

Corporate governance declaration

The Management Board and Supervisory Board dealt with the issues of corporate governance and, in particular, the provisions of the German Corporate Governance Code ('the Codex'). In accordance with § 161 of the German Stock Corporation Act, the Management Board and Supervisory Board jointly issued the yearly Corporate Governance Declaration on 18 March 2012. The declaration was immediately and permanently made available on Asian Bamboo's website at www.asian-bamboo.com. Apart from the deviations mentioned below, the Company complied with all the recommendations of the Codex as amended on 26 May 2010 in the fiscal year 2011 and will comply with them in the future.

- Section 2.3.1 paragraph 3 and section 2.3.3 sentence 2 mention the option of arranging for an absentee ballot ('postal voting system') without explicitly recommending that. The Company believes that implementing a postal voting system would create considerable practical and legal problems. The Management Board therefore decided, as it did for the AGM in 2011, not to implement a postal voting system for the 2012 AGM. The Management Board is therefore not using the authorisation under § 23 paragraph 6 of the articles of association, which authorises a postal voting system. Shareholders still have the option of arranging proxy voting by electronic means.
- According to 5.4.1 paragraph 2, regarding appointments to the Supervisory Board, concrete objectives shall be taken into account for dealing with the composition of the board in terms of age, international experience, potential conflicts of interest and diversity. In particular, these targets should provide an equitable representation of women. The Supervisory Board has decided on 18 March 2012 that the majority of the Supervisory Board members should be independent and that the Board should also have members with significant international experience, which already has been the case in the Company. In addition, the Supervisory Board on 18 March 2012 decided that board members should not be more than 72 years of age. The Supervisory Board agrees in principle with an adequate representation of women on the board. The Company reserves the right, however, at the next regular board elections in 2014 to again propose the current Supervisory Board members for another term as they possess the relevant knowledge and experience needed by the Company. However, from the term after the next term, the company intends to appoint a female member to the Supervisory Board. The Supervisory Board therefore plans to search for adequately qualified women to be included in the selection process and to be proposed for election by the shareholders.
- Sections 5.1.2 para. 2 sentence 3 and section 5.4.1 paragraph 2 of the Codex recommend to stipulate age limits for the members of the Management Board and the Supervisory Board. In the fiscal year 2011, the by-laws and the statutes of the Company did not provide for such age limits, the reason being that in the Company's view the appointment or election as a board member should primarily be based on professional skills. In the Supervisory Board's resolution on the goals for the composition of the governing bodies, the Supervisory Board has – in view of the aforementioned recommendations – introduced a general age limit for the members of the Management Board and the Supervisory Board, so that since 18 March 2012 the Company also complies with the recommendations of section 5.1.2 para. 2 sentence 3 and section 5.4.1 para. 2 of the Codex.
- Section 5.4.6 para. 2 of the Codex recommends to provide for a variable remuneration component for the members of the Supervisory Board. Until 17 June 2011, the Company's Supervisory Board members only received a fixed remuneration and no performance related remuneration, the reason being that in view of the Company a fixed remuneration better serves the task and particularly the independence of the Supervisory Board members. In view of the recommendation of Section 5.4.6 para. 2 of the Codex, however, the annual general meeting of the Company held on 17 June 2011 introduced a variable remuneration for the members of the Supervisory Board, so that the Company from that date on also complies with the recommendation of section 5.4.6 para. 2 of the Codex.

Hamburg, Germany March 2012

Asian Bamboo AG

The Supervisory Board
The Management Board