Corporate Governance declaration

The Management Board and the Supervisory Board dealt with issues of corporate governance and in particular the provisions of the German Corporate Governance Code ('the Code'). On 23 March 2010 they jointly issued a corporate governance declaration ('the declaration') for the fiscal year 2009 pursuant to § 161 of the German Stock Corporation Act (AktG). The declaration was made public on Asian Bamboo's website at www.asian-bamboo.com. On 4 December 2010 the declaration was updated. On 18 March 2011, the declaration for FY 2010 was adopted without additional changes. Except for the following deviations, the company complied with all the recommendations of the Code as amended on 18 June 2009 and 26 May 2010:

Section 2.3.1 (3) and Section 2.3.3 (2) are dealing with absentee voting procedure by mail, without explicitly recommending to provide for such absentee voting procedure. In the Company's view, there are still various practical and legal problems involved with absentee voting by mail. In view of the general shareholders' meeting 2011, the Management Board has, therefore, decided not to exercise its authorization as granted under Section 23 para. 6 of the Articles to permit absentee voting by mail. However, shareholders continue being entitled to electronically grant proxies to proxy representatives nominated by the Company.

The variable monetary compensation for members of the Management Board does not provide for a cap for extraordinary unforeseen developments. To this extent, the Company deviates from section 4.2.3 paragraph 3, sentence 4.

The variable compensation as part of the Management Board members' remuneration is based upon a sustainable business development; therefore the Company does not view a cap as either practicable or necessary.

The Company has not introduced an age limit for the members of the Management Board and the Supervisory Board and therefore deviates from the recommendation in Clause 5.1.2 paragraph 2, sentence 3 and clause 5.4.1, sentence 2.

As the Supervisory Board only consists of three members and therefore does not have any committees, the recommendations of Clause 5.2 paragraph 2 and Clause 5.3 do not apply. The Company deviates from the recommendation in section 5.4.6 paragraph 2, sentence 1, as the Company's Supervisory Board members only receive a fixed remuneration and no performance related remuneration.

The Company believes that the function, and in particular the independence of the members of the Supervisory Board, is best protected by the current remuneration structure.

Asian Bamboo AG

Hamburg, Germany 2 May 2011

The Supervisory Board

The Management Board