99%
Profit for the period	8,709	10,282	-15%
Adjusted net profit*	8,709	10,282	-15%
Adjusted net profit margin*	45%	96%	
EPS (EUR) [†]	0.63	0.81	-22%
Adjusted net profit per share (EUR)* [†]	0.63	0.81	-22%

* Adjusted for changes in the fair value of biological assets and taxes thereon

† Computed on the basis of 13,895,100 shares for 2010 and 12,750,000 shares for 2009

OPERATIONAL DATA ADJUSTED FOR SALES OF PAPER, SAR COSTS AND CURRENCY EFFECTS

<i>In '000 EUR unless otherwise stated</i>	Q1 2010	Q1 2009	Change
Revenue ¹	16,942	10,722	58%
Cost of sales ²	(6,738)	(3,325)	103%
Gross profit	10,204	7,397	38%
Gross profit margin	60%	69%	
Administrative expenses ³	1,064	886	20%
Finance net ⁴	1,802	135	1,235%
Income tax	2	281	-99%
Profit for the period	10,846	6,696	62%
Adjusted net profit*	10,846	6,696	62%
Adjusted net profit margin*	64%	62%	
EPS (EUR) [†]	0.78	0.53	49%
Adjusted net profit per share (EUR)* [†]	0.78	0.53	49%

* Adjusted for changes in the fair value of biological assets and taxes thereon

† Computed on the basis of 13,895,100 shares for 2010 and 12,750,000 shares for 2009

¹ 2010 number excluding revenue generated from sales of paper products of kEUR 2,275

² 2010 number excluding cost of sales linked to the sales of paper products of kEUR 2,153

³ 2010 number excluding accrued costs for the SAR scheme of kEUR 1,500

⁴ 2010 number excluding a currency loss of kEUR 759 and 2009 number excluding a currency gain of kEUR 3,586

CASH FLOW

<i>In '000 EUR unless otherwise stated</i>	Q1 2010	Q1 2009	Change
Net cash generated from operating activities	14,553	10,089	44%
Cash flow used in investing activities	(17,481)	(16,444)	6%
Cash flow from financing activities	11,129	1,429	679%
Net increase/(decrease) in cash and cash equivalents	8,201	(4,925)	–
Cash and cash equivalents	37,026	17,071	117%

BALANCE SHEET AND OTHER SELECTED DATA

<i>In '000 EUR unless otherwise stated</i>	Q1 2010	31 December 2009	Change
Biological assets	147,545	128,007	15%
Long-term prepayments	57,132	49,929	14%
Cash and cash equivalents	37,026	29,143	27%
Total assets	255,942	222,084	15%
Deferred tax liabilities	15,411	14,419	7%
Total equity	223,647	201,131	11%
Total liabilities and equity	255,942	222,084	15%
Size of mature plantations (ha)	27,943	22,229	26%
Size of immature plantations (ha)	8,793	9,507	-8%
Total size of plantations (ha)	36,736	31,736	16%
Employees	651	816	-20%

CEO's letter to shareholders



'As a consequence of the significantly increased sales to our partner companies and the current inflationary environment in China, we adjust up our revenue guidance to more than EUR 80 million for the year and maintain the adjusted net profit margin of at least 45%.'

Lin Zuojun
CEO and Founder

Dear shareholders,

I am pleased to report that we have experienced an exceptionally strong start to the year. Excluding non-recurrent items, we recorded the following year-on-year performance in the first quarter:

- Revenue was up by EUR 6.2 million (58%) to EUR 16.9 million (2009: EUR 10.7 million)
- Adjusted net profit was up by EUR 4.15 million (62%) to EUR 10.8 million (2009: EUR 6.7 million)
- Adjusted net profit margin for the year was two percentage points higher at 64% (2009: 62%)
- Including the accrued costs for the Stock Appreciation Rights (SARs), but excluding other non-recurrent items, the adjusted net profit was up 40% at EUR 9.3 million and the adjusted net profit margin was 55%

Our cash balance increased compared to the end of 2009 by EUR 7.9 million to EUR 37 million. The biological assets and long term pre-payments increased a combined 15% to EUR 205 million during the same period.

The solid increase in revenue and adjusted net profit was the result of the additional income derived from a larger plantation size, increased sales to our partner companies and higher prices for fresh winter and spring shoots compared to a year ago.

The non-recurrent items in our Q1 accounts are:

- Sales of paper: We recorded EUR 2.3 million sales of paper as part of the revenue and EUR 2.2 million as cost of sales in Q1 2010

As part of our strategic co-operation agreement with Shaowu Zhongzhu ('Zhongzhu'), we are assisting Zhongzhu in distributing paper products produced at their mill. Beginning in Q2 we will book these sales in a newly incorporated company of which we will hold a minority stake, so future sales of paper products will not be recorded as part of our revenue. Therefore, we view this revenue as non-recurrent.

- SAR costs: In administrative expenses, there were SAR costs of EUR 1.5 million booked in Q1 2010

Due to the sharp increase in the Company's share price in the first quarter of the year, we have booked unrealised costs of EUR 1.5 million for SARs as part of our administrative expenses. The SARs are issued to certain key employees and are likely to be exercised this year. Future option schemes will be share settled rather than cash settled, therefore we view this cost as non-recurrent. In Q1 2009 the SARs did not carry any value.

- Currency effects: There were currency translation gains of EUR 3.6 million in Q1 2009 and currency translation losses, linked to our EUR deposits in Hong Kong, of EUR 0.7 million in Q1 2010

In Q1 2009, we booked a gain in finance income as a consequence of the appreciation of the RMB against the EUR, which contributed EUR 3.6 million to the bottom line. However, this gain was later reversed as we viewed the inter-company loan, extended by Asian Bamboo AG to Hong Kong XRX Bamboo Investment Co., Ltd., to be of similar character to a capital increase.

In Q1 2010 we held some EUR deposits in Hong Kong. As the EUR depreciated against the RMB during the period, we recorded a currency translation loss of around EUR 0.7 million.

Operational review

From an operational point of view, the first quarter of the year was a busy period. As part of our strategic direction of deepening our relationships with processing companies, we acquired a 40% stake in Xinlifeng on 13 January. Xinlifeng is a leading producer of bamboo plywood, which is primarily used for producing building templates. We expect to sell around 15% of our bamboo tree output in 2010 to Xinlifeng, which will take our total sales to our partner companies in 2010 to 35%. We expect Xinlifeng to record revenue and net profits of at least EUR 13 million and EUR 1.7 million, respectively, in 2010.

We further increased our total plantation size by leasing 5,000 ha of plantations in Longyan for a total of EUR 28 million on 1 February. In addition, we entered into an Investment Co-operation Framework Agreement ('the Agreement') with Longyan Municipal Government ('the Government') on 15 March. As part of the Agreement, the Government will assist

Development of bamboo plantation lease prices

RMB/ha



13 leases since the IPO

Highest price paid:	54,000 (Feb 2010)
Lowest price paid:	49,200 (Dec 2007)
Latest price paid:	53,700 (April 2010)
Average price paid:	52,327

Xinrixian to lease more than 10,000 hectares (ha) of additional Moso bamboo plantations in Longyan City. Furthermore, the Government will provide favourable policies and business conditions for Xinrixian to invest in processing factories both for bamboo trees and bamboo shoots. Following the completion of the leases in Longyan, the location will turn into our second largest plantation area after Shaowu. In light of the current inflationary trends for fresh bamboo shoots, and vegetables in general, it is encouraging to see that the lease prices of the recent plantation leases have been similar to that of previous leases (see chart above).

As for our bamboo shoot business, we plan to continue widening our geographical reach in China and further penetrate our established markets. In order to improve our sales to Japan, we are planning to create a JV with a Japanese partner which we believe will enhance our image in the Japanese market and strengthen our ability to control the distribution channels.

We were pleased to note that according to Forbes Magazine's yearly rankings which were released on 5 January, we were the 17th fastest growing company in China over the last three years.

Forbes assessed the performance of more than 8,000 listed and unlisted companies with a turnover of between RMB 5 million and RMB 1 billion based on three-year growth rates in revenue, net profit and return on assets.

Corporate and social responsibilities

Ever since we began operating, improving the standard of living among the farmers in the countryside has been one of our key objectives. In line with the growth of our operations, we have also widened and deepened our corporate and social responsibility activities. As part of this strategy, we launched the Xinrixian Village Development Fund ('The Fund') on 23 March. The Fund will financially support worthwhile projects in the regions where we operate, with the aim of improving living conditions and quality of life for farmers in the following key areas:

- Infrastructure projects
- Building and repairing schools
- General aid to underprivileged farmers who are unable to work



Outlook

In December last year, following a period of price stability, the Chinese consumer price index ('CPI') began to rise, driven in particular by food inflation. Furthermore, in Q1 2010, the Chinese economy recorded its strongest quarterly growth since the beginning of the financial crisis. We have seen the prices for fresh bamboo shoots increasing, year-on-year, by more than 5% on average, in line with food inflation, and we believe this trend will continue.

In 2010, on average for the year, we expect to harvest from 31,000 ha, which is a 39% increase compared to the end of last year (22,229 ha). We plan to lease a 1,700 ha plantation before the end of Q2, which means that we are set to achieve our year-end target, of a total plantation size of 40,000 ha, in the first half of the year. Longer term, it is our goal to reach a total plantation size of at least 70,000 ha and an annual revenue and adjusted net profit growth rate of at least 30%.

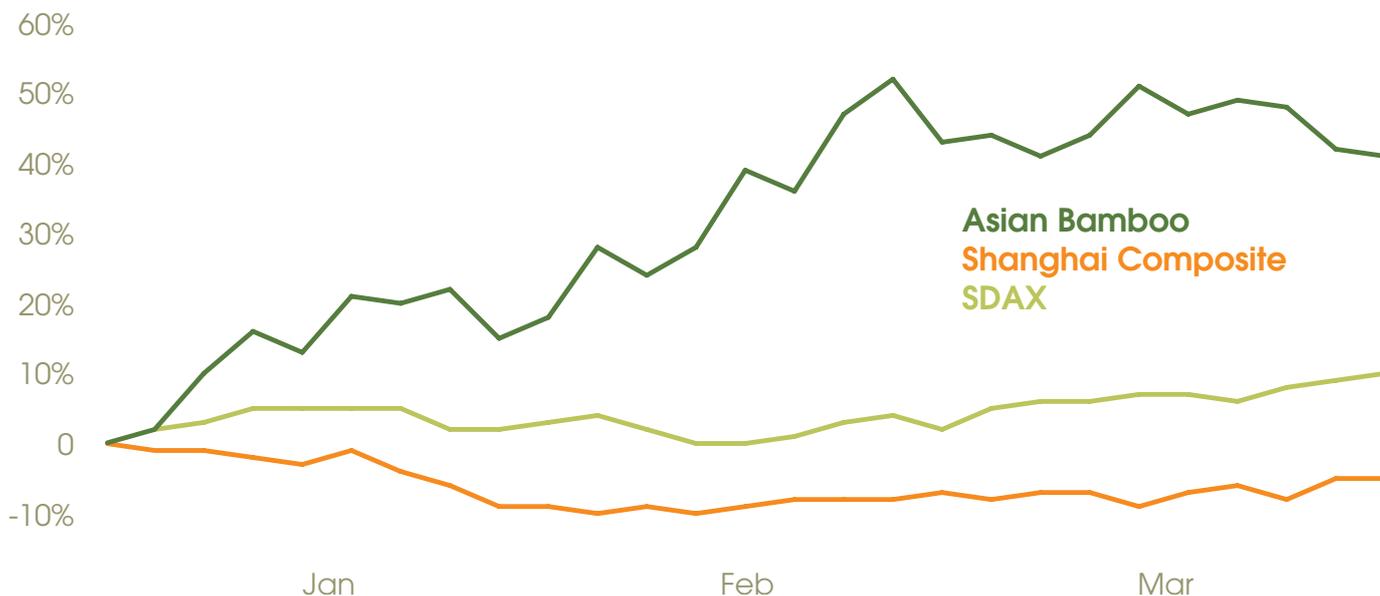
As a consequence of the significantly increased sales to our partner companies and the current inflationary environment in China, we adjust up our revenue guidance to more than EUR 80 million for the year and maintain the adjusted net profit margin of at least 45%.

Lin Zuojun
CEO and Founder

Asian Bamboo share price

Share price and relevant index comparison chart

Jan – Mar



The positive share price trend continued in the first quarter and there was a significant increase in trading volumes. In response to growing interest in our Company among US-based institutions, we launched ADR trading in our stock by appointing Deutsche Bank as the depository bank for our American Depositary Receipt ('ADR') trading programme in January. The details of the ADR programme are:

Type of ADR	Level I ADR
Ticket symbol	ASIBY
CUSIP	04520U106
ISIN	US04520U1060
Exchange	OTC
Ratio	1 ordinary share equals 2 ADRs
First trading day	20 January 2010

An ADR is a receipt that is issued by a depository bank representing ownership of a company's underlying ordinary shares. Trading in ADRs, as opposed to ordinary shares, permits investors to trade in US dollars in the US securities markets with US securities dealers. Dividends are also paid in US dollars. We believe that the launch of the ADR programme will further enhance liquidity in our stock.

In February, we participated in the HSBC Small/Mid Cap Socially Responsible Investment Conference in Frankfurt. Thereafter we conducted a road show in London for about a week.

Our shareholder structure has significantly improved, trading in our shares has increased and we are becoming increasingly well known and respected in the financial markets.

Macro economic outlook

In the first quarter, the Chinese economy grew at its fastest pace since the financial crisis began. The economic growth is primarily driven by growing domestic consumption. In addition there are inflationary trends in China, particularly for food items. We expect continued strong economic performance for the rest of the year. In the longer term, we believe that the Chinese economy will continue to do well based on the low cost of production and the high productivity of the workforce.

In line with the global trend towards use of sustainable materials, bamboo wood substituting other wood species, and an increase

in industrial activity, we expect the demand for bamboo trees to remain robust. We continue to see strong demand for our organically grown bamboo shoots as a result of the global organic food trend, higher public awareness of food quality issues, improved distribution and retail networks, better infrastructure and transportation and rising living standards in China. As a result of demand and supply imbalances, we see prices for our fresh products increasing in 2010.

Interim Group Management Report

The spring bamboo shoots emerge above ground in March and April. If not harvested, they grow into trees. In May, June and July the bamboo shoot grows up to one metre a day and by July every shoot has grown into a 20 metre high tree.



Our plantations

<i>In ha</i>	31 March 2010	31 December 2009	Change
Mature plantation size	27,943	22,229	26%
Immature plantation size	8,793	9,507	-8%
Total plantation size	36,736	31,736	16%

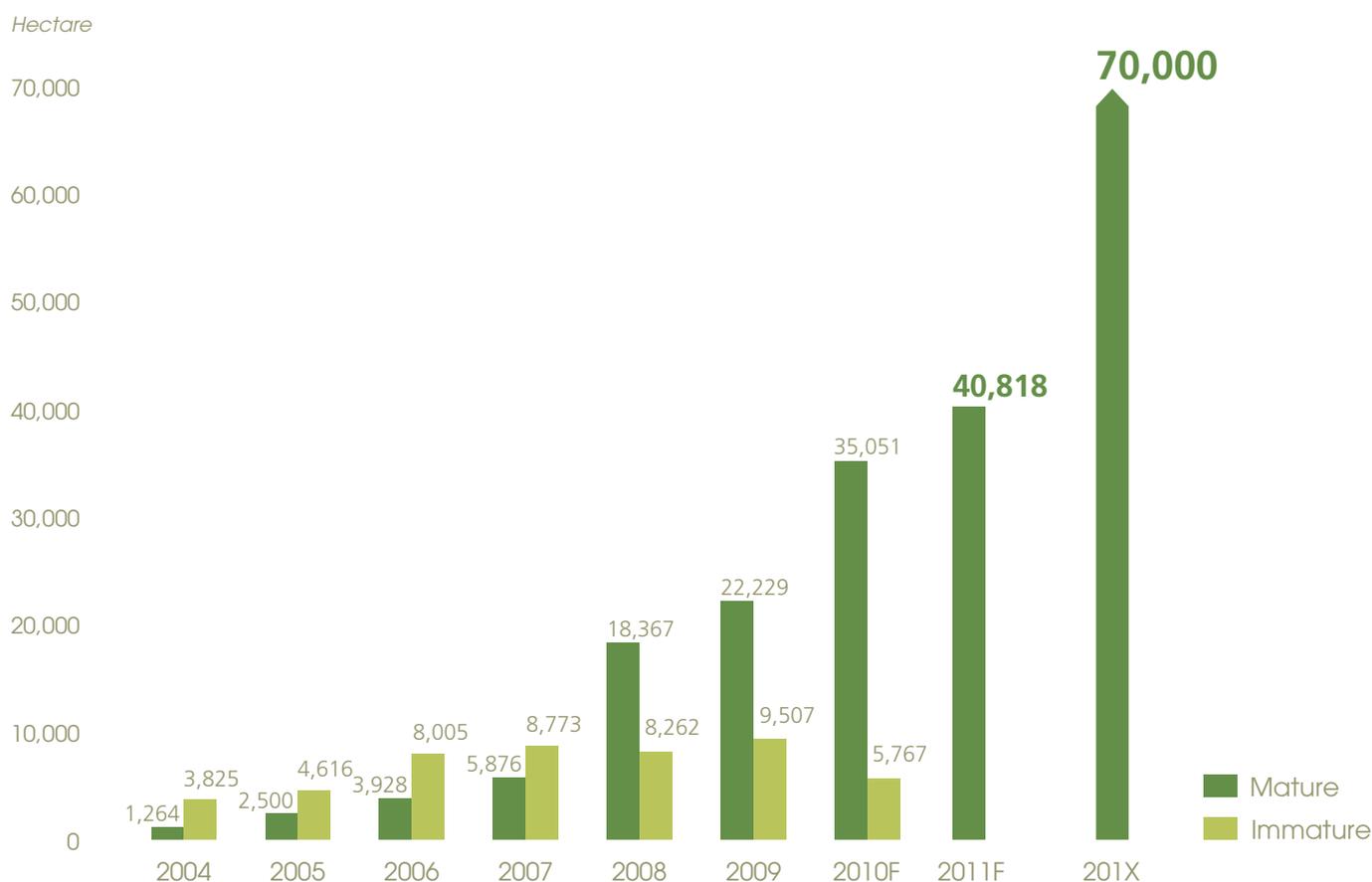
In Q1 we leased 5,000 ha of new mature plantations (Longyan), which took our total plantation size to 36,736 ha by the end of the quarter. Total payments for plantation leases amounted to EUR 15.2 million with the following breakdown; EUR 9.5 million for the Longyan leases (announced on 1 February 2010), EUR 5.2 million for the Shaowu lease (announced on 14 December 2009) and EUR 0.5 million for the Sanming lease (announced on 22 September 2009).

The previously immature plantations in Sanming (3,000 ha) and Guangze (2,715 ha) began generating output during the period and were consequently reclassified as mature, which means that the total size of our mature plantations increased by 5,715 ha (26%) to 27,943 ha. Later in the year, we expect the plantations in Shaowu (2,107 ha) and Longyan (5,000 ha) to start generating output which means that our total mature plantation size will increase to 35,051 ha by the end of the year.

<i>In ha</i>	Mature	Immature	Total
31 December 2009	22,229	9,507	31,736
31 December 2010F	35,051	5,767	40,818
31 December 2011F	40,818	TBC	TBC

We plan to complete one more plantation lease in Q2 of around 1,700 ha, which in combination with the 2,382 ha (Wuyishan) we leased on 26 April, means that we will surpass our year end target of 40,000 ha in the first half of the year. All of these plantations

will generate an output in 2011. Longer term, it is our goal to reach a total plantation size of at least 70,000 ha and we will present detailed plans on how this target will be reached as well as a revised year-end target later in the year.



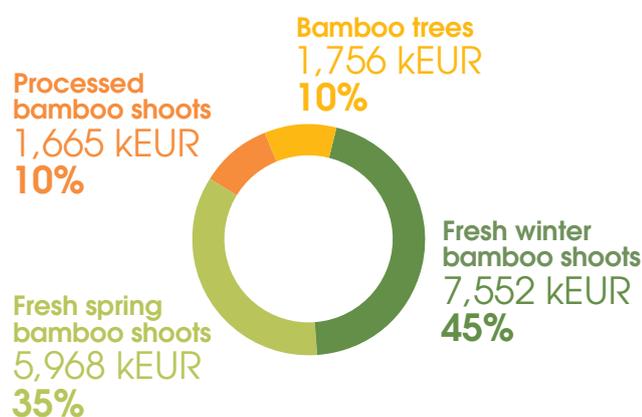
Revenue analysis

REVENUE BREAKDOWN

In '000 EUR	Q1 2010	Q1 2009	Change
Bamboo trees	1,756	162	984%
Fresh winter bamboo shoots	7,552	5,219	45%
Fresh spring bamboo shoots	5,968	3,897	53%
Processed bamboo shoots	1,665	1,444	15%
Paper	2,275	–	–
Total	19,217	10,722	79%

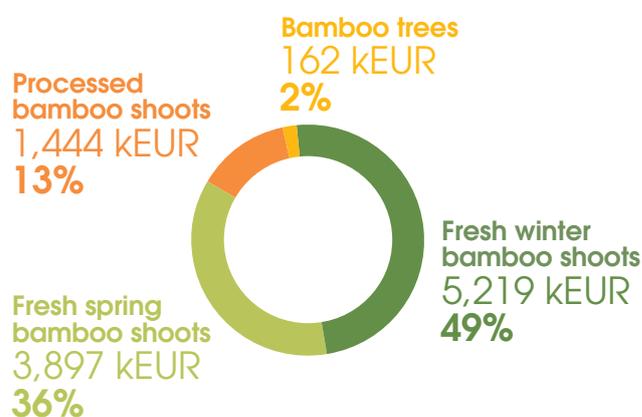
Revenue increased year-on-year by EUR 8.5 million (79%) to EUR 19.2 million (2009: EUR 10.7 million). Stripping out paper sales of EUR 2.3 million, revenue increased year-on-year by EUR 6.2 million (58%) to EUR 16.9 million (2009: EUR 10.7 million). Due to our industrial partnerships with Shaowu Zhongzhu and

Xinlifeng our sales of bamboo trees increased by 984%, making it the fastest growing product category. Fresh winter shoots and fresh spring shoots increased by 45% and 53%, respectively. In line with our focus on higher margin products, sales of processed bamboo shoots increased a relatively modest 15%.



Q1 2010

As part of the product mix, sales of fresh winter shoots and fresh spring shoots remained relatively stable at 45% (2009: 49%) and 35% (2009: 36%), respectively. In line with our focus on higher margin products, sales of processed bamboo shoots decreased



Q1 2009

as part of the product mix from 13% last year to 10% this year. As described above, sales of bamboo trees increased the most year-on-year and its part of the product mix went from 2% a year ago to 10% this year.

PROCESSED SHOOTS SALES BREAKDOWN IN TERMS OF CUSTOMERS

In '000 EUR	Q1 2010	Q1 2009	Change
Japan	1,147	784	46%
Domestic industrial buyers	19	14	36%
Domestic wholesale	463	639	-28%
Domestic supermarkets	36	7	414%
Total	1,665	1,444	15%

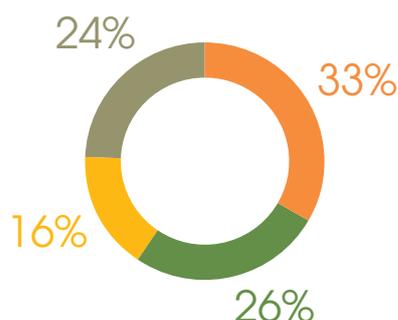
Although sales of processed bamboo shoots are declining in relative importance, we are still actively managing this part of our business. This year we put particular focus on developing sales of our own branded products through supermarkets and

to gain market share in Japan. The results in the first quarter are encouraging as sales to supermarkets and exports to Japan were the two sales channels which gained the most, increasing 414% and 46%, respectively.

Cost analysis

COST OF SALES BREAKDOWN

In '000 EUR	Q1 2010	Q1 2009	Change
Amortisation	2,978	1,246	139%
Harvesting costs	2,302	1,439	60%
Processing and other costs	1,458	640	128%
Paper	2,153	–	–
Total	8,891	3,325	167%



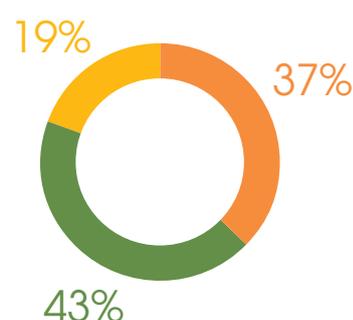
Note: The percentage numbers do not exactly add up to 100% due to rounding up effects

Q1 2010

Amortisation
Harvesting costs
Processing and other costs
Paper

Cost of sales increased year-on-year by EUR 5.6 million (167%) to EUR 8.9 million (2009: EUR 3.3 million). Stripping out the cost associated with paper sales, the cost of sales increased by 103% to EUR 6.7 million. The proportionally higher increase in cost of sales, compared to the increase in revenue, was mainly the result of the increase in amortisation costs as a result of the increase in long-term prepayments in Q1 2010 compared to Q1 2009.

In Q2-Q4 2009 we re-arranged old plantation leases from yearly payments to up-front payments, resulting in higher amortisation charges which are offset against interest income. In the coming



Note: The percentage numbers do not exactly add up to 100% due to rounding up effects

Q1 2009

Amortisation
Harvesting costs
Processing and other costs

quarters, the year-on-year comparisons of the gross margin will be more meaningful as the effect of the re-arranged leases will be the same. Excluding the amortisation impact of the re-arrangement of the old plantation leases, the gross margin in Q1 2010 was three percentage points higher year-on-year.

The per unit costs of our key cost items, such as plantation leases and harvesting cost, did not increase during the period. However, some costs associated with our processing operations, such as packaging material and energy costs, increased year-on-year.

Profit analysis

The adjusted net profit was EUR 8.7 million (2009: EUR 10.3 million) and the adjusted net profit margin was 45%. Due to the sharp increase in the value of the Company's shares, we booked an unrealised cost for Stock Appreciation Rights ('SARs', 'options'), issued to certain key employees, of EUR 1.5 million (2009: nil). Excluding this non-cash item, the adjusted net profit

for the period was EUR 9.3 million and the adjusted net profit margin was 53%.

Excluding all non-cash items both in Q1 2010 and in Q1 2009, the adjusted net profit in Q1 2010 was EUR 10.8 million, up 62% year-on-year (2009: EUR 6.7 million) and the adjusted net profit margin was up two percentage points at 64%.

Net worth and group financial position

NET WORTH

<i>In '000 EUR</i>	Q1 2010	31 December 2009	Change
Total assets	255,942	222,084	15%
Cash and cash equivalents	37,026	29,143	27%
Total equity	223,647	201,131	11%
Total liabilities	32,295	20,953	54%

Compared to the end of last year, total assets increased by around EUR 34 million (15%) to EUR 256 million (31 December 2009: EUR 222 million).

Cash and cash equivalents increased by EUR 7.9 million (27%) to EUR 37 million (31 December 2009: EUR 29.1 million).

During the period we generated an operating cash flow of EUR 14.6 million (2009: EUR 10.1 million), received the DEG loan of around EUR 11.1 million and invested around EUR 17.5 million (2009: EUR 16.4 million).

It is our view that the Company's financial position remains very healthy as we are net cash and have strong operating cash flows.

Investments

Total investments in Q1 amounted to EUR 17.5 million, of which EUR 15.2 million was invested in plantation leases, EUR 2 million was invested in Xinlifeng and EUR 0.3 million went to various fixed asset investments. Our total committed investment in Xinlifeng is EUR 3 million and we expect to pay the balance, EUR 1 million, in Q2 2010.

Employees

At the end of Q1 we had 651 employees (2009: 686). The number of employees will increase in Q2 as it is the peak season for processing bamboo shoots.

Risk management

There were no significant changes in opportunities and risks in the first quarter of the year.

For more information on the risks the Company is exposed to and the Company's risk management policy, please refer to the Risk Report section in the Company's annual report.

Outlook

Our integrated strategy remains unchanged and for a deeper analysis of our operating environment and strategic direction, please refer to the Group Management Report on pages 28-43 in our annual report. In summary, our growth strategy consists of the following key elements:

- Increasing the size of our mature plantations
- Deepening our involvement in the value added industries through investments or strategic partnerships
- Brand building and expansion of distribution channels
- Maximising our product mix

As our partner companies Shaowu Zhongzhu and Xinlifeng will purchase a large part of our output, we see the potential for price increases.

Furthermore, we are expanding our distribution network for fresh and processed organic bamboo shoots within China to reap the benefits of the continued rise in living standards. We are consistently expanding our distribution channels, including wholesale markets, supermarkets, fresh markets and export markets.

In order to reverse the negative trend of our sales to Japan, we are planning to enter into a JV with a Japanese trading company so that our processed bamboo shoots will be packaged in Japan. We believe that the JV will also enable us to better control the Japanese distribution channels. In addition, we will continue to seek partnerships with processing companies which use bamboo trees as an input material.

As a result of an increase in the total size of mature plantations by around 9,000 ha (40%) over the year compared to 2009, a continued increase in demand for the Company's bamboo trees and bamboo shoots and slightly higher product prices, we expect to achieve revenue of more than EUR 80 million and an adjusted net profit margin of at least 45% in 2010. We expect to increase the mature plantation size by at least 9,000 ha in 2011 compared to 2010, which we expect will lead to a correlated increase in revenue and adjusted net profit. Longer term it is our goal to reach a total plantation size of at least 70,000 ha.

Interim Consolidated Financial Statements and Notes



Consolidated balance sheet

for the quarter ending 31 March 2010

	31 Mar 2010 kEUR	31 Dec 2009 kEUR
ASSETS		
Non-current assets		
Property, plant and equipment	3,721	3,508
Land use rights	335	315
Investments	2,000	–
Biological assets	147,545	128,007
Long-term prepayments	57,132	49,929
Deposits for leaseholds	1,545	1,445
Deferred taxes	1,623	1,852
	213,901	185,056
Current assets		
Inventories	2,884	1,741
Trade receivables	1,146	1,841
Other receivables and prepayments	986	4,303
Cash and cash equivalents	37,026	29,143
	42,042	37,028
Total assets	255,942	222,084
EQUITY AND LIABILITIES		
Share capital	14,025	14,025
Capital reserves	91,608	91,608
Statutory reserves	5,415	5,414
Own shares	(1,558)	(1,558)
Retained earnings	96,311	87,603
Foreign exchange difference	17,845	4,039
Total equity	223,647	201,131
Non-current liabilities		
Deferred tax liabilities	15,411	14,419
Current liabilities		
Bank loan	11,129	–
Trade payables	2,176	1,778
Other payables, accruals and provisions	3,579	4,377
Income tax payables	–	379
Total liabilities	32,295	20,953
Total liabilities and equity	255,942	222,084

Consolidated statement of income and expenses

for the period from 1 January to 31 March 2010

	Q1 2010 kEUR	Q1 2009 kEUR
Revenue	19,217	10,722
Cost of sales	(8,891)	(3,325)
Gross Profit	10,326	7,397
Other operating income	85	1
Selling and distribution expenses	(28)	(36)
Administrative expenses	(2,564)	(886)
Other operating expenses	(155)	(196)
Profit from operations	7,664	6,280
Finance income	1,933	3,729
Finance costs	(890)	(8)
Profit before income tax	8,707	10,001
Income tax	2	281
Profit for the period	8,709	10,282
Earnings per share [†]	0.63	0.81

[†] Computed on the basis of 13,895,100 shares for 2010 and 12,750,000 shares for 2009

Statement of comprehensive income

for the period from 1 January to 31 March 2010

	Q1 2010 kEUR	Q1 2009 kEUR
Profit after tax	8,709	10,282
Foreign currency translation/changes in value recognised directly in equity	13,806	1,620
Earnings after taxes and changes in value recognised in equity	22,515	11,902

Consolidated statement of cash flow

for the period from 1 January to 31 March 2010

	Q1 2010 kEUR	Q1 2009 kEUR
Profit before income tax	8,707	10,001
Adjustments for:		
Amortisation of intangible assets	2	2
Depreciation of property, plant and equipment	98	66
Depreciation of long-term prepayments	177	–
Depreciation of biological assets	903	1,246
Gain/loss on disposal of property, plant and equipment	–	(5)
Accrual stock appreciation rights	1,500	–
Interest income	(36)	(143)
Interest expense	130	7
Operating cash flows before working capital changes	11,482	11,174
Working capital changes:		
(Increase)/decrease in:		
Inventories	(996)	(1,339)
Trade receivables	801	(204)
Other receivables and prepayments	3,518	(557)
Deposits for leasehold	–	(19)
Increase/(decrease) in:		
Trade payables	268	1,359
Other payables and accruals	(29)	(327)
Cash generated from/(used in) operations	15,043	10,087
Interest received	36	143
Interest expense	(130)	(7)
Income tax paid	(395)	(134)
Net cash generated from operating activities	14,553	10,089
Cash flow from investing activities		
Purchase of biological assets/long-term prepayments	(15,169)	(16,414)
Purchase of property, plant and equipment	(312)	(30)
Increase of long-term investment	(2,000)	–
Cash flow used in investing activities	(17,481)	(16,444)
Cash flow from financing activities		
Bank loan	11,129	1,429
Cash flow from financing activities	11,129	1,429
Net increase in cash and cash equivalents	8,201	(4,925)
Cash at beginning of year	29,143	25,481
Foreign exchange difference	(1,216)	(3,485)
Cash at end of period	36,128	17,071
Cash deposits	898	–
Cash equivalents at end of period	37,026	17,071

Consolidated statement of changes in equity

for the period from 1 January to 31 March 2010

	Share capital kEUR	Capital reserves kEUR	Statutory reserves kEUR	Reserves for own shares kEUR	Retained earnings kEUR	Foreign exchange difference kEUR	Total equity kEUR
Balance at 1 January 2010	14,025	91,608	5,414	(1,558)	87,603	4,039	201,131
Net profit for the period	–	–	–	–	8,709	–	8,709
Foreign currency translation reserve	–	–	–	–	–	13,806	13,806
Balance at 31 March 2010	14,025	91,608	5,414	(1,558)	96,312	17,845	223,646

Notes

for the period from 1 January to 31 March 2010

GENERAL

The interim consolidated financial statements for the period 1 January to 31 March 2010 comprise all subsidiaries of Asian Bamboo AG. These subsidiaries are located in China (PRC) except for the interim holding companies, Hong Kong XRX Bamboo Investment Co., Ltd. and Asian Bamboo Industrial (Hong Kong) Co., Ltd. which are both incorporated in Hong Kong.

BASIS OF PREPARATION

The interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as of the balance sheet date, and the additional requirements of German commercial law pursuant to sec. 315a (1) HGB ('Handelsgesetzbuch'; German Commercial Law Code). The interim consolidated financial statements comply with IFRS.

The preparation of financial statements in conformity with IFRS requires management to exercise judgment in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions. The main areas in which estimates are used are the fair value of biological assets and deferred tax liabilities. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The financial statements are significantly affected by the valuation of biological assets and related long-term pre-payments which account for approximately 80% of total assets.

With regard to the preparation of the interim consolidated financial statements in accordance with IAS 34 'Interim Financial Reporting', the Management Board is required to make estimates and judgments which influence the application of accounting policies within the Company and the reporting of assets and liabilities as well as income and expenses. Actual amounts can differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the interim consolidated financial statements generally correspond to the methods applied by Asian Bamboo AG in its consolidated financial statements for the year ending 31 December 2009. For further details, reference is made to these consolidated financial statements, which can be found in the notes of the Company's annual report at www.asian-bamboo.de.

Income that may have been recorded during the reporting period for seasonal reasons, due to cyclical developments, or only occasionally, is not cut off in the interim consolidated financial statements. Expenses that are incurred irregularly during the reporting period have been cut off in those cases where they would also be cut off at year end.

We did not conduct any evaluation of the biological assets during the period.

FUNCTIONAL AND PRESENTATION CURRENCY

The presentation currency is EUR. The Management Board has determined the currency of the primary economic environment in which the Group operates to be Renminbi ('RMB'). The following exchange rates from RMB to EUR have been applied:

<i>exchange rates from RMB to EUR</i>	Q1 2010 RMB/EUR	FY 2009 RMB/EUR	Q1 2009 RMB/EUR
End of period	9.2006	9.835	9.0942
Average during period	9.4507	9.5277	8.9210

OTHER

A tax rate of 25% is being used for the calculation of deferred tax on gains in the fair value less estimated point-of-sale costs of biological assets.

Hamburg, Germany, 12 May 2010

On behalf of the management



Lin Zuojun
Chairman



Jiang Haiyan
COO



Peter Sjovall
CFO

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the interim group management report includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, Germany, 12 May 2010

On behalf of the management



Lin Zuojun
Chairman



Jiang Haiyan
COO



Peter Sjovall
CFO

Financial calendar 2010

24 May – 04 June

Road show in Asia and Europe

07 June

AGM

12 August

Publication of Q2 2010 report

12 November

Publication of Q3 2010 report

22-24 November

Participation in the German Equity Forum (Deutsches Eigenkapital Forum)

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